

# Personal Planning and Business Basics



COLORADO  
AQUAPONICS



THE Aquaponic SOURCE™  
Growing Fish and Plants Together

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## Who Becomes an Aquaponic Farmer

- Gardeners and homesteaders
- Farmers
- Students, recent grads
- Career changers
- Side Hustle
- Retirees
- Teachers, Youth Leaders
- Community Outreach, Faith based folks

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## Aquaponics as a Business

- A hobby system and backyard aquaponics are very different than aquaponic farming
- Start small to determine if you are really a hobby grower or aquaponic business person before investing a lot of time and money
- Selling your food means you need to maintain professional industry standards for food safety
- A business requires interactions with the bank, insurance, customers, other businesses and the government
- Don't believe everything on the internet!

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## Jobs in Aquaponics

- Aquaponic farmer and business owner
- Work at an aquaponic/hydroponic farm
- Community leader, mentor, intern coordinator
- School teacher, professor, educator, student
- Faith leader, missionary
- Food safety specialist, inspector
- Gardener, grower, nurseryman, landscaper, horticulturist
- Marketing, sales and distribution, farmers market
- Hobbyist and social media person

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## What Is Your WHY?

- What are your goals and objectives?
- Who are you planning to serve?
- What problems are you solving?
- What outcome are you trying to accomplish?
  - Financial profit, social wellbeing, environmental stewardship, personal fulfillment, educate others
- How will your business do these things?

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## Business Development Services

- USDA, EPA and Farm Service Agencies (FSA)
- Small Business Development Center (SBDC)
- Small Business Administration (SBA)
- Veterans Small Business Centers
- State, City, and Special District offices
- Universities, Colleges and Extension offices
- Banks and other financial institutions
- Other services available for beginning farmer, women, underserved populations and veterans

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## Personal Plan

- What is your vision, values and goals?
- What is driving you to start a business?
- What are your needs and wants?
- What are your challenges, how will you overcome them?
- What are your strengths and weaknesses?
- What do you fear? What causes you stress?
- How do you relax and sustain yourself?
- How will you support your lifestyle for 3-5 years?
- How do you plan to retire?

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## Successful Farmers Are...

- Money wise – *start small, grow responsibly*
- Innovative – *diversify revenues, continuously improve*
- Resourceful – *decrease costs, increases profits*
- Manage Time and People – *focus on priorities*
- Work Their Strengths – *do what you do best, and get other people to help you with the rest*
- Pay Attention to Details – *you are mother and father nature, business owner and everything else*

Adapted from Six Traits of Successful Farmers, Capital Press, Carol R Dumas

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## Aquaponics as a Business

- Construction project manager, zoning, building, General contractor
- Greenhouse, controlled environment and lighting specialist
- Business owner, operator, HR director, risk manager
- Finance and bookkeeping, buyer, cash manager
- Grant writer, responder, expert in the field
- Website, email, social media, phone, tech, etc
- Plant grower, pest manager, nutrient sleuth, seeder, harvester
- Fish whisperer, transporter, feeder, gut and fileter
- Water quality expert, bacteria farmer, ph adjuster
- Marketer and sales, promotions, invoicer, collector
- Educator, tour director, sharer of your special farm space, chef
- Maintenance, cleaning, food safety, inspection assistance
- Performer of lots and lots of random tasks

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## Family, Friends and Partners

- Understand each other's personal plans
- Establish roles and responsibilities
- Build on each other's strengths
- Work to reduce weaknesses
- Remember people handle stress differently
- Traditionally, farming has been run by families
- Plan your farm with your partner(s)
- Consider the "exit plan" for each person

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## Legacy Planning

- What happens if you or your partner leave the business?
- What happens if someone is sick, injured or passes away?
- Leaving a legacy or inheritance
- What to do with your property
- Selling your system or your farm
- What does Retirement look like
- What are the financial aspects of future operation

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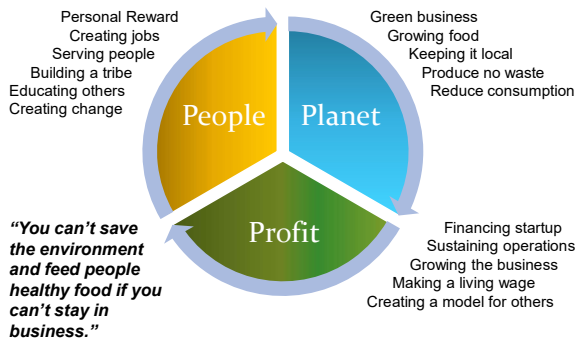
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## Sustainable Business Triple Bottom Line



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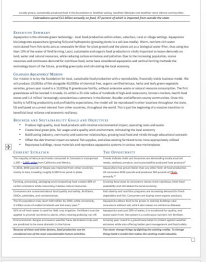
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## Business Planning Basics – Why Plan?

