Business Plan Office Hours

Food is Medicine Accelerator

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Key Components of Your Business Plan

History, Mission, Opportunity, Strategy

- History, mission, impact
- Problem statement
- Payer motivations
- Solution
- Solution vs. alternatives
- Field research & data
- Theory of change – inputs, activities, outputs, outcomes

Strategic Priorities

- Target community
- Services/interventions
- Program design
- Pricing strategy
- Payers
- Competition
- Connection to broader portfolio of services

Organization & Financial Implications

- Current capacities & skill sets
- Existing infrastructure
- Capacity & skill set investments
- Infrastructure investments
- One-time expenses
- Ongoing expenses
- Capital sources
- Revenue strategies

Milestone, Evaluation, & Risk Management

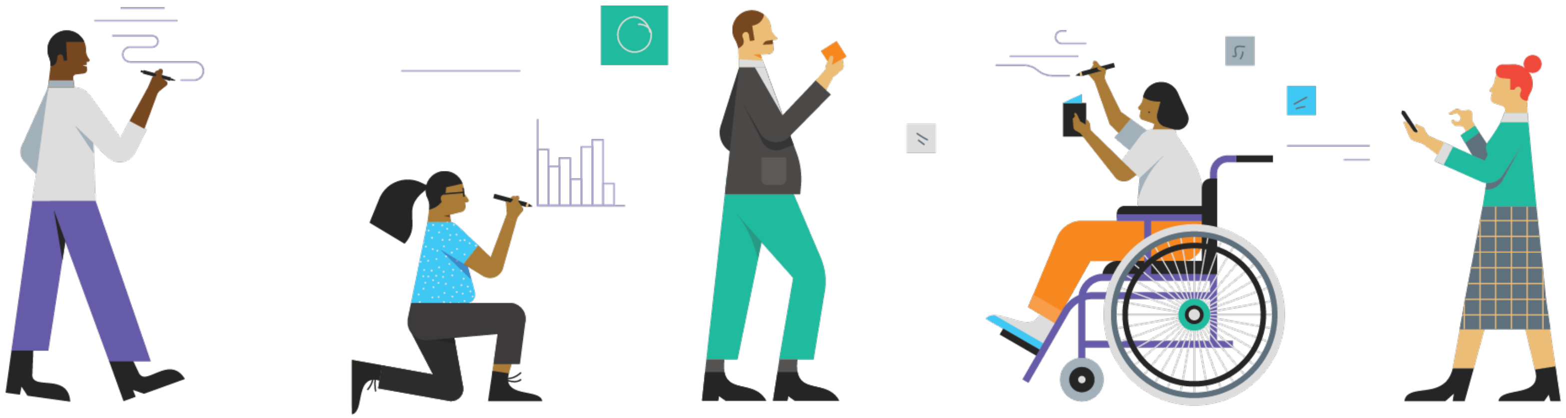
- Timeframe for securing investments
- Operational milestones pre- and post - launch
- Timing of anticipated outputs & indicators
- Approach to evaluation
- Approach to monitoring
- Articulation of risks – internal & external
- Risk mitigation strategy

