

Setting Up a Business Plan



Thematic area: Socio-Economic Performance.

Priority: How can farm profitability be improved?

Need: Breeding: How to improve your profitability?; What profitability for breeding? What models?; How to achieve financial balance in breeding?; How to implement a balanced economic model?

Solution EU number: PRO-07.

Content of the solution:

Business plan defining the market, activities, business model, strategy, and financial projections of an equine farm.

Key Contacts:

- Chambers of Agriculture, consulting services, accountants.

Reasons for Implementing the Solution

Implementing a business plan is a fundamental step to ensure the feasibility, coherence, and long-term profitability of an equine farm project. Given the diversity of possible activities within the equine sector, such as boarding, breeding, training, riding instruction, or tourism, a structured plan allows the project holder to clearly define their positioning and align their services with actual market demand. It helps transform an initial idea into a realistic and operational project by identifying the necessary resources, estimating costs, and anticipating revenues.

Description of Solution Strategies

A business plan should be implemented as early as possible, ideally before any significant investment or operational decision is made, since it serves as the foundation for assessing the project's feasibility and coherence. At the pre-project stage, it allows the evaluation of market demand, financial viability, and resource requirements before committing to land acquisition, infrastructure development, or horse purchases. During the setup phase, it guides strategic and operational decisions, helping to structure activities, allocate resources efficiently, and secure external funding if needed. Once the farm becomes operational, the business plan should continue to function as a management and monitoring tool, enabling regular comparison between forecasts and actual results, and supporting adjustments in response to economic, technical, or regulatory changes. It should also be revisited and updated during key moments such as expansion, diversification, or major investments, ensuring that the development of the equine farm remains controlled, sustainable, and aligned with its long-term objectives.

Developing an equine farm business plan requires a combination of strategic, operational and financial approaches. First, a comprehensive market analysis must be conducted to understand demand trends, local competitors, pricing structures and customer expectations. The results of this analysis inform the selection of core activities, such as horse boarding, breeding, riding lessons or event hosting, ensuring that they align with market opportunities.



Setting Up a Business Plan

From an operational perspective, the strategy should specify the necessary infrastructure and resources. This includes land management, stable design, pasture rotation systems, and horse welfare standards. Efficient resource allocation is crucial, given that equine operations depend heavily on feed management, labour organisation and veterinary care planning. Incorporating sustainable practices, such as manure management and eco-friendly facilities, can enhance long-term viability and ensure compliance with environmental regulations.

Another key component is financial strategy. This involves estimating the initial costs of investment (e.g. land acquisition, construction, equipment and horse purchases) as well as the ongoing expenses (e.g. feed, staff wages, maintenance and insurance). To reduce risk, revenue streams must be clearly identified and diversified. Combining boarding services with riding lessons or equine tourism, for example, can create a more stable income. Financial forecasting, including cash flow projections and break-even analysis, helps to ensure that the business remains solvent and capable of growth.

A business plan helps reduce financial and operational risks, which are particularly significant in equine activities due to high fixed costs, dependency on weather and feed availability, and the unpredictability associated with horse health and care. It evaluates different scenarios and identifies constraints in advance, which helps decision making. In addition, the business plan serves as a key communication and management tool. It facilitates exchanges with investors, banks, partners, and public authorities by providing a clear and structured presentation of the project. It also acts as a roadmap for daily management and future development by setting objectives, monitoring performance, and identifying opportunities for diversification and growth.

Implementation Steps

1. Define the Project Scope and Objectives: Clearly define the intended purpose of the equine farm. Identify the core activities, such as boarding, riding lessons, breeding and leisure riding. Determine the prospects (e.g. beginners, experienced riders, horse owners, etc.). Set two or three specific and measurable objectives (e.g. the number of horses to be boarded and/or the expected income level). Ensure the scope remains realistic and focused to avoid unnecessary diversification at this early stage. At this stage, consider the market positioning of the farm—how the services will be perceived by potential customers. If necessary, don't hesitate to ask a specialist advisor in the equine sector for help with drawing up your business plan.

2. Conduct a Basic Market Study: Analyse the local environment by identifying existing equine farms and evaluating their services, pricing, and facilities. Observe competitors and, where possible, gather information through direct visits or informal discussions. Identify unmet needs and demand trends within the local market. Use this information to guide product development, pricing, and promotion strategies, ensuring the farm offers services that are both competitive and attractive.