1. Forces you to think about the details
2. Can be used as an operational guide
3. Essential to get financing, grants, plan the project
4. Provides a GO/NO GO decision point



***It's better to fail on paper***

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## Components of a Business Plan

- Executive Summary
- Organization and Management - Company Description, Background, Key People
- Marketing Plan – product, price, people, promotion, placement, packaging, competition
- Operating/Production Plan – How to run the business
- Financial Plan – Startup and operating capital, P&L projections, cash flow
- Supporting Documentation

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## Business Types

<p><b>Non Profit</b></p> <ul style="list-style-type: none"> <li>• Organized to address specific need – social, education, health</li> <li>• Exempt from some (not all) taxes</li> <li>• Raises funds thru donors, grants, fundraising, events, dues</li> <li>• Can generate revenues through sales of good and services</li> <li>• Governed by a board</li> <li>• Can be costly and time consuming to receive 501c3 status</li> <li>• High transparency with accounting and activities</li> <li>• Allows volunteers, interns and in kind service or product donations</li> </ul>	<p><b>For Profit</b></p> <ul style="list-style-type: none"> <li>• Organized to sell products and services for a profit</li> <li>• Pays necessary taxes</li> <li>• Raises funds through personal means, banks, grants, stocks</li> <li>• Managed by owners or shareholders, may have a board</li> <li>• Quick to establish</li> <li>• Private accounting and activities</li> <li>• Can align closely with a non-profit if appropriate</li> <li>• Interns allowed with exchange of value, volunteers discouraged</li> </ul>
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## Legal Structure

Tax filings and implications, personal liability, asset ownership, investor and funding opportunities, business development

- Sole proprietorship
- Partnership
- Limited Liability Company (LLC)
- Incorporation S-Corp
- 501(c)3 – Non Profit, charitable organization
- Trademark name, Doing Business As
- Certified B Corp (Benefit Corporation)

Get a professional to help determine what works best for you

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## Insurance

- Property – the land your farm is located, home owner's insurance may/may not cover greenhouse or business
- Structure(s) – buildings old and new, additions or modifications to buildings, update as needed
- Umbrella – can be used to cover other circumstances
- General liability - \$2 million suggested
- Crop insurance – available from Risk Management Agency
- Product Liability – food borne illness, recall
- Farmers market insurance – tents, umbrellas
- Additionally insured – other people involved

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## Insurance, continued

- Auto – necessary if you have delivery vehicle
- Equipment – aquaponic components, tractor, cooler, etc.
- Worker's comp – not necessary for yourself or some family members, essential if you have any employees
- Personal health insurance – cover you for overall medical needs, may be either a business expense, or a personal expense
- Life insurance – often necessary if you are taking on a business loan
- Be truthful with your insurance agent



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## Business Startup and Operations

### Business Startup Activities

	Who	Start date	End date	Timeframe	Budget/Cost
Personal Plan*					
Business Startup					
Business planning*					
Marketing plan*					
Financial planning*					
Research local, state regulatory compliance*					
Name your business					
File business entity					
Get federal tax ID					
Setup bank account					
Setup accounting					
Secure funding*					
Site selection*					
Water analysis, quality, availability, tap size*					
Feasibility*					
System design*					

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## Reasons Farms Have Failed

And many  
Businesses

- Death or disability of owner
- Natural disasters
- Marital problems
- Speculation
- Inadequate information
- Insufficient monitoring
- Overdependence on collateral
- Improper loan structuring
- Lack of effective marketing
- Poor production management
- Poor money or time management
- Failure to control living expenses
- Emphasis on tax minimization
- Attempting to support too many people
- Managing the family in business
- Lack of management ability
- Incapable workforce

*Adapted from Causes of Farm and Ranch Failure, Texas A&M University*

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