

Farm-Success

training farmers for sustainable succession processes

Understanding generational renewal on family farms: Personal goals, skills and self-assessment

Technische
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1. Introduction

At the beginning of any process, and even more so in the field of business, a **preliminary evaluation of the starting point is required**. This requires an initial **analysis process** in which one's own position is evaluated in relation to different factors that influence the process or activity to be initiated.

Considering that analysis is the process by which **a topic is divided into the individual aspects** that compose it, and, after of rationalization and study, these aspects are reassembled to form a new reality adapted to our approach.

Here we are going to dissect the different elements and **factors that can influence the process of succession with the aim of self-evaluation of our initial situation, this will lead us to self-knowledge**, later identifying those factors or areas which are capable of improvement or constitute a lever which facilitates our process of succession.

Having obtained better self-knowledge we can **define concrete objectives to improve** each of the areas involved or to define future strategies in the **development and evolution of our farm**.

The purpose of this module is to help you **analyse different dimensions** of your **environment** to build an overview of your **strengths and opportunities** for improvement so as to develop the succession process in your family-farm business.

For this, we will **develop a personal SWOT analysis**, based on the evaluation of multiple dimensions linked to your **environment and yourself**. From the analysis of these dimensions you can get a clear and broad idea of what elements are capable of improvement and other dimensions will help you throughout the process.

Those aspects to be improved **can be worked out by defining of objectives**, and for this we suggest a methodology for the development of these business, management or personal goals to make progress as a person and entrepreneur, develop your succession process and your family farm business.

1. Introduction

1.1. SELF-ASSESSMENT PROCESS

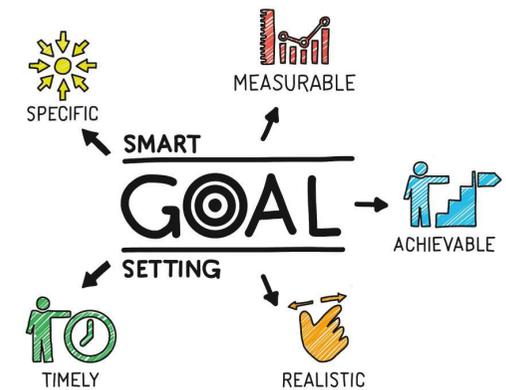
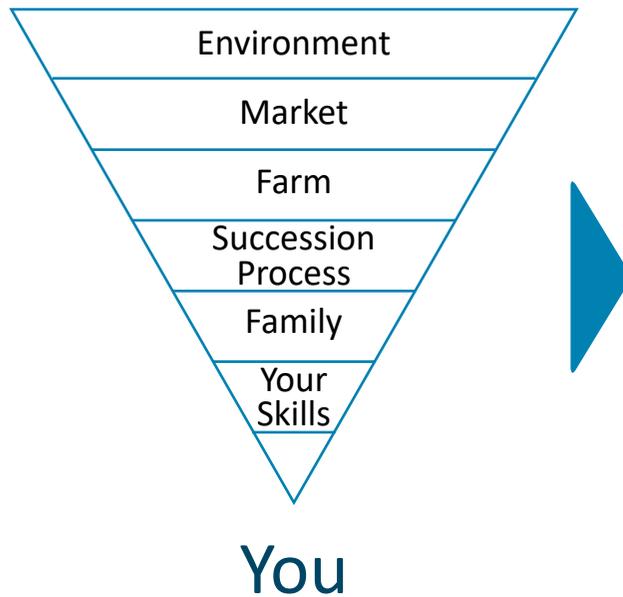
Self Knowledge



