Developing a Business Plan for Farms and Rural Businesses: Training for New and Beginning Farmers and Entrepreneurs

MODULE 2.4: WHAT RESOURCES DO YOU HAVE?
Current Situation – Human Resources

Online Training Program for New & Beginning Farmers and Agricultural Entrepreneurs

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MODULE 2.4: Farm History and Current Situation

*What Resources Do You Have?*

- Prepare a brief history of your family, farm and business.
- Conduct a SWOT analysis.
- Assess your current situation in:
  - **Marketing** – product, customers, unique features, distribution, pricing, promotion, anticipated changes
  - **Operations** – physical resources, production systems, management systems
  - **Human Resources** – work force, unique skills, anticipated changes
    - **Finances** – needs, performance, risk, financial environment and anticipated changes
- Conduct a whole farm SWOT analysis.
- Prepare the History and Current Situation section of your Business Plan.
People are an essential resource in any farm business. Those persons who plan, manage and conduct day-to-day activities may be the most important factor in determining success.

- The human resource base for the farm include:
  - Primary farm owner(s)/operator(s)
  - Family members who contribute time and effort to the operation
  - Full- or part-time employees or consultants hired to provide specialized advice or expertise
  - Other resource providers

- In assessing the farm’s human resources, answer the following questions:
  - Who is involved in the farm business and what are their roles?
  - What are our unique skills? What skills do we lack?
  - Will the labor situation change in the near future?
Human Resources

Current Work Force: Who is involved in the farm business and what are their roles?

- Compile a list of all the people involved in your operation and what role they play.
- This helps to see how you have organized decision making and work responsibilities.

*Use worksheet 11 below.*

- Describe the duties and responsibilities for each enterprise in which each person is involved.
- The worksheet shows at a glance the degree of specialization and extent of teamwork in the operation.
- The worksheet can identify enterprises that depend almost entirely on one person.
- The worksheet can be used to show the seasonal pattern of activities across all enterprises. It can show where persons are over- or under-employed.
Human Resources

Skills: What are the unique skills of the operation?
What skills are lacking?

- The previous worksheet described the current pattern of decision and work responsibilities.

- Use worksheet 12 below to assess how well suited each person is to the roles they plan in the operation.

  - This worksheet can guide you through a simple evaluation of an individual’s abilities and needs.
  - Complete a separate copy of the worksheet for each person in the operation.
  - You may want each person to complete their own assessment as a way of identifying untapped skills.
  - The worksheet can also identify critical skills your operation is lacking.
  - These are opportunities or problems that can and should be addressed in developing your business plan.
Human Resources

Change: Will our labor situation change in the near future?
Will someone enter or leave the operation

- Spend some time thinking about how your labor resource situation may change in the next year, five or ten years.
- *Use worksheet 13 below to answer questions about common human resource changes in farm operations.*

- Questions 1 & 2 focus on persons who may leave or join the operation, and the opportunities and challenges created.

- Question 3 focuses on the transfer of managerial responsibilities from one person to another.

- Paying careful attention to potential changes will help clarify issues that need to be addressed in your business plan.