Setting Up a Business Plan

3. Choose the Main Activities and Services: Select a limited number of core services to be offered at the start. Define each service precisely by detailing what is included (e.g., feeding, stall maintenance, facility access, lesson frequency). Ensure coherence between chosen services and identified market demand.

4. Ensure Coherence Between: Evaluate the available or intended land in terms of size, layout, and suitability for equine use. Plan essential infrastructure, including stables, paddocks, fencing, water supply, and storage areas. Prioritize safety, functionality, and cost-efficiency. Schedule progressive improvements rather than immediate large-scale investments.

5. Organise Horse Management and Welfare: Determine a realistic number of horses that can be managed effectively. Establish structured daily routines covering feeding, cleaning, turnout, and exercise. Identify reliable professionals (veterinarian, farrier) in advance. Secure consistent supply sources for feed and bedding. Ensure that all practices comply with basic animal welfare standards.

6. Estimate Costs and Build a Simple Financial Plan: Identify and quantify all initial and operational costs, including infrastructure, equipment, feed, veterinary care, labour, and insurance. Estimate potential revenues based on selected services and realistic occupancy or activity rates. Develop a basic financial projection to assess profitability and sustainability.

7. Set the Pricing Strategy: Establish pricing based on market analysis and cost structure. Ensure that prices cover all expenses while maintaining competitiveness. Define clear payment conditions and service terms.

8. Handle Administrative and Legal Requirements: Select an appropriate legal structure according to applicable regulations. Complete all necessary registrations and obtain required permits. Ensure compliance with animal welfare, environmental, and land-use regulations. Subscribe to appropriate insurance policies.

9. Secure Funding and Acquire Resources: Identify funding sources such as personal capital, loans, or subsidies. Allocate financial resources according to priority needs. Proceed with land preparation, infrastructure setup, and acquisition of essential equipment and horses in a controlled and phased manner.

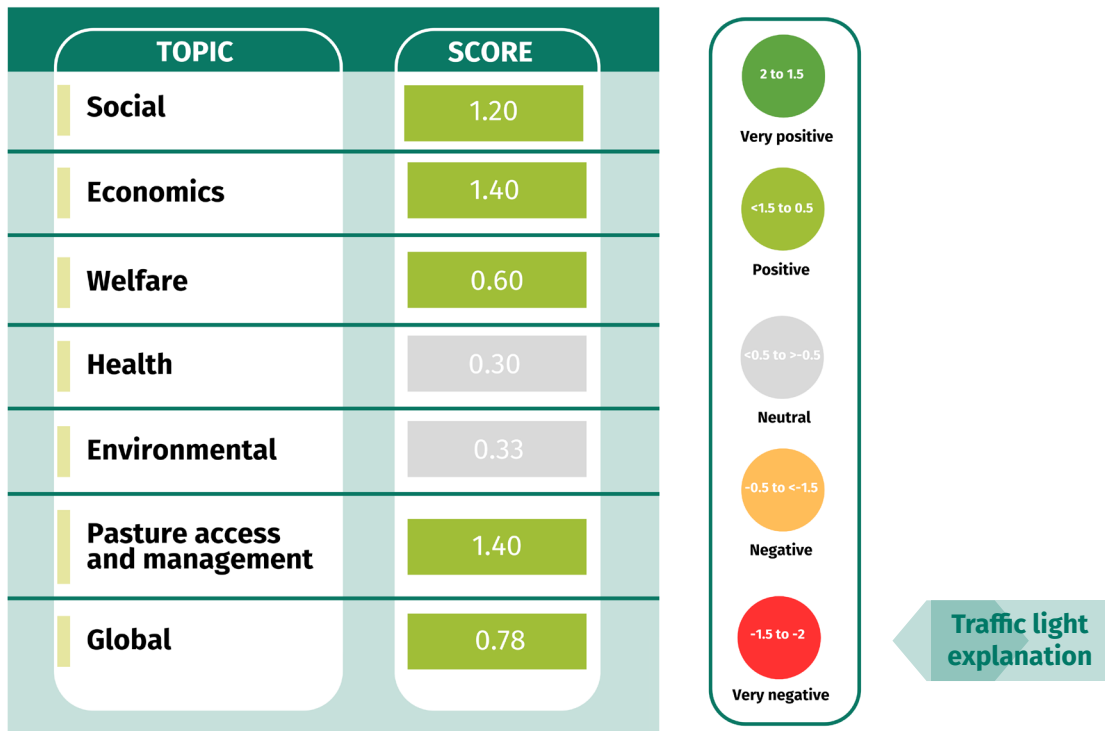
10. Start Operations on a Small Scale: initiate activity with a limited number of horses or clients. Test operational processes and adjust organization as necessary. Focus on reliability and service quality during the initial phase.

