

# ENTERPRISING RURAL FAMILIES



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## Strategic planning with open arms, an open heart, and an open mind

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Strategic planning is an often-heard buzzword these days. But what does it mean to the average family farm? Simply put, strategic planning is figuring out where you want to go and how you're going to get there. In this era, it's vital say progressive farmers.

"If you want to be successful in the present day, you must do strategic planning," says Richard Friesen, director of operations for the Friesen Group of Companies, a poultry and feed business.

Farming is no different than any other business, says Friesen. Strategic business planning is essential, especially in today's competitive, fast-changing marketplace.

But what's the point of making long range plans, you say. The future is too unpredictable. It's true no one can predict precisely what the marketplace will look like in five or ten years, acknowledges Friesen. But, general trends are clear. "You need to decide which direction you want to go."

"If you want to be a player, you must decide what role you want to play. Your goals may change, but if you don't set any, you certainly won't achieve them."

Strategic planning is not as complicated as it sounds. Many farmers do it while they're driving down the road in the truck. Listening to the radio, they get the latest on market trends. Daydreaming, they devise schemes to improve their profitability. Talking to family members, other farmers, suppliers and customers, they evaluate their plans.

While many farmers intuitively know what to do, having a checklist helps ensure nothing is missed. Whether you want to expand, diversify, slow down or hand the farm over to the next generation, good thorough strategic planning involves the following ten steps:

*This newsletter is an instrument of the Enterprising Rural Families: Making It Work program of University of Wyoming Extension. For further information concerning the Enterprising Rural Families Program or on-line course contact [information@eRuralFamilies.org](mailto:information@eRuralFamilies.org) or go to <http://eRuralFamilies.org/>.*



1. Assess the marketplace. Look for opportunities as well as risks and threats. Gather market intelligence. Find out what your competitors are doing and planning for the future. Look at the external forces that could influence the marketplace. Consider the effect new consumer trends, technology or regulations could have.

2. Rule #2 is know thyself. Do an internal assessment. Be honest about your aptitude and abilities. Know your strengths and weakness. Embarking on a venture for which you have little interest, knowledge, experience, or inadequate infrastructure is risky. Be clear about your employees' capabilities, too.



3. Brainstorm. Dream up all the ideas you can. Be bold. Be creative. Be a little bit crazy. Sometimes the wackiest ideas turn into the best businesses.

4. Evaluate the ideas you've come up with. Decide whether they'll fly. Take into consideration how risky each is, how much

time, expertise, capital and other resources each would require.

5. Do a partial budget for the most promising schemes. Determine how big an investment is required, how long the payback period is, and what the profit potential is.

6. Look at the impact new ventures you're contemplating would have on the rest of your business. Choose one that complements your business. Remember, having too many "irons" in the fire can backfire.

7. Contemplate failure. Make sure you can cope. Better yet, make sure you bail out of the venture quickly and easily, without inflicting any dire, lasting consequences.

8. Once you've decided where you want to go, put together a game plan. Develop strategies for making your dreams come true. Set specific, measurable goals.

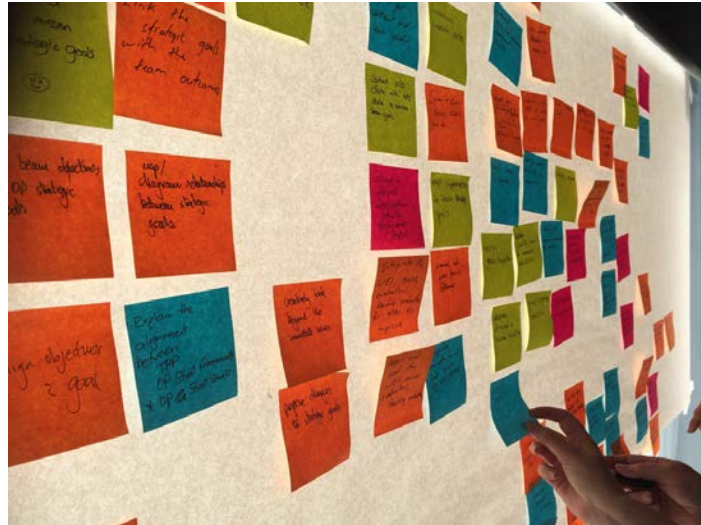
9. Implement your action plan. Delegate specific tasks to specific people. Set deadlines. Follow-up. See that things are progressing.

10. Evaluate and re-evaluate.

If you want to ensure the strategic planning you undertake is successful you need to embark on the journey with open arms, an open heart, and an open-mind. You need to be willing to put some serious time and effort into strategic planning. You must embrace the process.

Central to the process is communication. Ideally, strategic planning should involve lots of talking. Employees should be invited to participate in the process. Farmers must be willing to listen to others' suggestions – and criticisms.

When you solicit input, you're not looking for cheerleaders. You're looking for people to poke holes in your management and your future plans. Staff criticisms can really improve and strengthen your business.



The goal of strategic planning should not be to produce a rigid set of instructions management and staff must follow unquestioningly. Rather, strategic planning should encourage all participants to challenge existing conventions and assumptions and push for change. You want staff to take ownership of the business. Being open to employee suggestions can really help foster commitment to the farm.

