

PLANNING FOR ON-FARM SUCCESS

*A Workbook for Montana's Beginning
Farmers and Ranchers*



Module 1: Strategic Planning



This workbook was developed by the Community Food & Agriculture Coalition in cooperation with Montana State University Extension, the National Center for Appropriate Technology, the Montana Community Development Corporation, and the Lake County Community Development Corporation, with funding from the United States Department of Agriculture. This publication was developed as part of USDA RMA grant no. 13-IE-53102-17, Crop Insurance and Risk Management Training for Beginning Specialty Crop Producer in Western Montana and USDA NIFA grant no. 2015-70017-22851, Building On-Farm Success: Resources and Training for Montana's Beginning Farmers and Ranchers.

This workbook draws heavily from the following publication, which can be viewed online at misa.umn.edu:

Minnesota Institute for Sustainable Agriculture. *Building a Sustainable Business: a guide to developing a business plan for farms and rural businesses*. College Park, MD: Sustainable Agriculture Research and Education (SARE), 2003.



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Module 1: Strategic Planning

In this module, you will:

1. Identify your values.
2. Set goals.
3. Draft your mission statement.
4. Practice using your values and goals to make a decision.

Why Do You Want To Farm?

All of us do it—we dream. Whether from the seat of a tractor, while walking our pastures, or talking with family over coffee, we envision the future. This dreaming is critical to the business planning process. One of the first steps in developing a business plan is to articulate your values and outline your overarching goals. As we will discuss, having these values and goals laid out will help ensure partners are aligned and guide your decision-making. They're also great to include in a business plan to share your long-term perspective with your lenders, investors, or other partners. Because some funders may require that you do this through vision and mission statements, we have provided brief definitions of those as well. Once you (and your team) have identified your values and short, mid, and long-term goals, you can use them to guide your decision-making.

Values, Vision, Goals, and Mission

Values

Values reflect your view on life and are a judgement about what you find important. Identifying your core values is an important first step in creating a sound business plan. It becomes critically important if you are planning collectively with other business stakeholders such as family, formal business partners, and community members. Awareness of the different values held by each planning team member will make goal setting and conflict resolution easier down the road. A clear understanding of your values can also help expose biases and make it easier to make objective business decisions.

Worksheet 1A:
Identifying Your
Values and Creating
SMART Goals

Vision

Your **vision** is how you envision your farm or ranch 10-15 years from now. Your vision should reflect your values. In considering your vision for your farm or ranch business, consider the following questions:

- What type of life do I want to lead?
- What do I consider to be financially important?
- What role does my environment play in my life?
- How do I define community and how is it important?

Goals

Goals are what you would like to achieve. They can be personal, financial, or relate to specific aspects of your business, such as production or marketing. They can be short-term (1-3 years), mid-term (4-10 years), or long-term (10+ years).

Worksheet 1B:
Drafting Mission and
Vision Statements

Mission

Your **mission** is a concise statement of what you do, how you do it, and for whom. It can also be thought of as a statement of purpose.

Below are a few examples of some values, vision statements, goals, and mission statements. After reviewing the definitions and examples, use Worksheet 1A to identify your own values and goals and draft your own mission statement. A helpful exercise is to have each farm partner do the worksheet separately then sit down to discuss your perspectives after everyone has given them some thought. This activity should spark some interesting conversations, and will hopefully ensure that everyone is on the same page (even if your values are a bit different).