11. Promote Services and Develop Clientele: Implement simple communication strategies such as local advertising, partnerships, and online presence. Clearly present services, pricing, and values. Encourage customer satisfaction to support organic growth.

12. Monitor Performance and Adjust Operations: Track financial results and operational indicators regularly. Evaluate customer feedback and animal condition. Identify areas for improvement and implement corrective measures. Plan gradual expansion based on acquired experience and financial stability.

Setting Up a Business Plan

How Will this Solution Impact the Performance of your Farm?



Socioeconomics: This solution will support the social performance of the farm because a business plan strengthens the farm’s professional image and credibility toward partners, banks, public authorities, and the local community. By clearly defining activities, values, and objectives, it improves communication, builds trust, and supports collaboration. It also contributes to better quality of working life by clarifying roles, anticipating workload and organization, and reducing uncertainty, even if its effectiveness depends on realistic assumptions and proper implementation. This solution will support the economic performance of the farm because it is a key decision-making and planning tool that supports cost control, investment planning, and market positioning. A well-structured business plan improves profitability by guiding strategic choices and resource allocation, and it is often essential to access loans, subsidies, or external funding. Although time-consuming and not changing external conditions by itself, it provides a solid framework to manage change, improve financial resilience, and support the long-term development of farm capital.



Health & Welfare: This solution will not support the health performance of the farm, as it does not directly contribute to disease-risk prevention or to better health outcomes in general, unless veterinary prevention and biosecurity measures are appropriately incorporated into the working business plan. This solution will also not directly support the welfare performance of the farm, as it does not, alone, guarantee proper implementation of welfare-friendly conditions, and there is a potential risk if profitability is prioritized over welfare. However, it may be beneficial if the 3Fs criteria are incorporated into the investment plan and resource allocation, in which case the risk of welfare neglect is reduced.

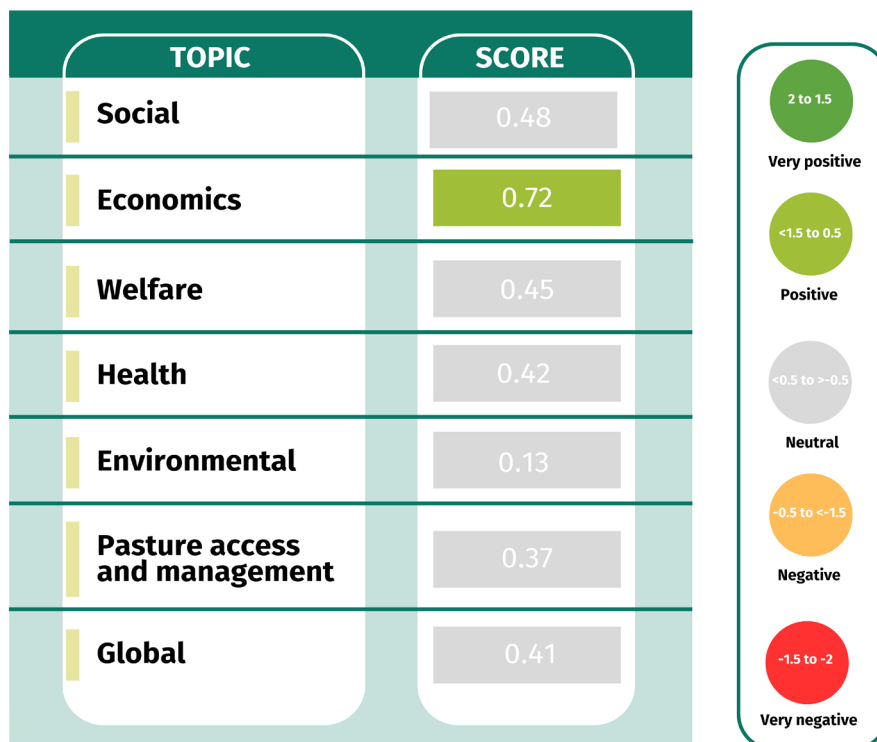
Setting Up a Business Plan



Environmental sustainability: This solution will not have effect on the environmental performance of the farm because the business plan is primarily an enabler, not an environmental solution on its own. Its effectiveness depends on integrating sustainability goals into the plan. If sustainability is consciously planned in business plan, it can help to control irrigation, water consumption and water protection/use of rainwater. In addition, it helps to account for the costs of environmental management activities, enabling farms to carry out these activities in an economically viable way.

