***Business Planning for CSA***

Doesn’t need to be onerous but should provide a focus for deciding what you aim to achieve, how your business is going to be run, and how you are going to make it financially sustainable. It should be a living document and be changed depending on how the business develops and member input but should always aim to look to at least the medium term (5yrs) and even the long term (10+ yrs) ahead!

**Why do it?**

Basically it provides a reference point for the CSA as a business (helpful to the directors, staff, members)

* Provides a clear vision and reference of what you are aiming to do
* Enables you to outline the activities that need to be done (who, what, where)
* Enables you to evaluate where income is coming from and spending going
* Allows you space to have a medium to long term strategy for development (including building up a reserve!)
* Allows you to monitor progress and achievements

**What should the plan include?**

The plan does not have to be long and complicated- in fact the shorter and simpler the plan the better the chances of success. If you find you have a large complicated plan break it down into more manageable enterprises which can be taken on by others.

The plan should aim to include a description and realistic assessment of:

* *What you are offering*. Briefly describe your vision for your csa and it’s mission, that is what people are joining or buying into. Keep this as simple as possible but recognise that it forms the basis for your business **ETHOS** and **ETHICS** that might be outlined in a brief set of **PRINCIPLES** and/or a list of **STRATEGIC AIMS.**
* *Who will do things that are necessary to achieve the mission, when and with what?* A basic farm activity plan for the year and how things are going to work (*see governance and management sheet*). The grower and the community should look at this together although the grower will be important in defining what can practically be done. This will basically set the **EXPENDITURE** for running your CSA and constitutes your direct costs of production which should include variable or input costs like seed, water, fuel etc as well as fixed costs like wages and rent. You may also need to budget for capital costs for large items such as machinery, polytunnels etc. which are generally investments in the business and which you can depreciate over time. Capital costs may be high at start up!
* *Who will take care of the admin*. It is important to count in the costs or running the company and taking care of your members. This will include the indirect costs of running your business and might include things like running membership database and contact point, bookkeeping, social activities, publicity, and accountant costs. These are your **OVERHEAD** costs.
* *Who your customers are.* Who are they? What value will they see in what you offer? Who are your competitors? (*see marketing sheet*). This will basically set the **INCOME** for your CSA as it will reflect the price you can reasonably charge for a share offer. You will need to obtain sufficient members to cover your expenditure and overheads! You may need to seek additional finance for investment or capital costs which can be depreciated over time but require short term cash flow.

**Putting it all together:**

Once you have done this you need to pull it all together into one reference document that should (*see sample CSA Business Plan*) include:

* a brief description of your vision, mission and strategy
* a brief overview of activities (including management activities) to achieve the mission,
* a budget and cashflow reflecting the costs involved in achieving the mission and realising the strategy (including the income you hope to gain). (*See example budget and cashflow sheets*).
* an honest evaluation (on reflection) of the risks involved and what you can do to mitigate them (*see example risk assessment*).

**Hopefully once you have the plan the income will exceed the direct and overhead costs with a manageable amount of risk. If not you might need to thinks again about the business and how you are going to run it! You need to be realistic about the risks of not achieving your income targets.**

**Key factors for success in a CSA business are**:

* + Having a clear vision and idea what you are doing!
  + Understanding the motivation of members and striving to keep them involved, continual recruitment (see *marketing sheet*)
  + Understanding and keeping control of growing costs and being focused on producing good quality organic vegetables
  + Providing a range of social engagement opportunities and events (but not at detriment to previous requirement)
  + Understanding the finances and only taking grants for capital investment (*see finance sheet*)
  + Remember that the CSA is a community business and the risks and strain of running the business should be shared across the community. In the end it is about an improved quality of life!