Analysis and evaluation



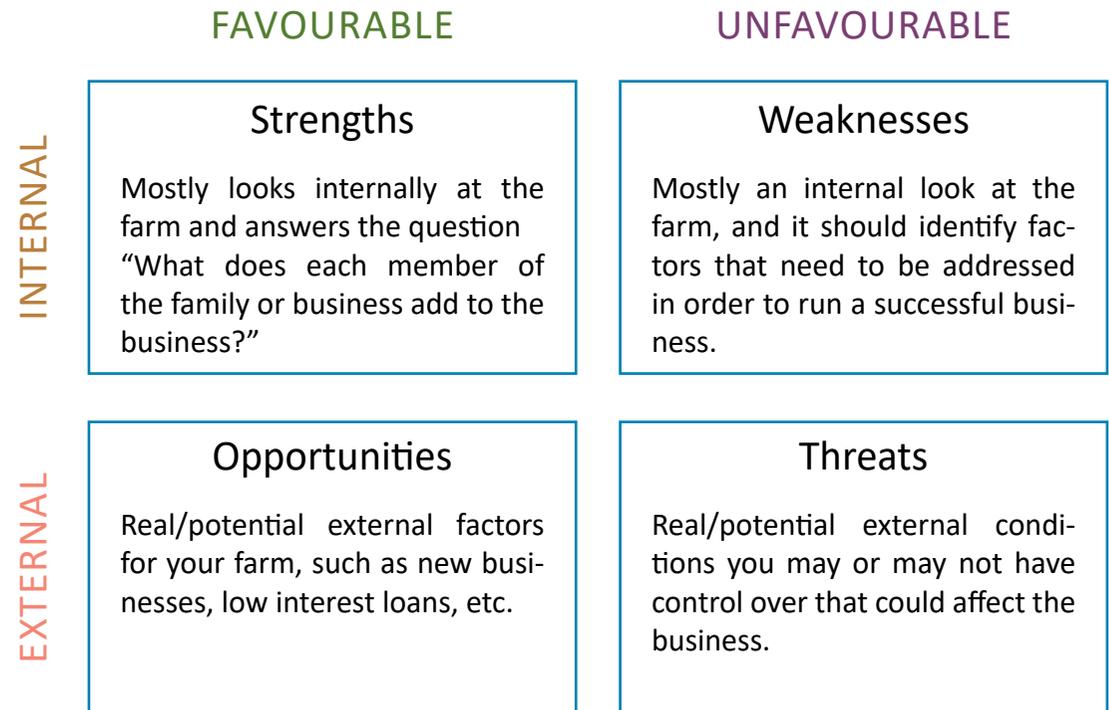
Goal-Setting
and
Achievement



1. Introduction

1.2. WHAT IS SWOT ANALYSIS?

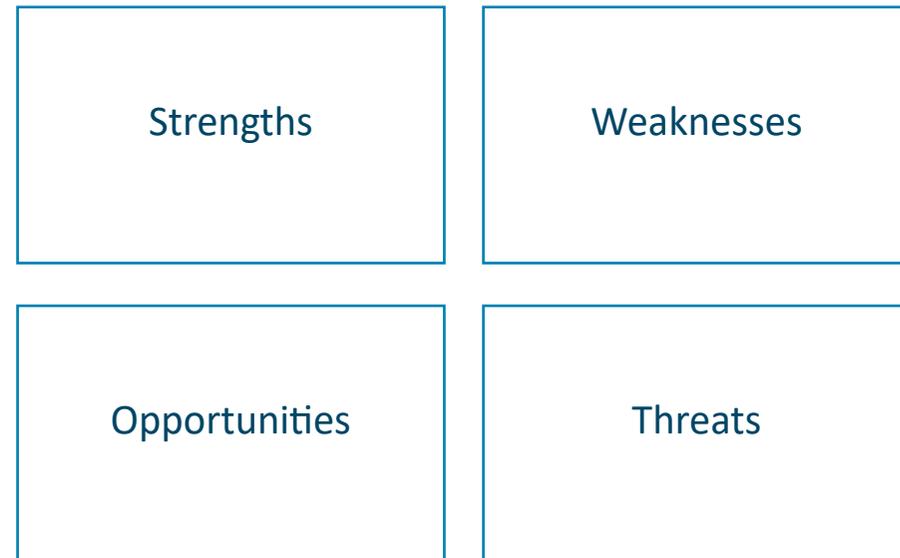
- SWOT is a **strategic planning method** used to evaluate the **Strengths**, **Weaknesses**, **Opportunities**, and **Threats** of a business, such as a farm.
- SWOT **identifies the internal and external factors that are favourable or unfavourable** for the achievement of the objectives of the farm.
- Identification of SWOTs is essential because subsequent steps in the process of achievement planning can be derived from the SWOT analysis, and some goals may have to be revised based on your skills assessment.



1. Introduction

1.3. SWOT ANALYSIS

- **Strengths** may **counterbalance Weaknesses**, **Opportunities** may **offset Threats**.
- Decision makers can use the SWOTs to **determine whether the objectives (goals) of the farm business are attainable** with the current management, capital, etc.
- If the goal is not attainable after comparing it to the SWOT analysis, a different goal or an adjusted goal should be selected and the process should be repeated.