This solution will support the land access or management performance of the farm because it provides easier access to agricultural land as economic viability can be justified. The solution helps with efficient land use and sustainable grassland management are key components of farm planning. The business plan enables farmers to evaluate their feed costs and forecast optimized forage and/or crop production.

How Will this Solution Impact the Resilience of your Farm?



Setting Up a Business Plan



Socioeconomics: This solution will not impact social performance of the farm facing external challenges assessed because a business plan is primarily a managerial and strategic tool rather than a direct social intervention. While it can improve communication, organization, and preparedness, these effects remain indirect and depend on how the plan is implemented. In crisis situations such as pandemics or sudden regulatory changes, social outreach, community relations, and daily working conditions are not automatically improved by the existence of a business plan alone, even if it helps avoid paralysis and supports clearer internal decision-making.

This solution will support economic performance of the farm facing external challenges assessed because it significantly strengthens anticipation, flexibility, and financial resilience. By providing a clear overview of costs, income streams, and investment priorities, it enables farms to react more effectively to inflation, disease outbreaks, extreme weather events, or limited land access. Better planning supports access to credit, cost control, diversification, risk management, and the securing of feed and essential resources without compromising animal welfare. Although the tool itself does not generate economic gains unless followed by concrete actions, it creates the conditions for stronger economic stability and long-term resilience across multiple challenges.



Health & Welfare: This solution will not impact the farm's health performance, as it does not directly reduce pain, mortality, or the need for medication when the farm is exposed to various external pressures (socioeconomic or environmental), particularly if biosecurity measures and veterinary care are neglected in the business plan, or not implemented. However, it could become potentially beneficial provided that health-related costs, including preventive veterinary measures, are explicitly incorporated into long-term investment planning.

Similarly, this solution may not improve the farm's welfare performance, defined as good maintenance conditions and a positive emotional state of the animals, when the farm faces external challenges. Nevertheless, it may offer some benefits if health- and welfare-related costs are integrated into carefully designed investment plans that anticipate future risks and ensure adequate resource allocation.

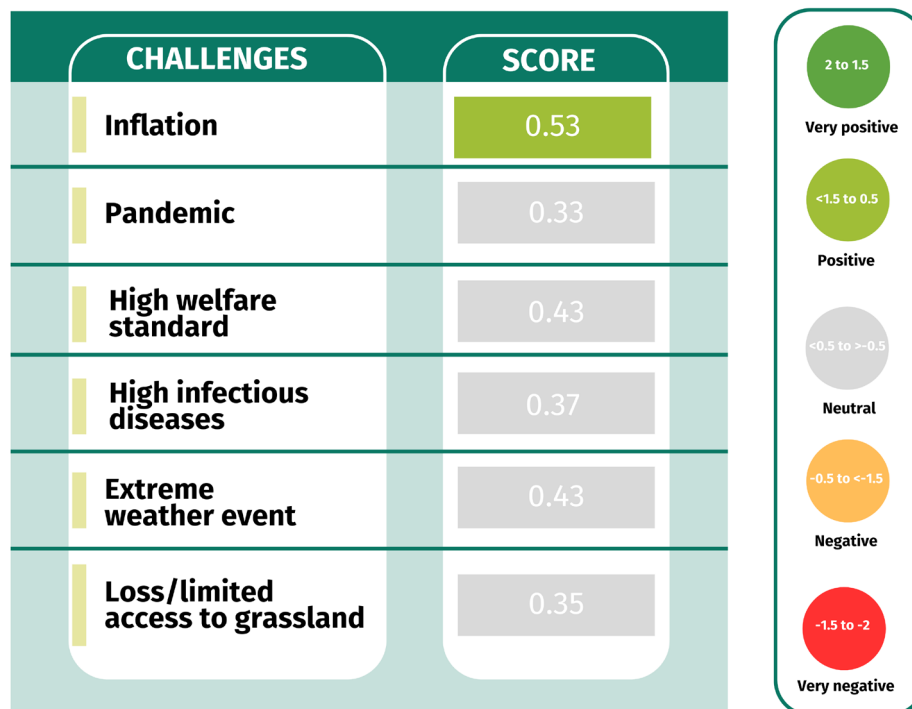


Environmental sustainability: This solution will not impact environmental performance of the farm facing external challenges assessed because this solution has only limited impact when farm tries to cope with them. On the other hand, with active business planning, the farmer can also be more aware about the risks related to climate change, biodiversity loss and water management and enhance farms resilience.