Planning for the Known and the Unknown

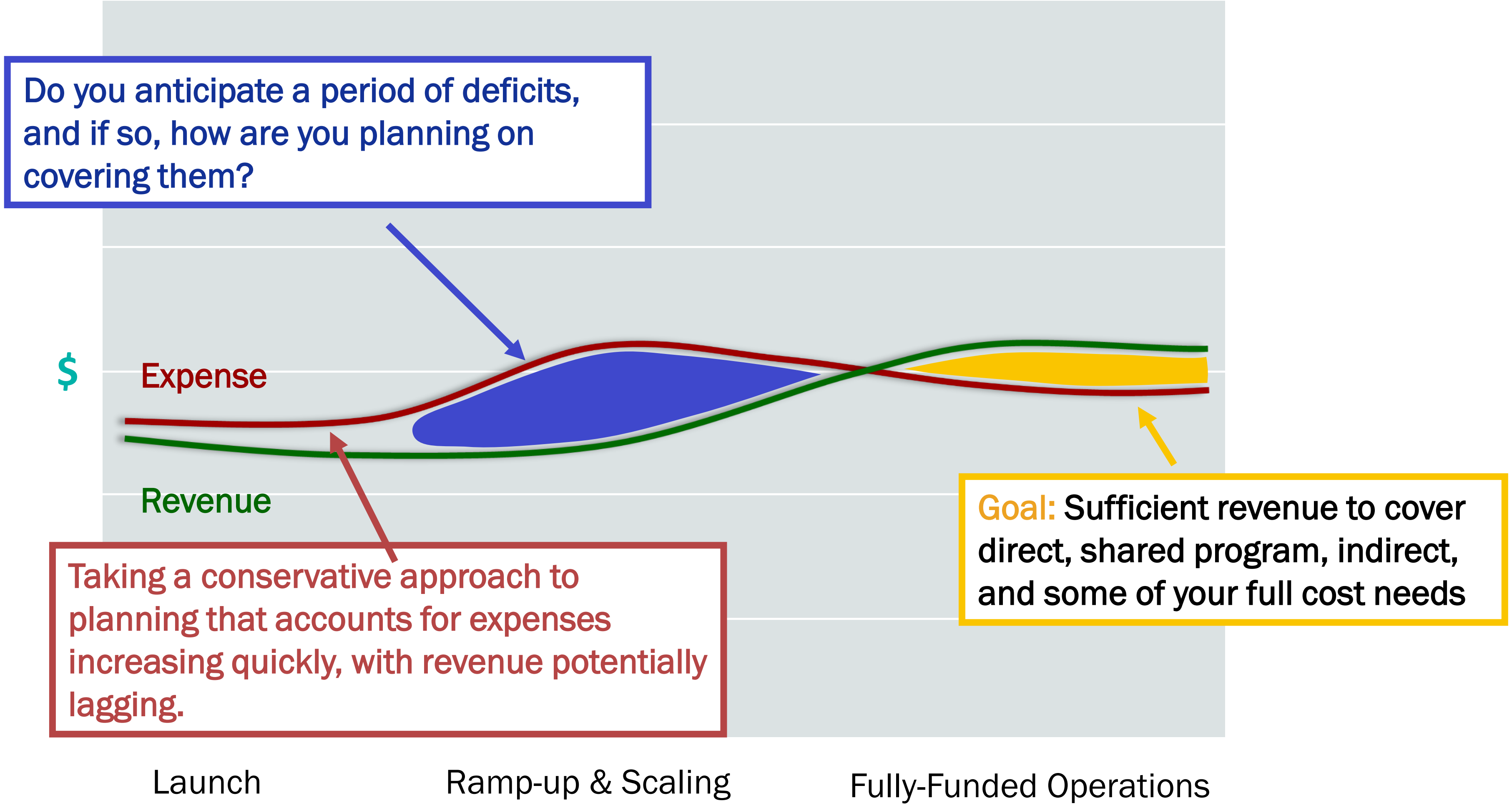
Building your financial plan

Planning for the future begins with visualizing the possibilities for mission delivery given:

1. The future conditions or events that are probable (or possible),
2. What the consequences or effects would be as a result of these conditions or events
3. How you might respond to or benefit from them



Planning for Business Model Change



Management Tools to Help You Plan

Mitigating risk and preparing for opportunity

Day-to-Day Management

- **Budgets:**
  - Financial planning/monitoring
  - Business variables
  - Revenue discounting
- **Cash Flow Planning:**
  - Estimating the timing of money
  - Anticipating the need to access & repay debt