Definition	Examples...
Values: A values statement outlines the things that are most important to you, the things that drive your decision-making.	<p>I want to have a healthy life with family and friends to earn a living that I have passion for and that doesn't compromise my values of a healthy planet environment and community and family. I want to be able to afford to travel, not work extremely long hours have money enough not to worry about it, feel more spiritually, play more music and spend more time with family and friends. (Cate Farm)</p> <p>To produce delicious specialty dairy products; To guarantee the health, happiness, and ethical treatment of all our dairy animals; To support our contributing dairies; To honor and value our employees; To continue our historical commitment to sustainability; To support our community; To demonstrate integrity. (Redwood Hill Farm & Creamery)</p>
Vision: A vision statement outlines the future of your farm, imagining it 10-15 years from now. Your vision statement spells out what you ultimately envision the business to be, in terms of growth, values, contributions to society, financial rewards, etc.	<p>Our vision is a diversified, full-time family farm that provides wholesome food and sustainably produced products for our community. We are a business that others can learn from, and we are a family that helps our neighbors. We work in partnership with our animals and with the natural world. We support other farmers who share our vision of sustainable agriculture, and we work to be as self-sufficient as possible. (Flying Mule Farm)</p>
Goals: A goals statement shares your top 2-3 goals that will help to make your business successful. If you focus on developing medium or long-term goals, you can use those to develop short-term goals that will help you get there. Your statement should include personal, financial, production, and marketing goals.	<p>Personal: Long-term: Achieve an appropriate balance of work and home life; Short-term: Take Sundays off.</p> <p>Financial: Long-term: Make enough money to pay myself, the bank, and invest in the farm; Short-term: Make a net profit of \$50,000 this operating cycle.</p> <p>Production: Long-term: Increase efficiency while offering customers wider selection; Short-term: Decrease cost/lb of tomatoes.</p> <p>Marketing: Long-term: Increase communication with customers; Short-term: Start and maintain a blog to show customers progress on farm.</p>
Mission: A mission statement is a concise statement of your strategy, outlining what you do, how you do it, and for whom. Allan Savory of <i>The Savory Institute</i> calls it a "statement of purpose." [*]	<p>Our mission is to utilize this incredible natural renewable "next to skin" fiber resource in consumer end products. (Northern Rocky Mountain Alpacas)</p> <p>To raise livestock in an environmentally and economically sustainable manner while teaching others. (A Land of Grass Ranch)</p> <p>To provide healthy food for our region while also taking good care of this small piece of land we call home. (Lowdown Farm)</p>

*See Footnote²

Putting Your Goals to Use

With your values in mind, you and your planning team are ready to begin the process of goal setting—that critical first step toward the development of a working strategic plan with measurable objectives. Goal setting is important for all businesses—but it is especially important for farms because they oftentimes involve multiple stakeholders. Clearly defined goals not only motivate and inspire, but they can also help mitigate conflict for families and friends and help direct limited resources toward value-driven priorities.

² Allan Savory, *Holistic Management*. Island Press, 1999.

Many lenders and other private institutions expect to see clearly identified goals as a part of a business plan. Lisa Gulbranson, author of *Organic Certification of Crop Production in Minnesota*, notes that “some [organic] certification agencies require that producers map out long-term goals and strategies”³ as a part of their certification application. In this case, goal identification is not only a good idea, but it is necessary.

What are your goals?

*Much of the content in this section comes from Erica Frenay, Cornell University Small Farms Program and Holistic Management International.*⁴

As mentioned above, goals are what you would like to achieve. They can be personal, financial, or relate to specific aspects of your business, such as production or marketing. They can be short-term (1-3 years), mid-term (4-10 years), or long-term (10+ years).

Goals do not describe the “how” components of your business—how you plan to market and price a product, purchase equipment, staff the operation, etc. Goals describe what you and your family would like to achieve—statements that point in the direction of your future vision for the business.

As noted above, these will likely include personal, financial, production, and marketing goals. While these will mostly be unique to your business and personal values, one goal that is common to most business owners is some level of financial success (remember: no profit = no farm!). Financial success can have many meanings. For one operator, it might mean making moderate financial progress or just breaking even while meeting other personal, business, and community goals. For someone else, it may not even be necessary to break even if there is another source of income to subsidize the farm. For another, the financial goal may be to make enough money to retire at age 60. There is no right or wrong—your goals should just reflect your personal values and be consistent with your own future vision.

Here are some questions to consider as you think through your goals:

- How do you want your life to be?
- What motivates you?
- What is important to you and why?
- What makes you feel really excited? Happy? Content?
- What level of financial success do you desire?
- What level of financial success do you need as a bare minimum?
- How do you envision production on your farm 10 years from now?
- What kinds of practices would you like to put in place on your farm?
- What are your criteria for success for your farm and environment?
- What markets would you like to be able to tap in the future?
- Which markets seem like they best meet your values and other goals?

As you consider these questions, think about the behaviors or systems you would need to put in place to meet each of those goals. What don’t you have now, or what aren’t you doing now, that is preventing you from achieving your goals? Also, consider your current resources and think about the resources you would need in the future in order to meet those goals.