Uses of the SWOT

- The SWOT is particularly helpful in **identifying areas for improving** the farm business.
- To achieve its goals (objectives) SWOT can be used to **set goals**.
- To do both an internal and external **appraisal of the farm business**, such as an assessment of its products.
- To **analyse existing strategies** for moving the farm through a **transition**.
- To **define strategic issues** facing the farm business.
- To **develop** new/revised **strategies, objectives and goals**.
- To **establish** critical **success factors**.
- To **monitor** results, to determine if the farm **goals are being implemented and achieved**.

1. Introduction

1.4. SELF-ASSESSMENT PROCESS

Since our goal is to improve the chances of bringing about a successful succession process, we suggest the following methodology:

1) With the **questionnaires** from this module you will be able to **selfevaluate all aspects** related to:

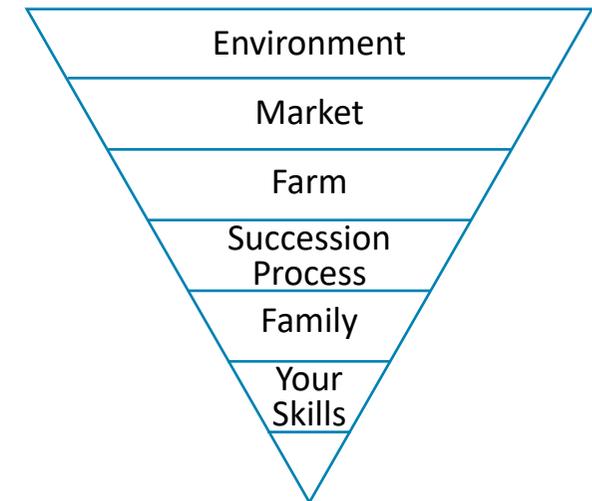
- the current situation of your **succession process**
- your **family** situation
- your **skills** as an **entrepreneur**
- your skills as an agricultural **manager**

2) You will also have to reflect upon all those **external factors** that may affect the process of succession and your family business:

- **sector and market**
- **economy, society, politics, legislation, etc.**

3) With the detailed **analysis** of the elements suggested in this module you will be able to **determine what your opportunities, strengths, threats and weaknesses** are.

4) Being able to **build your own SWOT** analysis.



	Self Knowledge										
	Very Low	Low	Medium	High	Very High						
	A1. Consultation and communication of the successor election										
•						There is communication within the family of the intentions of the predecessor	<input type="radio"/>				
•						There is clear knowledge of the intentions of the predecessor	<input type="radio"/>				
•						There is a clear identification of who will be the successor	<input type="radio"/>				
•						The family has been consulted on the choice of successor	<input type="radio"/>				

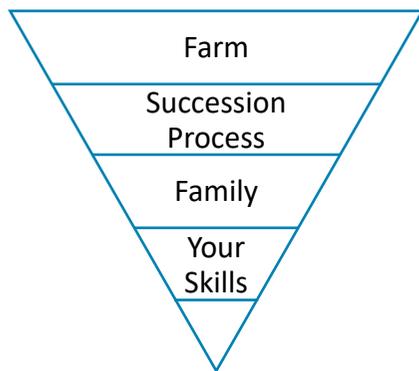


2. Self Knowledge

2.1 QUESTIONNAIRES

- We will begin the self-assessment process by your completing some questionnaires related to 3 key areas:
 1. Process of succession and family
 2. Your skills as an entrepreneur
 3. Your skills as a farmer
- Express your level of agreement (“Very High”) or disagreement (“Very Low”) rating every aspect.
- At the end of each of these sections you can analyse your answers and start filling out your SWOT matrix by positioning each individual factor as “Strength”, “Weakness”, “Opportunity” or “Threat” based on the evaluation of the questionnaires.

