

Welcome to the Year One Webinar!

February 13, 2024

12:30-1:30pm



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Agenda for Today

- SWOT Exercise Discussion
- Importance of Strategic Planning and Mission Statements, SMART Goals & Action Plans
- Alumni Spotlight



SWOT Analysis Discussion

Winifred McGee, Business Consultant

The University of Scranton Small Business Development Center



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A New Way to Use SWOT

- Internal Strengths and Weaknesses
- External Opportunities and Threats
- Opportunities and Threats lead the way to prepare for
 - Future short-term shocks
 - Longer term implications


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What's a SWOT analysis?

A SWOT analysis is a tool that helps you evaluate the Strengths, Weaknesses, Opportunities, and Threats (SWOT) involved in any business enterprise — including farms and ranches.

A SWOT analysis can help you gain insights into the past and think of possible solutions to existing or potential problems — either for an existing business or new venture. For a SWOT analysis to work well, every member of your team (your family and/or employees, lawyer, accountant, and insurance agent) should be involved in the process.

After you read this overview, you will find a description of a sample farm and have a chance to go through a SWOT analysis for it. This exercise should help prepare you for doing your own SWOT analysis.



you in this venture. You may lack qualified employees, or perhaps your business will not support full-time employees. If you identify these as weaknesses, don't worry because existing businesses may have similar weaknesses.

Opportunities

Opportunities are considered mostly external. What opportunities are available for your business? You may be able to take advantage of low interest loan packages for start-ups or grants for feasibility studies. You may have an idea that has not been tried in your area and know there is a demand for the product you plan to produce. Be aware that people with potential businesses tend to be much more optimistic than those with existing operations.

Threats

Threats are also considered mostly external. Threats from outside of your business will directly affect you, but you may have very little control over them. If you are starting a new business, there may be local regulations that negatively impact your business. Unforeseen competition (local or foreign), dissolution of markets, and adverse weather may also have a negative effect on your new business. Many of these threats will also negatively affect an existing business. Rising interest rates may have a greater impact on existing businesses than on start-ups.

Strengths

Strengths are considered mostly internal. For example, what do you and your family, employees, and management team bring to the business? If you are planning to start a business, you or an employee or family member may have previous experience in that industry. If not, this may be viewed as a weakness. If you already know where to go to find the help you need, this would be considered a strength for this analysis.

Weaknesses

Weaknesses are also generally considered internal and are the factors you will need to address to run a successful business. For a start-up business, an example might be a lack of experience in the selected industry. Another example may be that your family members do not completely support

The Ryans

- Dairy farm > 50 years
 - Generational blend
 - New enterprise to generate income
 - Ties to current operation
 - Make use of Jane's culinary and Jean's experience
 - Farmstead cheese
-but is this the right way to go?

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Exercise: Sample SWOT Analysis

Here is an example of a small farm that needs to diversify in order to remain sustainable. This farm family needs to conduct a SWOT analysis. Read the example and conduct your own SWOT analysis for the Ryan family. When you are done, you can check your answers against the answers prepared by experienced users of the SWOT analysis tool. Those answers are on the page after your fill-in-the-blanks page. If your answers are close to the experts' answers, you are ready to do your own SWOT analysis.

Meet the Ryan Family

The Ryan family has operated a dairy farm for over 50 years. Paul Ryan, age 48, took over the dairy from his father 20 years ago. The dairy is average-sized for the area: the Ryans milk 60 cows, grow most of their own forage and grain, and raise their own heifers. The family withdraws about \$30,000 from the farm business each year for living expenses. The dairy is located in a rural area, but urban and suburban areas are close by. The nearest city has a population of 100,000.

Margaret Ryan, 42, is Paul's wife. They have three children: Jane, Hal, and Susan. Margaret used to work on the farm, but for the last 8 years she has been working full-time as a clerk-typist in the school district office. Take-home pay from this job is \$18,000, plus health, dental, and other benefits that extend to the whole family. At this point, Margaret oversees the finances with Paul, occasionally milks, and manages the household.

