

A Roadmap for Strategic Dairy Business Planning

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Strategic business planning is simply a process to help you explicitly develop a *long-term plan* for your business. In many cases, the day-to-day grind of operating a dairy makes it difficult to think about long-term goals unless we make a concerted effort to do so. But this is critical to the sustainability of the business.

We recommend the following steps to carry out a strategic planning process. Each step is linked to more in-depth resources available from MSU and peer institutions.

1. Create a mission statement and develop goals.

Few people get excited about creating a mission statement, but without it, how will you know if a shift in your business aligns with your values and purpose? Especially as businesses grow, owners and managers cannot assume that everyone involved has the same internal perceptions about the mission. [This article](#) lays out steps to develop a mission statement, and more ideas are [available here](#).

2. Carry out internal analysis and external scanning.

Good business decisions need to be based on the unique situation for your farm. What are the [strengths, weakness, opportunities, and threats](#) to your business, in terms of your people, capital assets, and surrounding conditions? In this stage, it may be important to take a step back and improve your [current business analysis](#), including [benchmarking](#). If you are looking at a direct consumer marketing venture, the [MSU Product Center](#) is a great resource.

3. Identify and evaluate potential strategies.

At this point it's time to sharpen your pencil. Look at the modified business structure you are considering and work to generate honest projections of changes in costs and revenues. There are great resources available for [business plans](#) and [partial budgeting](#), including [spreadsheets](#).

4. Implement and refine the selected strategies.

The Prussian General Carl von Clausewitz is credited with the maxim, "Every plan is a good one - until the first shot is fired." If you run a dairy, you know from experience that adjustments will have to be made on the fly. This is where a [team of experts](#) around you can make the difference in adapting and, if necessary, reversing decisions that just are not going to work.