Self Knowledge



A1. Consultation and communication of the successor election

- There is communication within the family of the intentions of the predecessor
- There is clear knowledge of the intentions of the predecessor
- There is a clear identification of who will be the successor
- The family has been consulted on the choice of successor

Very Low	Low	Medium	High	Very High
<input type="radio"/>				
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2. Self Knowledge

2.2. SUCCESSION PROCESS

- By clicking on the following [link](#) you will have **access to an Excel file in which you can evaluate**, one by one, many aspects related to your **succession process**, mark the box that you consider appropriate with an “X”, rating your level of agreement.
- Based on your ratings, you can **start building your own SWOT** analysis. It determines which aspects of the succession process are regarded as “Strengths”, “Weaknesses”, “Threats” or “Opportunities”.
- Here are **some topics that you should evaluate** in Excel.

Election of the successor

- Consultation and communication of the successor election
- Predisposition and qualification of the successor
- Consensus on succession decisions

Successor Training

- Planning with and Involvement of the predecessor
- Transfer of responsibilities and knowledge
- Experience within the company
- Experience and training in other companies

Quality of the predecessor-successor relationship

Commitment of the successor to the farm

- Expectations and family pressure
- Expectations and wishes of the successor
- Choices of choice

Expectations and perceptions related to the farm

- Expectations and scope of efforts
- Positive expectations about the farm and the role of the successor

Satisfaction of personal and professional needs and interests

- Satisfaction with business results
- Feeling of self-realization

Family Context

- Cohesion and quality in relationships
- Frequent and fluent communication
- Commitment to the family

2. Self Knowledge

2.2 ENTREPRENEUR COMPETENCIES (YOUR SKILLS)

- This questionnaire tries to cover some of the **initial skills that an entrepreneur needs**, and it is more oriented to those who have not yet begun to develop the activity. For those who have already started the activity and are waiting to complete their succession process, we suggest moving on to the third questionnaire, skills as a farmer.
- By clicking on the following [link](#) you will have **access to an Excel file in which you can evaluate**, one by one, some of your **skills as entrepreneur**, mark the box that you consider appropriate with an “X”, rating your level of agreement.
- Based on your ratings, you can **start building your own SWOT** analysis. It determines which aspects of the succession process are regarded as “Strengths”, “Weaknesses”, “Threats” or “Opportunities”.
- Here are **some topics that you should evaluate** in Excel.

- 
- A1. Personal environment
 - A2. Level of education
 - A3. Level of experience
 - A4. Independence
 - B1. Risk comprehension
 - B2. Assumption of risk
 - B3. Assumption of responsibility
 - C1. Determination
 - C2. Persistence
 - C3. Sacrifice
 - D1. Orientation towards change
 - D2. Orientation towards technological change
 - E1. Organizational skills
 - E2. Tasks Planning
 - E3. Feedback
 - F1. Understanding and patience
 - F2. Teamwork
 - F3. Other companies and associations
 - G1. Motivation
 - G2. Conflict resolution
 - H1. Relationships
 - H2. Workplace communication
 - H3. Listening ability
 - I1. Customer support
 - I2. Commercial communication

2. Self Knowledge

2.3 FARMING COMPETENCIES (YOUR SKILLS)

- This questionnaire is intended **for those with a deeper knowledge of the operation of the farm, some questions are also linked to your skills as an entrepreneur.**
- By clicking on the following [link](#) you will have **access to an Excel file in which you can evaluate**, one by one, many aspects related to your **skills as farmer**, mark the box that you consider appropriate with an “X”, rating your level of agreement.
- Based on your ratings, you can **start building your own SWOT** analysis. It determines which aspects of the succession process are regarded as “Strengths”, “Weaknesses”, “Threats” or “Opportunities”.
- Here are **some topics that you should evaluate** in Excel.

- A. Production management skills
- B. Procurement and selling skills
- C. Financial management skills
- D. Personnel management skills
- E. Strategic positioning skills
- F. Relationship management skills
- G. Leadership skills



3. Environment Analysis

As a farmer and entrepreneur you have to **evaluate the aspects that characterize your environment** (on both the macro and the micro level) before starting your activity, traditionally two tools have been used in the development of business plans:

- the **PESTLE** analysis (macroenvironment)
- the analysis of **PORTER'S 5** forces (microenvironment or market)

A. – PESTLE analysis

It is sometimes referred as **PEST analysis** and it is a concept in marketing principles. Moreover, this concept is used as a tool by companies to track the environment they are operating in or in which they are planning to launch a new project / product / service, etc.

PESTLE is a mnemonic which in its expanded form means “P” for **Political**, “E” for **Economic**, “S” for **Social**, “T” for **Technological**, “L” for **Legal** and “E” for **Environmental**. It provides a bird’s eye view of the whole environment from many different angles that one wants to check and keep track of while thinking about a certain idea / plan.

