

STEPS FOR START-UPS

10 BUSINESS TIPS TO ENHANCE YOUR LONG-TERM PROFESSIONAL SUCCESS.

So you want to start a food or farm business? Or maybe you have had a successful ag-based business for many years and want to finally make it legal and official? Here are 10 tips from Value Chain Cluster Initiative that can help you on your way.

1. **ACQUIRE A BUSINESS LICENSE FROM SECRETARY OF STATE AND A TAX I.D. #** - Will you operate as a Sole Proprietorship or Limited Liability Corporation; do you have multiple stakeholders requiring a more cooperative business structure? Study up and then choose a business structure that matches your needs. The Secretary of State's office can help you decide and can provide the proper forms needed for incorporation. In some cases, forms may be submitted online. Sole Proprietorships and General Partnerships do not need to register with Secretary of State but will still need to register a State Tax I.D. # with the State Department of Revenue.
 - **Web Address for S.O.S. Office** –
 - a) <http://www.sos.wv.gov/business-licensing/Pages/default.aspx>
 - b) Local Phone - (304) 558-8000
 - c) Toll Free - (866) 767-8683
 - **Web Address for State Tax Department** –
 - a) <http://www.wva.state.wv.us/wvtax/BusinessRegistrationAndForms.aspx>
 - b) Local Phone – (304) 558-3333
 - c) Toll Free – (800) -982-8297

2. **INQUIRE INTO PROPER PERMITS FOR YOUR BUSINESS** –

State and local permits may be required for your business to operate. Check with the Department of Agriculture as well as your local Chamber of Commerce and Health Department to acquire proper permits.

 - **Permit Categories at Business 4WV** -
<http://www.business4wv.com/b4wvpublic/default.aspx?pagename=applyforlicense#results>
[Bookmark](#)
 - **WV Farmer's Market Association** –
 - a) Website - <http://wvfarmers.org/tools-2/rules-and-regulations/>
 - **West Virginia Department of Agriculture** –
 - a) Phone - (304) 558-2201
 - b) Website - <http://www.wvagriculture.org>

- **Department of Health and Human Resources –**

- a) Phone – (304) 558-0684
- b) Website - <http://www.wvdhhr.org>

3. BUSINESS FINANCIALS –

Open a business checking account separate from your personal account to help keep track of business income and expenses. Sometimes having a 'business only' credit or debit card can be very helpful when it comes time to itemize your expenditures &/or taxes.

4. RESEARCH INSURANCE OPTIONS –

Depending upon where you operate your business you may want to consider a separate insurance policy for your business. Your personal or home insurance carrier may have additional options available for your enterprise, or you may want to check into an entity such as Farm Family Insurance.

- Insurance on your farmstead
- Insurance for your farmer's market booth
- Liability Insurance for your products
- Liability Insurance for 'guests' or customers to be on your farm

5. MARKET RESEARCH –

Understanding and identifying your target market is necessary for deciphering the financial feasibility of your business plan and will help you tailor your marketing strategy.

- Who are your customers?
- Where are they located?
- What drives their purchasing decisions?
- How much of your product will they need, use or desire?
- What is the median/available income in your target market?

See examples -

- a) Good Egg Marketing - <http://goodeggmarketing.com/>
- b) Value Chain Cluster Initiative: 'Marketing Materials: Points to Consider' – <http://www.vc2initiative.org/resources/>

6. DRAFT AN ENTERPRISE BUDGET -

An Enterprise budget illuminates the financial parts of your business project; as you create it you will come in contact with many of the points necessary for the basis of your business plan.

- Calculate your fixed and variable costs and understand your floor price
- Set competitive prices for retail and wholesale sales
- Aids in profitability and longevity of your company

Resources for do-it-yourself enterprise budgets -

- a) <http://www.beginningfarmers.org/farm-business-planning/>
- b) http://www.agmrc.org/business_development/business_workbench/business_worksheets_and_calculators/enterprise_budgeting_tools.cfm

7. SHORT & LONG RANGE BUSINESS PLANNING –

This is a working, evolving document that can help you identify short and long-term goals for your business, which in turn, aids sustainability and success. Having a business plan in place will help you make informed decisions about your enterprise, keeping long term goals in place, while you are running the day-to-day operation. Many loan companies, grant organizations and investors require this piece of information from your business before you can secure these types of funding.

Resources for do-it-yourself business planning –

- <http://www.beginningfarmers.org/farm-business-planning/>
- <http://nebeginningfarmers.org/farmers/planning-2/business-plan-templates/>
- http://www.agweb.com/article/the_benefits_of_a_farm_business_plan/

8. FIND MARKET OPENINGS –

Where will you sell your products? What makes the most sense for your enterprise?

- Farmers Market
- Retail/Wholesale Distributors
- Fairs & Festivals
- U-Pick or Farm Store
- Online Sales Platform (Website Sales)
- Aggregator Group or Co-op
- Other Direct Sales Opportunities?

9. LOGO & BRANDING – Develop your marketing tools to increase profitability and visibility to your customers. A well-crafted logo can help your business look professional and reliable, and can increase visibility among your customer base.

10. ONLINE MARKETING & SOCIAL MEDIA – Develop your social media and web presence so that potential customers can find you.

- Website for your business
- Facebook, Twitter, Instagram = free marketing tools
- LinkedIn for professional contacts
- User Submitted 'Virtual Marketplace' –
 - **National Listings:**
 - a) <http://www.localharvest.org/> (free)
 - b) <http://www.eatwellguide.org/> (submit listing)
 - c) <http://eatlocalgrown.com/new-listing-business> (free)
 - d) <http://localdirt.com/> (Free listing)
 - e) <http://www.eatwild.com/> (50\$/ year)
 - **WV Listings:**
 - a) WVFFC Food Mapper: <http://wvhub.org/wvffc/west-virginia-food-mapper>
 - b) WVF2U - <http://www.wvfarm2u.org/>

***Bonus Tip** - Seek help from a Business Coach!! Tap into resources in your local area or region from programs such as:*

County Extension Offices

Department of Agriculture

Small Business Development Center/SBA/SCORE

WV Food & Farm Coalition (WVFFC)

WV Farmer's Market Association (WVFMA)

Value Chain Cluster Initiative (VC2)