Jane Ryan, 21, has just received her bachelor's degree in culinary arts from the local community college. During the summers, Jane works full-time on the farm with the milking. She is considering farming as an occupation, but would like to continue her work in value-added food production.

Hal Ryan, 16, is in high school and works with his father part-time during the school year, and full-time during the summer. He is not interested in the dairy or in any type of farming and would rather attend a university and study science, engineering, or economics.

Susan Ryan, 12, is a middle school student who really enjoys the farm. She takes care of the calves after school, belongs to 4-H, and has just begun to show an interest in helping with the crops, although she is too young to drive the tractor.

Jean Miller, 64, is Margaret's mother. Since the death of her husband 5 years ago, Jean has lived with the Ryans. She shares an interest in cooking with her granddaughter, Jane.



SWOT Exercise Analysis

OPPORTUNITIES

- *They are located close to a suburban area.*
- *They have good road frontage.*
- *The nearest city has 100,000 people.*
- *Jane has a bachelor's degree from college.*
- *Jane wants to return to the farming operation.*
- *They are located on a well-traveled rural highway.*

SWOT Exercise Analysis

THREATS

- *There may be other cheesemakers in the area with the same marketing ideas.*
- *They have a 76-mile round trip to the city.*
- *This does not say if they have a vehicle to transport the cheese.*
- *Need a steady workforce from a rural area.*
- *Government regulations may dictate many aspects of the operation.*

SWOT Exercise Analysis

STRENGTHS

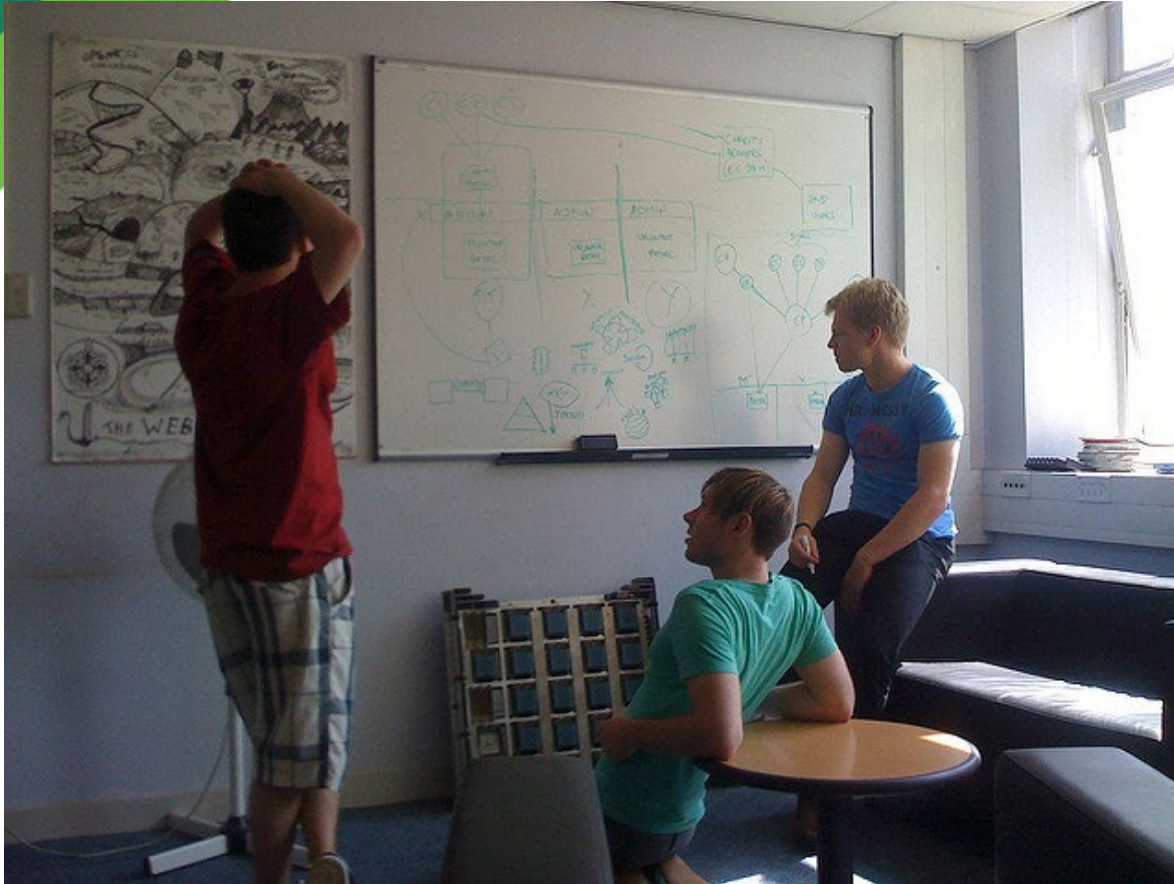
- *Longevity — the Ryans have been farming for 50 years.*
- *They raise their own replacements and feedstuffs.*
- *Family's insurance is paid from an off-farm job.*
- *They have off-farm income.*
- *They use family for labor.*
- *There are multiple generations living on the farm.*
- *They are willing to explore alternatives.*
- *They have good family communication.*
- *They have available land and a building to use for an alternative business.*