3. Environment Analysis

Political	<p>The extent to which a government may influence the economy or your industry</p>	<p>Political focus on the sector such as policies and strategies Subsidies for investment in the sector Planned investment in infrastructure Political stability</p>	<p>CAP horizon EU stability Brexit CAP grants</p>
Economic	<p>The economy's performance that directly impacts a company</p>	<p>State of key economic indicators i.e. exchange / interest / inflation rates Cost of utilities</p>	<p>Impact of global consumer trends Impact of the global financial crisis</p> <p>Crisis Prices volatility Petrol price Trade agreements</p>
Social	<p>Cultural trends, demographics, population analytics</p>	<p>Demographics Skill levels Level of discouragement amongst workforce</p>	<p>Organic food demand Immigration workforce Training offers New demands</p>
Technology	<p>Innovations in technology that may affect the operations</p>	<p>Access to new technology Access to ICT Speed of transfer of new technologies</p>	<p>New equipment Energy efficiency Water efficiency Precision farming</p>
Legal	<p>Both external and internal regulations</p>	<p>Ease of doing business Tax policies Access to credit Protection of investors</p>	<p>Employment regulations</p> <p>CAP requirements Farm taxation Succession taxation Contracts regulation</p>
Environment	<p>Influence or are determined by the surrounding environment</p>	<p>Climate Weather Geographic location Global changes in climate</p>	<p>Environmental offsets</p> <p>Increased temperatures Lack of water Climate variability Biodiversity</p>

3. Environment Analysis

B.- PORTER'S 5 forces

Porter recognized that organizations likely keep a watchful eye on their rivals, but he encouraged them to look beyond the actions of their competitors and examine what other factors could impact the business environment. He identified five forces that make up the competitive environment (market).

Degree of Rivalry	This looks at the number and strength of your competitors.	Exit barriers Sector concentration Fixed costs Added value	Intermittent overcapacity Product differences Switching costs Brand identity	Number of competitors Quality differences Customer loyalty
Suppliers Power	Number of suppliers and their control over your purchasing prices.	Supplier concentration Importance of volume of suppliers Differentiation of input Impact of input on your cost	Size of supplier Presence of substitute input Threat of forward integration Cost of changing to other supplier	
Buyer Power	Number of buyers and their control over your selling prices.	Buyer volume Bargaining leverage Buyer information Brand identity	Price sensitivity Substitute available Product differentiation Buyer concentration	
Threat of New Entry	Your position can be affected by people's ability to enter your market.	Barriers to entry Cost advantages Learning curves Access to input	Government policy Economies of scale Capital requirements Brand identity	Switching cost Access to distribution Time and cost of entry Technology protection
Threat of Substitution	This refers to the likelihood of your customers finding a different way of doing what you do	Switching cost Buyer inclination to substitute Price performance trade off of substitutes		

Self Knowledge: SWOT Analysis

Now that you have considered everything, you are ready to build a SWOT analysis with all the areas reviewed. We suggest to use a table with the resulting SWOT matrix. Evaluate which aspects constitute Strengths, Weaknesses, Opportunities and Threats and complete the picture that will help you later to determine your goals and your action plan.

Strengths	
Succession Process	Family
Skills	Farm
Market	Macro-environment

Weaknesses	
Succession Process	Family
Skills	Farm
Market	Macro-environment

Opportunities	
Succession Process	Family
Skills	Farm
Market	Macro-environment

Threats	
Succession Process	Family
Skills	Farm
Market	Macro-environment

Strengths

Weaknesses

Opportunities

Threats

4. Goals

WHAT IS A GOAL?

A goal is the **object of a person's ambition or effort**, an aim or desired result. A goal is not the same as a task. The **goal is the aim and the task is what needs to be done to achieve it.** “Targeting” is to be willing to achieve the goals, gathering the available resources, putting one's mind on them to give purpose and direction to the tasks that are necessary to achieve these goals.