This solution will not impact land access or management performance of the farm facing external challenges assessed because it has only limited impact when farm tries to cope with them. Good business plan can help to implement outdoor access/ grazing despite quarantine measures Proactive land-use mapping and leasing strategies can be embedded in business planning to ensure flexibility if pasture access becomes limited. In addition, optimal pasture use and land rotation despite extreme weather helps farms to cope with the challenges.

Setting Up a Business Plan

How can this solution help your farm to face specific external challenges to be more resilient?



Inflation & Social Crises: Social challenge: This solution will not impact the global performance of the farm facing pandemics because a business plan does not directly reduce sanitary constraints, staff shortages, or restrictions on activities. While it can help managers stay organized and avoid disorientation, social interactions, daily work pressure, and community engagement remain largely dependent on external conditions and operational realities rather than on planning tools alone. Economic challenge: This solution will support the global performance of the farm facing inflation because it provides clear visibility on costs, margins, and cash flows, enabling anticipation, rapid adjustment of prices and activities, and better prioritization of expenses and investments. This forward-looking approach strengthens financial decision-making, access to credit, and resource management, helping the farm remain economically resilient despite rising input prices.



Welfare & Diseases: Health challenge: This solution may not directly support the global performance of the farm across all three areas when facing an infectious disease challenge, unless such risks are anticipated and addressed in the business plan. A thorough risk analysis should, at a minimum, enable mitigation of the consequences of a sudden infectious disease outbreak through appropriate preventive and response measures on the condition, that it is implemented and works well in all three areas. Welfare challenge: This solution will also not directly improve the global performance of the farm when facing stricter welfare-standards legislation, as it has no immediate effect on animals' emotional state, housing conditions, or use. However, a well-prepared, implemented business plan that includes targeted investments to adapt farm facilities to mandatory higher welfare standards should positively contribute to the farm's overall performance.

Setting Up a Business Plan



Climate Change & Access to Land: Environmental challenge: This solution will not impact the global performance of the farm facing abnormally high or low temperatures, draught, excessive rain, windstorms or flood, because it does not have direct effect on them. However well-structured business plan may enhance economic resilience and operational stability, enabling farms to prepare for extreme weather events and maintain farm's operations.

Land access/management challenge: This solution will not impact the global performance of the farm facing loss or limited access to agricultural land because it does not have direct effect as such on them. However, a good business planning helps to cope with the problems caused by land-access restrictions. For instance, by fostering transparency and communication with landowners and other stakeholders and recognizing possibilities for alternative pastures and feed storage.

Cost-benefit Analysis

Costs

Socioeconomics:

- Time investment for creating and regularly updating the business plan.
- Administrative workload and organisational pressure.
- Possible need for external advisors or consultants.
- Need for training or capacity-building, especially in regions with limited business-planning experience.

Health & Welfare:

- No direct negative effects expected.
- Potential indirect risk if profitability is prioritised over welfare.
- Possible pressure to increase horse use if welfare is not explicitly included in the plan.



Benefits

- Improved strategic planning and decision-making.
- Better organisation of farm activities and resources.
- Increased project viability and long-term stability.
- Reduced uncertainty through structured forecasting.



- Integration of animal health and welfare objectives into long-term planning.
- Improved housing, feeding, and management through planned investments.
- Support for preventive healthcare and biosecurity measures.
- Reduced risk of neglect through better resource allocation.

Setting Up a Business Plan

Costs

Environmental Sustainability:

- No direct environmental impacts from business plan development.
- Risk of inefficient resource use if sustainability objectives are not included.
- Potential overuse of pasture, water, or energy without environmental planning.

Cooperation between farms:

- Increased competitive pressure identified through market analysis.
- Time and effort required to identify cooperation opportunities.
- Possible reluctance to share operational or strategic information.
- Risk of misaligned objectives between cooperating farms.



Benefits

- Encourages sustainable pasture and land management.
- Supports efficient use of water and energy resources.
- Could promote biodiversity protection and waste management.
- Could improve resilience to climate change and environmental risks.

- Identification of cooperation potential (e.g. joint marketing, shared equipment).
- Strengthening of networks and trust between farms.
- Exchange of knowledge and best practices.
- Contribution to rural development and sector resilience.