Strategic Decision Making

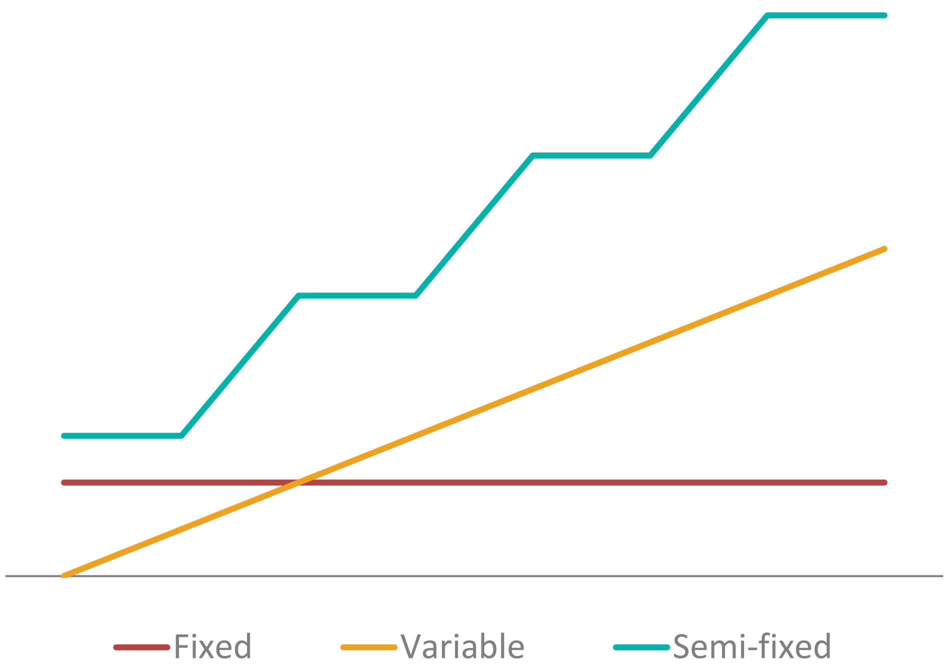
- **Scenario Plans:**
  - Articulating the “what ifs”
  - Quantifying contingencies
  - Identifying triggers
- **Multi-Year Projections:**
  - Multi-year planning
  - Modeling change
  - Growth planning

Exploring Expense Dynamics

Expenses are often more directly within leadership's control than revenue

How do costs behave?

- Fixed costs don't change with activity
  - Example: Rent / mortgage, insurance, salaries, interest
- Variable costs change with activities
  - Example: Materials and supplies, some contractors, fees
- Semi-fixed costs are a mix of both
  - Base cost, plus additional costs based on activity level
  - Example: Hiring additional staff or purchasing vehicles



Financial Levers

What Control Do We Have Over Our Budget & Balance Sheet?

More Immediate → Takes Longer

Budget Levers	Balance Sheet Levers
Expenses: What is within your control? What is easier or harder to change? What must be maintained to support programmatic commitments?	**Cash & Reserves: (if available)** Under what circumstances should you access reserves? Are they Board Designated?
Revenue: Can meal prices be increased? Are there opportunities for responsive funding from donors or philanthropy? Advance funding earlier?	**Cash flow:** What is the timing of your cash? Is a line of credit an option? Can you renegotiate repayment terms with vendors?
Profitability: What is your goal? Can you absorb a deficit? How much can you absorb?	**Capital expenditures:** Can you delay any facility projects, vehicle investments, or equipment purchases if necessary?

Key Considerations for Financial Plans

What to factor into your budgets and timelines

- Not uncommon for pilots to start small or referrals to begin slowly
- Develop both a capital budget and an operating budget for MTMs
- Incorporate the MTM financial plan into financial planning for your entire operations – explore the impact be on the enterprise
- Identify your breakeven point and consider what role philanthropic investment or the strategic utilization of savings (net assets) plays in your planning
- Scenario planning may be prudent

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COALITION

Thank you!

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