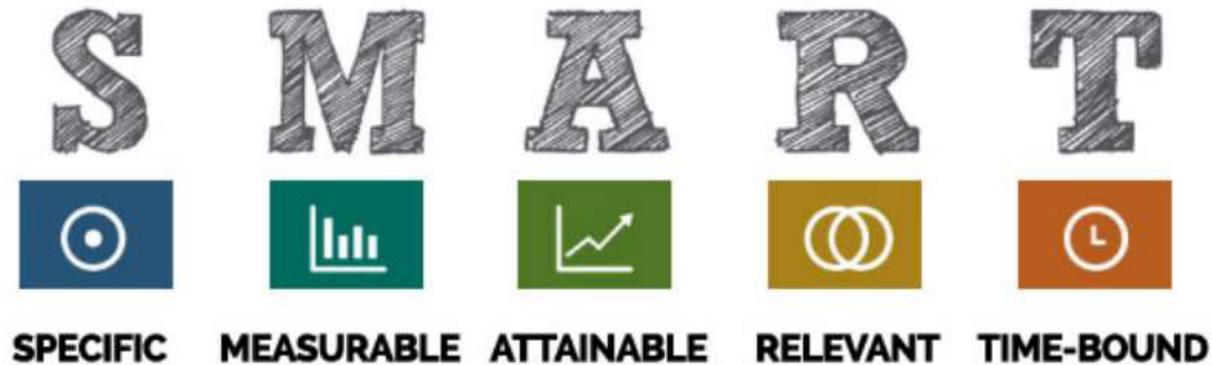
The opposite of “setting goals” is “thinking about problems”. It is obvious that we must consider the problems that can be an obstacle to the achievement of the goals, once the possible options have been analysed and considered and the action to be taken has been decided upon, the problems are only those stages that have to be overcome as to reach the goal.

Setting goals has the effect of shifting towards **positive thinking**. We must **change our way of asking ourselves questions**: Instead of thinking “What has gone wrong?” let's think “What do I want? And what will I do to achieve it?”. Once the problem has been defined, the next step is to start solving it in a well-structured way.



4. Goals

GOALS SETTING: HOW SHOULD A GOAL BE?



1. S – Specific: Is it clear what the objective is? Is it clear what we mean exactly?

Ambiguity has never helped to set good goals, being specific **allows us to reduce grey areas and maintain our focus during the process**. It is important to be clear about **“why”** you want to achieve that goal, **“where”** it is going to take place and **“what”** the elements are that are going to be required.

Example:

- I want to improve the communication in my family (**Not SMART**).
- I want to improve the communication in my family to address issues relevant to the succession of the farm and for this we will have a meeting every night from 7 to 8 where we will discuss each of the topics addressed in this module. (**Yes, it is SMART**).

4. Goals

GOALS SETTING: HOW SHOULD A GOAL BE?

2. M – Measurable: How will we know if we have achieved the goal? How will we measure our success?

Peter Drucker said “What does not get measured does not get improved”, establishing an indicator of success in our objectives that allows us to know how close we are to the final result. If the goal is not quantifiable, the success indicator can be established in a different way.

Example:

- I want to improve the running of my farm (Not SMART).
- I want to improve the running of my farm, renewing at least 50% of the obsolete machinery and increasing income by an average of 50% in the next 5 years. (Yes, it is SMART).

3. A – Attainable: Is it possible to achieve this goal? What do we need to make it attainable?

When considering whether a goal is achievable and realistic, we can identify what kind of skills, attitudes or other resources we need to meet them.

Example:

- I am going to change my crops next year (Not SMART).
- I am going to test new crops by doing small tests that allow me to see if they adapt to the soil,
- climate and the resources that are available. (Yes, it is SMART).

4. Goals

GOALS SETTING: HOW SHOULD A GOAL BE?

4. R – Relevant: Does it deliver further priorities? Is it worth doing?

It means that it is related to a vision or a master plan of either life or business.

Example:

- I want to improve the running of my farm (**Not SMART**).
- I want to improve the running of my farm to ensure its sustainability in the long term and, thus, ensure full time employment and a source of income for my family. (**Yes, it is SMART**).

5. T – Time-Bound (i.e. in a time frame with a deadline): By when are we going to achieve this goal?

If we do not set a time limit, our tasks and projects can last indefinitely. Setting a time limit provides focus and pressure and stipulates when you intend to achieve the objective. The objective has a deadline and is, therefore, more than just a wish!

In addition, the objectives should **be worded in a positive way** so that they are seen as given facts.