Try not to include goals that are overly specific, such as “We will buy a new car in five years.” Instead, think of a goal like this: “We will have clean, reliable transportation that allows us to move our livestock and accomplish

³ Lisa Gulbranson, *Organic Certification of Crop Production in Minnesota*. Minnesota Institute for Sustainable Agriculture, 1998.

⁴ Erica Frenay, *Whole Farm Decision Making*. Cornell University, 2014.

other normal daily tasks.” Similarly, avoid having goals that are too vague, like “We will have good health.” Rather, write “We are physically fit, free of disease, and full of energy.”

Regardless of what your goals are and how you choose to organize them, planning and goal setting can be made easier by defining a timeframe for each goal. The most common timeframes used for goals are a short-term horizon of one to three years, an intermediate horizon of four to ten years, and a long-term horizon of ten years or more. The main idea is to get your goals, whatever they may be, down on paper. Although they don’t need to be perfect, they should be goals that you can feel deeply committed to. Written goals will give you “checkpoints” to follow— something to revisit as you evaluate strategic alternatives and monitor your plan following implementation.

Once they’re on paper, don’t be afraid to change them—revisiting them every year and whenever a new stakeholder joins the farm is a good idea.

Identify Common Goals

Once you and your planning team members have identified goals individually, you should take time to discuss and share them with your planning team. This will enable you to identify common goals, recognize differences, and establish a set of collective priorities for the family and business. “Do not ignore potential conflicts or restrictions that might prevent reaching goals. Identifying possible problems in the planning stage will allow time to resolve conflicts,” explains Extension educator Damona Doye.⁵ If you are having trouble reconciling different goals, mediation services are available to facilitate business discussions. Check out the Montana Mediation Association if you need professional help.

Prioritize Goals

Once you are comfortable with the collective business goals identified by you and your planning team, you are ready to begin prioritizing. Few businesses or families have enough resources to reach all of their goals at one time. This task of prioritizing your goals won’t necessarily be easy since many goals may overlap or conflict. The idea here is to identify which goals are most important to you and your partners and for your business—to determine which goals are worth pursuing even if they prevent you from reaching other goals.

For more resources on goal-setting for you and your partners, see *How to Establish Goals: A Group Project for Farmers and their Families*, by John Lamb.⁶

Putting Goals Into Action

One way to help make your goals into actions is to make them SMART!

- **Specific:** Think “Build a Wash Station” versus “Figure Out Cleaning/Processing Issues.”
- **Measurable:** “Build a Wash Station” is a good goal because you will be able to measure when you’ve completed it. The wash station will be built! “Figure Out Cleaning/Processing Issues” is vague, so it will be harder to measure when you’ve accomplished the goal.
- **Attainable:** Is it realistic? Do you have the skills necessary to build a wash station yourself? If not, how else can you get it done? Do you have the resources right now to build one (money to buy materials, etc.)?
- **Rewarding:** Is it consistent with your values? Does it help you meet your long-term goals?
- **Timed:** Setting a timeframe for finishing the goal will help you put it into action and will help you measure success. For example, “Build a Wash Station by April.”

Goals that meet these criteria have a much higher likelihood of being completed because you have developed a tangible outcome against which you can monitor your progress.

⁵ Damona Dove, *Goal Setting for Farm and Ranch Families*. Oklahoma State University, 2001.

⁶ John Lamb, *How to Establish Goals*. Minnesota Institute for Sustainable Agriculture, 1998. <http://purl.umn.edu/115841>

Using Your Goals to Make Decisions

Once you have defined your goals, you should put them into action regularly. When you encounter a big decision like whether to buy a piece of equipment or enter a new market, don't forget to evaluate your options based on whether they will help you meet your goals, as well as whether they make financial sense. Below is a rundown of how you can use your goals to help with the decision-making process, using the example challenges faced by Woodland Farm.

Worksheet 1C: Using Your Goals to Make Decisions

1. **Briefly describe the problem.** The team at Woodland Farm noticed that the quality of their product was declining. They were often tired and stressed and had lost some enthusiasm about farming.
2. **Identify the root cause of the problem.** Determining the root cause of a problem isn't hard but takes some probing. Using a technique called the "5 Whys" can help. See the inset below to see this technique in practice. After asking themselves *why* they were facing these dilemmas, the team at Woodland Farm determined that the root cause of the problem was that they were spread too thin and needed to recoup time to farm better and live better.