Technical Sheet for Solution Implementation

Setting Up a Business Plan

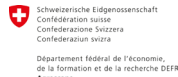
Additional Resources

Websites

- English Language:
 - “How to get started and succeed manual” (EU CAP Network) https://eu-cap-network.ec.europa.eu/projects/practice-abstracts/how-get-started-and-succeed-manual_en?
 - “Business Plan Writer Tool” (EU CAP Network) https://eu-cap-network.ec.europa.eu/projects/practice-abstracts/business-plan-writer-tool_en?
- French Language:
 - <https://equipedia.ifce.fr/en/equipedia-the-universe-of-the-horse-ifce/economy-and-the-horse-sector/economics/accounting-and-company-management/setting-up-an-equestrian-business-from-dream-to-reality>
 - <https://www.francetravail.fr/candidat/je-creereprends-une-entreprise/avant-de-se-lancer/le-business-plan.html#:~:text=%C3%A0%20quoi%20sert%20le%20business,que%20vous%20allez%20pouvoir%20communiquer>
- German Language
 - “So erstellen Sie Ihren Businessplan” (IHK) <https://www.ihk-muenchen.de/ratgeber/gruendung/businessplan/>

Publications/Books

- German Language
 - Dabberts, S, Braun, J. (2006/2021): Landwirtschaftliche Betriebslehre. Eugen Ulmer Verlag, ISBN 978-3-8252-5583-1 (Print); ISBN 978-3-8385-5583-6 (E-Book)
 - Pöchtrager, S., Wagner, W. (2018): Von der Idee zum Businessplan. Geschäftsideen in der Agrar- und Ernährungswirtschaft erfolgreich umsetzen mit Beispielen aus Österreich. Springer Gabler Wiesbaden, ISBN (Print) 978-3-658-19805-3, ISBN (E-book) 978-3-658-19806-0 DOI <https://doi.org/10.1007/978-3-658-19806-0>



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Ideas to Animate a Workshop About the Solution

- Ask a business advisor, equine farm consultant, or agricultural organization to sponsor the workshop.
- Find a model equine farm where workshop can take place.
- Complete sample tasks from a business plan and let participants try planning exercises to get hands-on experience.

Proposed Structure For the Workshop on Setting Up a Business Plan in Equines Farms

1. Introduction to Business Planning

- What is a business plan?
- Key components: market study, activities and offerings, business model, legal structure, marketing, and financial projections.
- Different types of business plans: internal vs. external, profit-oriented vs. sustainability-oriented.

2. Benefits of Business Planning in Equine Farms

- Structured decision-making: improves farm management and reduces uncertainty.
- Better organization of resources and activities.
- Supports animal welfare and environmental sustainability through planned investments.
- Facilitates cooperation with partners, advisors, and other farms.

3. Practical Applications on Equine Farms

- Defining farm activities and objectives.
- Conducting a market analysis.
- Financial planning and investment forecasting.
- Incorporating welfare, sustainability, and cooperation objectives.

4. How to Choose the Most Suitable Planning Approach

- Assess the needs and goals of the farm.
- Consider farm size, resources, and staffing capacity.
- Decide between internal planning vs. hiring an external advisor.
- Compare approaches and tools (templates, software, consulting services).

5. Hands-On Demonstration

- Work on a sample business plan using real or simulated data.
- Practice identifying market opportunities, costs, and investments.
- Discuss how to integrate welfare, sustainability, and cooperation measures.

6. Maintenance and Troubleshooting

- Regular updating of the business plan.
- Adjusting financial forecasts and operational strategies.
- Reviewing the effectiveness of implemented actions.



7. Case Studies and Real-World Examples

- Examples of equine farms that successfully implemented business plans.
- Discussion of lessons learned and best practices.
- Sharing how farms improved animal welfare, sustainability, or cooperation.

8. Cost Analysis and Return on Investment (ROI)

- Time and resources needed to develop the plan.
- Long-term benefits: better management, improved welfare, reduced risks.
- How to evaluate ROI in terms of farm efficiency, resilience, and partnerships.

9. Q&A Session

- Open discussion on challenges in drafting and implementing business plans.
- Address specific questions about welfare, sustainability, and farm cooperation.

10. Wrap-Up and Resources

- Summary of key points from the workshop.
- Provide templates, software tools, and advisory contacts.
- Guidance on accessing funding, subsidies, or support programs.