Example:

- I do not want to have to sell the family farm (**Not Positive**).
- I am going to take over the farm that my family has been running for years. (**Yes, it is Positive**)

4. Goals

ACHIEVING GOALS

After the definition of objectives, it is necessary to evaluate the implications of their being achieved, to consider what we will need to achieve them and to define an action plan with tasks that make this possible.

1. Identification of benefits and beneficiaries

Whatever the field in which the goals are set, there will always be benefits and there will always be someone who benefits. Should they not be general but rather specific, they must be identified and listed so that they can be communicated, not only to those who will benefit but to the family as a whole.

2. Setting Time Limits

It is appropriate to establish chronograms that allow the objective to be broken down into smaller subsections, thus avoiding the feeling that the final objective cannot be achieved since achieving smaller goals on a day-to-day basis ultimately leads to the (more important) final goal being achieved.

4. Goals

ACHIEVING GOALS

3. Identification of major obstacles

If you want to achieve goals then you have to know what the potential problems are that can be encountered on the way to their achievement, otherwise you cannot make plans or develop strategies to solve them. “Every problem contains the seeds of its own solution”. (Stanley Arnold)

4. Identification of the skills and knowledge required

Once you know what the problems to be faced are, it is necessary to determine which skills and knowledge those who develop the project will need to have. You do not have to be an expert in all areas, what you have to have is the ability to find the information you need and the ability to identify what skills and knowledge are required and where they can be found.

5. Identification of individuals, groups, organizations and companies to work with

If you go to the right people, you will find the right solution.

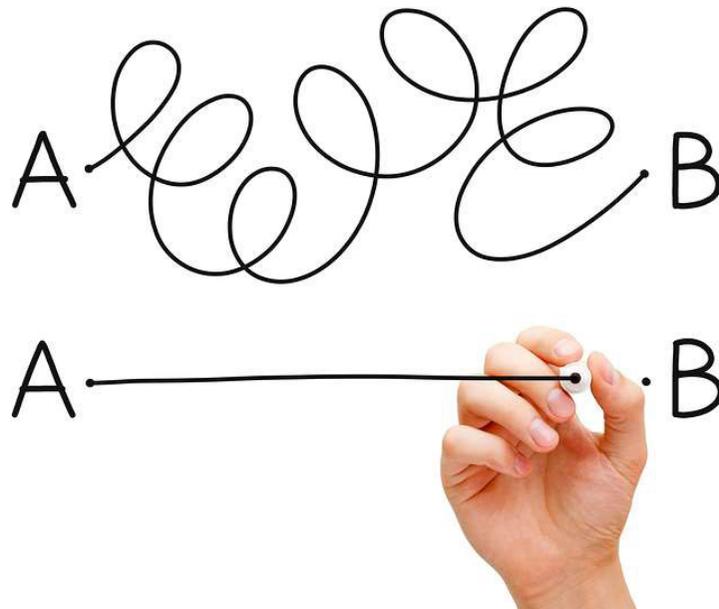
4. Goals

ACHIEVING GOALS

6. Developing the Action Plan

The goals will not be achieved simply by specifying them or by knowing the obstacles to be overcome, but they will only be achieved if a well-founded action plan is implemented in keeping with a time frame. Many of the tasks will be divided according to the action plan and will become small objectives.

The action plan is a pre-planned plan of daily tasks that encompasses the tasks to be developed (what), the time dedicated for them (when), the people who will carry them out (who), and the contingencies that may exist as well as their possible solutions.



4. Goals

ACHIEVING GOALS

GROW Model

In coaching there is a model that can help you develop and reach your goals, its the GROW model. By answering certain questions you can explore the different stages to reach your goals.

GOAL	Set your SMART goal	What outcome do you want from this process? How do you feel this process will help you? Will this session be sufficient to cover the points you need to cover? What would it take for this process to be a success?
REALITY	Assess your present situation	What is the current situation like? Can you use specific examples? What happens/happened when you ...? Are there times when it is different? What do you want to change about the way you...?
OPTIONS	Define possible courses of action	How could the situation change? How could you improve the situation? What have you tried so far? What can you learn from others? Can you provide some specific options for action? Are you aware of the possible downsides to those options? Which of the options suggested would you like to try? Who can help you? Who achieved it before?
WILL	Commit to them	How can you put appropriate options into action? Are you aware of any obstacles to these actions? What is the first step? What specifically will you do? What further support do you need? Does your family offer support for change? Who do you need to tell/ask? How will we know when you have achieved this?

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