SWOT Exercise Analysis

WEAKNESSES

- *They still need to withdraw \$30,000 per year for family living expenses.*
- *They are located in a rural area.*
- *The son is not interested in continuing the farming operation.*
- *They need to set money aside for children's college expenses.*
- *They will need to support multiple families in the near future.*
- *They may need to hire some outside labor for the alternative enterprise.*
- *No one has cheesemaking experience.*

SWOT is Still a “Team” Activity



“Brainstorming” by Paul Downey on flickr.com CC BY 2.0

- Gather
- Honest opinions
- Everything “on the table”
- Brainstorm, categorize, apply

Strategic Planning & Mission Statements

Maureen O'Shea Fitzgerald, Ag Business Consultant



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What is Strategic Planning?

- A systematic process of envisioning a desired future and translating this vision into broadly defined goals or objectives and a sequence of steps to achieve them.

- Source: businessdictionary.com



Why is it important?

- Required document for financing
- Provides direction & priorities
- Helps all levels of management in decision making process
- Message is clear to all stakeholders and customers
- Provides guidance for marketing efforts
- Makes short-term and long-term budgeting easier



Why do Plans Fail?

- Planning process was flawed (rushed, misguided, misunderstood, unclear)
- Not flexible
- Numbers focused
- Wrong people leading teams
- Unrealistic expectations (people & organizational)



Strategic Planning: The Process

- Assess business
 - What's your story?
 - Why are you doing what you're doing?
 - What solution are you offering to your customers?
 - Financial situation
- SWOT Analysis (think internal and external)
- Mission and Vision Statements
 - Purpose of the business
 - Values guiding us
- Clearly define short-term and long-term goals (SMART)
- Cash flow and financial projections
- Assign accountability
- Review and have another person review it!
- Edit & revise when needed



Mission Statement

- A mission statement is a statement of the purpose for a company, organization or person, its reason for existing.
- The mission statement should guide the actions of the organization, spell out its overall goal, provide a path and guide decision making.



Mission Statements

- Answers the following questions:
 - What does your company do?
 - How does your company do it?
 - Reason behind your work – spark, passion, purpose?
 - What values are guiding you?
 - (local, family-owned, sustainable, customer service, etc.)



Mission Statements

- Who should know, follow and believe in your mission statement?
 - Employees / partners / owners
 - Vendors (VERY important)
 - Customers
 - Professional advisors
 - Neighbors
 - Everyone you connect with



Farm Credit Example

- Farm Credit's mission is to support rural communities and agriculture with reliable, consistent credit and financial services, today and tomorrow.
 - Broad
 - Clear
 - Values stated within mission
 - We understand a lot about the organization from one sentence.