3. **Outline all possible options.** They considered what they could do and identified three possible options:

Option 1: Drop one of their enterprises.

Option 2: Hire experienced full time labor.

Option 3: Shut down the direct restaurant sales and farm stand and no longer sell retail.

4. **Identify consequences of each option.**

Option 1: Drop one of their enterprises = reduced income by \$2,000

Option 2: Hire experienced full time labor = reduced income by \$3,000

Option 3: Shut down the direct restaurant sales and farm stand and no longer sell retail = reduced income by \$4,000

5. **Revisit your values and goals. For each option, ask yourself:**

- Does it address the root cause of the problem?
- Is it consistent with my values?
- Does it move me toward my goals?
- Does it create any concerns or problems for any people whose support we need?

The "5 Whys" Technique in Practice

1. **Briefly describe the problem.** Product quality is declining.
2. **Ask why.** *Why* is product quality declining? The team has lost enthusiasm for farming.
3. **Ask why.** *Why* has the team lost enthusiasm for farming? They are often tired and stressed.
4. **Ask why.** *Why* are they often tired and stressed? They have little to no time off.
5. **Ask why.** *Why* do they have little to no time off? Their various enterprises take almost all of their time to keep operating, leaving almost no time for a break.
6. **Ask why.** *Why* do their enterprises take up almost all of their time? They are trying to do too much and sacrificing time off in order to get everything done.

The root cause of the problem is essentially that they are trying to do too much. There aren't enough hours in the day to do everything they're trying to do and still have adequate time to do other things.

Once the root cause is understood, you can brainstorm solutions. In this situation, the team came up with three possible solutions: 1) dropping an enterprise, 2) hiring experienced full time labor, or 3) shutting down direct restaurant sales and farm stand and no longer selling retail.

Once Woodland Farm determined the root cause of the problem and brainstormed a few solutions that addressed the root cause, they had to weigh each option against their values, goals, and whether or not it created concerns or problems for any people whose support they needed.

- **Option 1:** Dropping one of their enterprises addresses the root cause of the problem while upholding their values and furthering their goals and so it could be a good option.
- **Option 2:** Hiring experienced full time labor didn't seem like it would take enough off their plate because they knew they wanted to maintain decision-making power when they have staff.
- **Options 3:** Shutting down the direct restaurant sales and farm stand and no longer selling retail would do the best job of addressing the root cause of the problem but would also be the most likely to create problems with

their supporters (by reducing their visibility in the community and disappointing restaurants). Also, since having strong relationships with restaurants and businesses is one of their main goals, this option wouldn't help them further their goals.

Option one, dropping one of their enterprises, was the only option that addressed the root cause of the problem while still upholding their values, furthering their goals, and not creating concerns or problems for any one whose support they need. It was a happy by-product that the impact on their income was also the lowest.

A different team would work through this process differently because their values and goals would be different. Nonetheless, it can be a very helpful way to consider what's most important in the long-run when making seemingly short-term decisions.

Product Development

Now that we've dug into your values and broad goals, it's time to think about developing your product. There are many approaches to product development. Here, we'll briefly discuss the traditional approach before going into more detail about an alternative that has become popular.

Traditional Product Development

The traditional model for product development is thinking of a product, producing it, and bringing it to market/introducing it to potential customers. The process can be both time-consuming and expensive and runs the risk of wasting both time and money developing a product that customers ultimately don't want. In a farm or ranch context, this could look like buying land, devoting time and money to producing your product, and bringing your product to market only to realize that no one is interested in it.

An Alternative Model (the Lean Start-Up)

In contrast, the Lean Start-Up model focuses on exploring what customers want and what they will pay for *before* you invest a significant amount of time and money in developing your product. The basic idea is to get as much feedback as you can throughout the process of developing your product so that you can pivot more easily to provide a product that your customer really wants. Do this again and again until you come up with a product that provides real value to the customer.

So, how do you apply the Lean Start-Up methodology to farm businesses? There are three steps in the model. We will talk more about how to get feedback in Module 2: Researching Your Market. For now, keep these steps in mind as you think about your business.