Finally, everyone in the business must be willing to change if the business is to move forward from its current point. So when and how should strategic planning be discussed? Regularly and openly is best.

At Kroeker Farms, a family-owned, 100-employee potato, vegetable, and livestock operation, strategic planning begins each fall, after the harvest, says personnel manager Abe Hildebrand. Employees meet with their department manager to review the past year and the group's three-year plan. They're encouraged to discuss problems and recommend changes. Employees are asked what they think the company should look like in the future and what new skills, equipment and other improvements will be required. Managers take this information forward to a two-day retreat, held each November.

At the retreat, managers and company CEO Don Kroeker review the past year, analyze financial statements, re-evaluate the company's priorities, and discuss plans for the future, says Hildebrand. The decisions and goals of the management committee are communicated back to staff at the company-wide gathering held each spring to kick off the growing season.

Strategic planning doesn't end then, however. It's an ongoing year-round process. Explains Hildebrand: "Employees are encouraged to think and act as if they own the farm and can effect change – because they can. Observations and new initiatives are welcome anytime."

To survive and prosper, farm managers need to keep evaluating themselves, their enterprise mix and services, their competitors, government programs and the marketplace and fine-tuning their strategic plans.

Enterprising Rural Families offers a set of two, online courses. The first is entitled “Strategic Management and Goal Setting,” while the second is called “Resource Inventory.” These courses are available at no cost.



The Strategic Management and Goal Setting course, focuses on the question of roles and responsibilities of family members in the family business and how these may change over time. Participants learn how family businesses are unique compared to other forms of business. A process for strategic management is presented, including writing a mission statement, setting strategic goals, and other steps in the planning process. Families are encouraged to set realistic goals and objectives for themselves and their businesses.

Families and anyone seeking to improve their business management skills are encouraged to visit Enterprising Rural Families online at [eRuralFamilies.org](http://eRuralFamilies.org) to access the online course materials or to view the many resources available.

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(Strategic planning in family businesses is covered in greater detail in the **Enterprising Rural Families: Making It Work™** on-line courses.)

\* Originally authored by Lorne Owen P.Ag., Ph.D., Judy Carter M. A.

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#### Tip of the Month



#### Brain Research

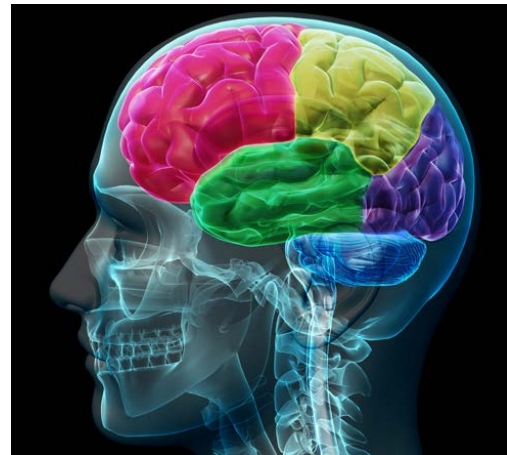
There is much research currently underway on the human brain. However, much of our understanding of how the brain works is still being shaped. Further, research results that are available take some to find their way into everyday thinking.

A recent study published in *Frontiers in Psychology* found that common misconceptions about brain research, called neuromyths, are extremely common. A team of researchers surveyed people with different backgrounds and found the public believed 68 percent of

the neuromyths, educators endorsed 56 percent, and even those with neuroscience training still thought 46 percent of the myths were true.

How many of the following neuromyths did you think were true:

- *When we sleep, the brain shuts down.*
- *Listening to classical music increases children's reasoning ability.*
- *It is best for children to learn their native language before a second language is learned.*
- *If students do not drink sufficient amounts of water, their brains will shrink.*
- *We only use 10 percent of our brains.*
- *Some of us are 'left-brained' and some of are 'right-brained' and this helps explain differences in how we learn.*
- *Brain development has finished by the time children reach puberty.*
- *There are specific periods in childhood after which certain things can no longer be learned.*
- *Learning is due to the addition of new cells to the brain.*
- *Individuals learn better when they receive information in their preferred learning style (e.g., auditory, visual, kinesthetic).*
- *A common sign of dyslexia is seeing letters backwards.*
- *Mental capacity is genetic and cannot be changed by the environment or experience.*
- *Children must be exposed to an enriched environment from birth to three years or they will lose learning capacities permanently.*
- *Children are less attentive after consuming sugary drinks and/or snacks.*
- *Exercises that rehearse coordination of motor-perception skills can improve literacy skills.*
- *Children have learning styles that are dominated by particular senses (i.e. seeing, hearing, touch).*
- *Learning problems associated with developmental differences in brain function cannot be improved by education.*
- *Short bouts of motor coordination exercises can improve integration of left and right hemisphere brain function.*



Adapted from "Dispelling the Myth: Training in Education or Neuroscience Decreases but Does Not Eliminate Beliefs in Neuromyths." K. Macdonald, L. Germine, A. Anderson, J. Christodoulou, and L.M. McGrath. *Frontiers in Psychology*. August 2017. <http://journal.frontiersin.org>. and "You'll Be Surprised These 18 'Facts' About the Brain and Learning are Actually Myths." E. Mack. August 2017. Inc. | <http://Inc.com>.