What Mission Statements do you like here?

“To be one of the world’s leading producers and providers of entertainment and information, using its portfolio of brands to differentiate its content, services and consumer products.” Disney

“To be a company that inspires and fulfills your curiosity.” - Sony

“To improve its customers’ financial lives so profoundly, they couldn’t imagine going back to the old way.”
- Intuit

“To be Earth’s most customer-centric company, where customers can find and discover anything they might want to buy online, and endeavors to offer its customers the lowest possible prices.”

Amazon

Bosche, Gabrielle, 2019. “The 7 Best and 5 Worst Mission Statements of America’s Top Brands” <https://www.linkedin.com/pulse/7-best-5-worst-mission-statements-americas-top-brands-bosch%C3%A9>. Accessed 2/13/2023.



Mission Statement



HOMEWORK



Exercise: Mission Statement

Vision, Core Values & Mission Handout

- Core Values
 - Define what you stand for, values that define you and how you act everyday
 - Create a list of values or behaviors that you do and expect from your employees & business partners.
- Vision Statement
 - Looks to future, answers question where or what do we aim to be?
 - Ex: “Our vision is to be the premier producer of wine grapes in the mid-Atlantic.”
- Mission Statement
 - Answers what you do, how you do it and reason behind it.



Break



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SMART Goals & Action Plans

Maureen O'Shea Fitzgerald, Ag Business Consultant



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Goal Setting

- Set Goals that Motivate You
- Make them SMART
- Write them down
- Make an Action Plan
- Stick With It
- Be flexible and forgiving when needed



SMART Goals

- **Specific** - Identify exactly what you want to accomplish
- **Measurable** - set a quantifiable result
- **Attainable** - Dream big but set yourself up for success
- **Relevant & Realistic** - Goals are based on current conditions. Make them rewarding and significant to the business.
- **Time Based** – goals should be bound by a deadline or delivery date



Smart Goals: Example

- Increase milk shipped per full time equivalent worker by 100,000lbs in 2024.



Action Plans

Lay out HOW you plan to complete your goal:

- No more than two to three sentences
- Include exactly what needs to be accomplished
- Include a completion date range (Spring of 2025, April of 2024)

How will you know the goal is done?

How will the goal be done?

Who is in charge of completing the goal?



Action Plan Template

- Problem:
- Goal:
- Action Plan:
 - Actions (steps you plan to take to achieve your goals)
 - Persons in charge (staff members who will be handling each step)
 - Timeline (deadline for each step)
 - Resources (assets you need to allocate for each step)
 - Potential barriers (factors that can potentially hinder the completion of each step)
 - Outcomes (desired result for each step)
- Evidence of Success:
- Tracking and Evaluation Process:



Description of Goal or Problem: Increase milk shipped per full time equivalent worker by 100,000 lbs in 2016. Compare results in Dairy SPR benchmark 2015 and 2016 in April 2017

#	Task/Activity	Who is responsible?	By when?	% Progress	Additional Notes
	Create Goal statement and progress poster for break room	Manager	5/1/2016		Post on break room bulletin board. Review monthly during farm team meeting.
	Improve hour tally for unpaid owner and family labor.	Manager	5/1/2016		Create record sheet for monthly tally of owner and unpaid family labor hours.
	Record monthly hours on tally sheet for owners and unpaid family.	Owner	Monthly		
	Institute use of small notebooks by all employees.	Owner, All employees and manager	5/1/2016		
	Farm Team meetings to organize work assignments and task flow	Owner, Manager and employees	Begin immediately At least 3x per week		Begin with 9:00 AM meetings on M,W,F Adjust as necessary.



Goal Setting and Action Plans

HOMEWORK



Alumni Spotlight

Rick Hartlieb, Castanea Farms LLC



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Next Steps

- Complete today's surveys
- Complete modules
- HOMEWORK
 - Mission Statement exercise
 - SMART Goals and Action Plan exercise



Questions?

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