Writing Business Plans: Agriculture/Food-Related Enterprises

AEC 475 (2 credits)
Winter Quarter 2017

Syllabus

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Office hours: Wednesdays: 2 pm – 3:30 pm and by appointment.

Time & location: Wednesdays: 4 pm – 5:50 pm

Course Description: Students choose an enterprise and write a comprehensive business plan that describes the business vision, marketing plan, financial projections, risk management and implementation strategy. At the end of term selected students present their plan to a commercial lender.

Overview: This is a “hands-on” upper division course for all majors designed to teach the skill of creating a comprehensive business plan for a specific idea of the student’s choice. There are no exams. The measure of performance, in addition to the oral presentation and written business plan, is the student’s engagement in exploring the most effective way in which to describe a business so as to enable others (e.g., business partners, employees, other family members, suppliers, lenders, investors, etc.) to clearly understand:

- the driving business idea (why do it, what is the value proposition?)
- the goal of the business (what will be produced/provided?)
- the capacity of the management (who will be providing leadership?)
- the strategy for achieving this goal (how will a competitive advantage be created?)
- the financial needs, existing resources & projections;
- the reasons the plan is expected to succeed (risk management & contingency plans.)

Prerequisites: There are no specific course prerequisites. While this course is within the Department of Applied Economics, one does not have to have completed any other applied economics courses. Students who already have a basic understanding of management, marketing and/or financial reporting and analysis will find this knowledge to be very useful in writing the business plan, but the core principles can be learned as needed during the process of developing the plan. Similarly, it will be useful to already understand the
production process of the business of interest. Again however, one can learn the relevant practices as one develops the business plan.

In short, the more experience and knowledge of applied economics and/or relevant production practices acquired to-date, the better. The course is designed to enable an upper-division student from any major to formulate an entrepreneurial idea in terms of an effective business plan.

**Recommended:** AEC 211 and AEC 221

**Goal:** The goal of the course is to enable students to write and present an effective business plan for a farming/ranching operation or any other agricultural, rural or food-related enterprise or business.

**Objectives:** Students who complete the course successfully will be able:
1. to understand the basic concepts of strategic planning & management;
2. to appreciate the economic importance and benefits of long-term planning for managing & operating a sustainable ag-related business;
3. to use AgPlan, the Univ. of Minn. online business planning software;
4. to write a professional, comprehensive business plan, including the financial projections, to describe a business of one’s own or of a client;
5. to make an oral presentation of the completed business plan to a lender or a potential investor in order to obtain adequate financing.

**Approach:** This course takes a “small business” strategy approach as opposed to the corporate strategic planning orientation more commonly used in business schools. Planning concepts are clearly focused but have a broad range of applications, from large North American commercial farming/ranching operations to start-up food processing enterprises (e.g., cheese-making, brewing, etc.) to small, semi-subsistence farms in developing countries. Examples to illustrate the business planning concepts introduced during class discussion will come from a world-wide spectrum of situations. Our approach is that writing a business plan is an exploratory process often revealing business insights that would not otherwise be discovered. Class size is strictly limited to allow sufficient time for one-on-one help.

About 5 students will be selected to present their business plans on the last day of class to a professional banker. Students have said this simulation of applying for an agricultural business loan and receiving honest, practical, constructive feedback from the lender was an invaluable learning experience: Writing Business Plans for New Ventures
**Students with Disabilities:**  Accommodations for students with disabilities are determined and approved by Disability Access Services (DAS). If you, as a student, believe you are eligible for accommodations but have not obtained approval please contact DAS immediately at 541-737-4098 or at http://ds.oregonstate.edu. DAS notifies students and faculty members of approved academic accommodations and coordinates implementation of those accommodations. While not required, students and faculty members are encouraged to discuss details of the implementation of individual accommodations.

**Academic Honesty:**  If you violate academic honesty in my course, you will receive a NP on the work in question and/or in the class. “Academic or Scholarly Dishonesty is defined as an act of deception in which a Student seeks to claim credit for the work or effort of another person, or uses unauthorized materials or fabricated information in any academic work or research, either through the Student's own efforts or the efforts of another.” Violations include: Cheating, Fabrication, Assisting, Tampering, and Plagiarism. The full OSU Statement of Expectations for Student Conduct is available at: http://oregonstate.edu/studentconduct/offenses-0

**Expectations:**  Students are expected:
- to be motivated to develop an entrepreneurial idea of interest;
- to utilize whatever background experience and knowledge about management, marketing and/or production they have already acquired (or need to acquire ) to develop an effective business plan;
- to work together collegially to help each other develop the best possible business plan;
- to agree to OSU student conduct policies articulated at: http://oregonstate.edu/studentconduct/regulations/index.php#acdis

**Grading:**  The course is pass/fail.

**Required texts:**  There are no required textbooks. The course is based on AgPlan, the University of Minnesota’s free, on-line business planning computer program. Many in-class handouts covering essential points will supplement the in-class discussions.