

DEVELOPING AN AGRITOURISM BUSINESS PLAN

Adapted from the Oregon Agritourism Handbook, Travel Oregon

What is a business plan?

A business plan is a written document that clearly describes a business's goals and strategies, including details on products and services, marketing, finances, physical resources and infrastructure, and management

Benefits and uses of an agritourism business plan

Some of the major benefits and uses of an agritourism business plan are listed below:

1. Writing a business plan helps you get clarity on your goals and objectives.
2. A business plan serves as roadmap as you develop your agritourism business. It identifies where you want to go, and how you plan to get there. As such, a business plan will help you make key decisions through the process of establishing and developing your agritourism business.
3. Writing a business plan will help you clearly articulate the target audience and market for your agritourism business, and your competition.
4. A business plan will give you greater confidence about the financial aspects of your agritourism business, including: start-up costs, operational costs, pricing, overall profitability, and financing.
5. Working on a business plan can help you identify the potential pitfalls and risks you may face with your agritourism business, and ways you might manage those risks.
6. A business plan helps you communicate with others about your agritourism business. This could include: your customers or potential customers, family members, your employees, county planners and other government agencies, lenders, and others.
7. A business plan gives you positive momentum and benchmarks to track your progress toward your goals.

Before You Begin

Before writing a formal business plan, consider starting with a "back-of-the-envelope" financial viability assessment. Can your concept pencil out? Even better, can it make money? There are three basic steps to this rough assessment:

1. Estimate the up-front expenses associated with starting or expanding this business. What renovations, machinery, and investments will you need to make to get this idea up and running? Do those seem reasonable to you?
2. Next, estimate your product/service price, and the rough cost of delivering each unit of that product or service. Would your price cover your costs of providing the product or service, as well as repay you for the upfront investments above over a reasonable time period? Don't worry yet about fluctuations in your sales because of seasonality, product offerings, varying profitability of products/services: this is meant to give you a rough frame of reference.
3. Based on your calculations, does your idea look viable? If yes, you can begin working on a more detailed business plan. If not, are there any adjustments you can make to this assessment that would help make the business idea more viable?

Once you have a general concept of your business (that you think can be profitable), then you can start organizing your ideas and assumptions in the form of a business plan.



Photo: Audrey Comerford, OSU Extension Agritourism

Writing your Business Plan

There are many ways to approach your business plan, and you can find a variety of templates and business plan forms online or in small business handbooks. We do not recommend any particular model, but rather encourage you to find an approach and format that works best for you—one that makes sense for your particular circumstances, that you can complete, and that you are motivated to continue to work on and update in the future.

As a starting point, the [Oregon Small Business Development Center](#) recommends that businesses include the following:

- Overview of Company and Objectives (Statement of Purpose and Goals)
- Market Analysis
- Company Organization
- Products and Services
- Marketing and Sales Strategy
- Logistics and Operations
- Financial Projections

For assistance in creating your business plan, contact your [local Small Business Development Center](#).

Start Your Agritourism Business and Refine Your Business Plan

As you begin to implement your business plan and work through the initial stages of setting up your agritourism business, we recommend the following:

A. Activate your networks

Most people want to help — all you have to do is ask. Reach out to your family, friends and connections. They can review your plan, give feedback and connect you to others. You never know who could actively support your endeavor — whether that's through beneficial social or business connections, financial support, lending hand or a kind word of support. Not only can your network support your venture- but they can also promote your business in their circles. Don't forget to also communicate with your neighbors if the venture could impact them at all.



Photo: Audrey Comerford, OSU Extension Agritourism

B. Test your concept

Try out your idea on a small trial group by offering them the service or product; have them give feedback and input that can improve before you formally launch this new product or service. Expect to make a round or two of changes in your business plan after these trials.

C. Connect with successful operators

It can also be helpful to travel to other similar businesses around the state: advice from existing successful operators is invaluable! Join the (free!) Oregon Agritourism Network, which meets three times annually around the state: this learning and networking venue can connect you with other like-minded operators who are passionate about agritourism.

D. Collaborate locally

Collaboration can generate cost savings, improved profits, and efficiencies in marketing and customer acquisition.

Reach out to other local businesses to explore how to tie your product or experience with theirs. Incorporate these joint activities into your plan. For example, if you have a ranch bed and breakfast, you could create guest packages with other niche experiences like a restaurant or outdoor recreation tour. By mobilizing collective resources, you can reach and bring in a wider audience that supports each of the businesses in the area.

Finally, once you have completed your business plan, create a one-page summary and post it where you can see it and reflect on it. Remember that a business plan is also a living document, one that should be updated and revised as your business grows and as needs and circumstances change. Continually take advantage of opportunities to test your ideas and gain feedback along the way.



Additional Steps for Starting Your Agritourism Business

Confirm your business structure, check all legal requirements for your business and meet with county planners before you formalize anything. County staff can advise on applicable regulations, fees and timing issues. Be sure to start this relationship early — don't be caught off-guard later by regulations and permits you hadn't anticipated.

In addition to working on your business plan, here are some other important steps to take as you start developing your agritourism business:

Register your business

1. Review the Oregon requirements for starting a business including business license requirements.
2. Determine the right business structure for your venture — it's important to pick the right one to protect your personal assets and your family. In your business plan, you will describe the structure you selected and why.
3. Register your business [here](#). First, select a name that will resonate with your audience and state what you do clearly. Next, [Oregon's Business Registry Database](#) to see if your name is already taken: if so, you'll need to come up with something different.

Get an EIN - Apply for your free Employer Identification Number through the IRS (if applicable). You may need this to file your taxes, pay employees, and to open a business bank account.



Photo: Audrey Comerford, OSU Extension Agritourism

Find an insurance agent, accountant, and attorney

Connect with the 3 A's- accountant, agent, and attorney: If you don't have such advisors yet, consider developing relationships before you think you need them. They have knowledge that can save you thousands in the long run from taxes to lawsuits.

1. An accountant can help you build a straightforward accounting system or help maintain and process your records. This matters because having poorly managed finances is a quick way to take your new venture down! An accountant can help with building financial projections and flag key responsibilities around filing and paying taxes.
2. An insurance agent can help protect you and your assets from risk — and agritourism operators face unique quirks in coverage. Even if you have insurance already, don't assume that a new activity is covered by your existing policy.
3. An attorney can help you choose the right structure and address issues from a risk and liability perspective. A good attorney can also help you interpret the laws and regulations affecting small business owners. Be sure to ask other agritourism operators for recommendations.

Creating Financial Documents - You will need a solid, vetted business plan to be a candidate for outside funding. Very few grants exist for start-up funding — there are some competitions where you can pitch your concept for some initial seed funding but those avenues tend to focus on high-growth and technology focused niches. There are several options for raising start-up funds including microloans, small business loan, and general loan programs offered from your banks to the Small Business Administration.

Resources

- [Register a Business – Oregon](#)
- [Oregon's Business Registry Database](#)
- [Small Business Development Center](#)
- [How to Write a Business Plan for Your Oregon Startup](#)

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