

David Hallauer  
District Extension Agent, Crops & Soils

### **Transition Planning: Step Ten – Developing a Business Plan**

It's to be expected that the steps required to complete a successful farm transition plan will become more difficult the deeper into the process we get. Step 10 – Developing a Business Plan – confirms the increasing difficulty. Has anyone ever really *enjoyed* writing a business plan?

What even *is* a business plan? Part of what makes business plan development difficult is the multitude of things it should include. The previous steps asking you to develop a vision or a mission statement or confirming the financial aspects of the business are viable should all in some way be included in a business plan as well. In short, it's *the* comprehensive farm plan.

We typically have a 'plan' somewhere. It's often in our head and changed from time to time as issues arise even if it often keeps moving in the same general direction as when we started. Still, whether you are a business looking to expand or one in transition, the business plan can become an important communication tool for sharing information with everyone from family members and employees to lenders, investors, and partners. It's a framework to graphically show the direction you're headed – and how you intend to get there. A well thought out and explained plan can satisfy investors, encourage employees, and provide stability – even in chaos. A poorly designed plan can ruin the confidence of external and internal partners alike.

Need help getting started? There are many tools available, but the University of Minnesota's *AgPlan* is one to consider. It includes a list of items to include and provides examples as well: <https://agplan.umn.edu/> (sign up required). Oklahoma State also has some excellent information (<https://extension.okstate.edu/programs/farm-management-and-finance/e-farm-management-training/developing-a-farm-business-plan/>) including a video explanation of the aforementioned *AgPlan* program. It's a great way to get started thinking about how to get the plan in motion.

Yes: the work is getting a little harder – but just two more steps to go. The business plan requires some effort, so be intentional about setting time aside to do so. It can be a chore, but it's a chore vital to the long-term stability of your ag business and of a successful transition as well.