Map Out Your Idea

You probably have an idea of what you want your product to be so the first step is to sketch this out. The **Business Idea Map** (BIM) is a tool that allows you to visually map out your business. There are four components of the BIM that we'll think about right now: customer, value, channel, and relationship. **Customer** refers to the characteristics of your customer—age group, income level, values, etc. **Value** refers to the value your product will bring to your customers—healthy products, superior taste, etc. **Distribution Method** refers to how you'll get your product into your customers' hands—at a farmers market, via online orders through your website, through a supermarket, etc. In the section on **Expenses/Resource Needs**, you can include a summary of the key areas of costs you'll have in your business to start preparing for financial management. Think also of non-financial resources you need to be successful. Do you need additional education or information? Mentorship? New skills?

Lean Start-Up Model

1. **Map Out Your Idea.** Describe your customer, the value your product provides them, how you'll get your product into their hands, and the relationship you'll have with them.
2. **Get Feedback.** Talk to anyone who you think might be a potential customer about your product, price, and marketing plans.
3. **Test Your Ideas at a Small Scale.** Produce a small amount of your product, give it to potential customers, and get more feedback! Use this feedback to adjust your product, label and packaging, distribution methods, etc.

Worksheet 1D:

Product Characteristics and Business Idea Map

Get Feedback

The next step is getting feedback about your ideas. Talk to anyone who you think might be a potential customer. Ask them whether they would be interested in buying your product. If they say no, ask them why not. If they say

yes, follow up with questions like how much they would buy at a time, how frequently they would buy it, and how much they'd be willing to pay for it. Talk to the manager of your local farmers markets to see if anyone is already selling your product. Note any patterns you observe (e.g. if the only people who expressed interest in your product are over the age of 65 but your intended channel is direct sales through an app on your phone, you might need to rethink some aspects of your plan). The goal of this stage is to base decisions about your product on feedback from potential customers instead of making assumptions.

Test Your Ideas at as Small a Scale as Possible

The final step is to produce a **minimum viable product** (MVP) and get it into the hands of your potential customers. While a traditional model of product development would require that you produce a significant amount of your product and introduce it to your customers through full-scale distribution and marketing efforts, the Lean Start-Up model calls for a different approach. If your product is hot pepper jelly and, based on talking to everyone you know, it seems that there is interest in it, produce the smallest amount that will still allow you to test your product. Get a community garden plot to grow your peppers, make a few dozen jars of jelly, and give them to everyone you know. Then, get feedback! Find out what people liked and didn't like and how they feel about the price you're thinking about, your label and packaging, your distribution methods, etc. Then, think about how you can make changes to address the feedback you receive.

Get Into Detail on the Farm

On a farm, as in many other types of businesses, there's a lot that goes on behind the scenes beyond the few squares in a BIM. We want to present a few other issues for your consideration. We won't dig into these in great depth because they are outside of the typical business topics but they are important to think about nonetheless and key to your overall strategy. *A detailed strategy—one that is clear to all involved in the operation—is necessary for sound management and is sometimes an institutional necessity.* Organic producers, for example, are required to submit a detailed farm management plan when seeking certification each year. According to certification guidelines, the plan must describe all resource management strategies directed at improving soil fertility; controlling weeds, pests and disease; managing manure; and limiting erosion.

If it's right for your farm, consider developing a production management and operations plan to include in your business plan. If not, it's worth at least considering questions about:

- **Production and Management:** What production/ management alternatives will we consider? How will we produce?
- **Workforce Needs:** What do we need and how will we fill our gaps?
- **Size and Capacity:** How much can we produce?

It is important to start considering these pieces now and return to them throughout the planning process.

Production and Management: How will we produce?

All operations plans begin with a detailed description of the business' production system and a production schedule. Take your time and talk with other experienced farmers when fleshing out the details of your production system and schedule. Sometimes this can be a little sticky as you may be a new competitor of theirs and they may be hesitant to share their business secrets. However, a great way to explore others' production systems is to find similar businesses in other, similar regions—farms you won't be competing with. More on this in Module 2 on conducting market research. Another great way to gain this kind of insight is through interning or working on a farm you admire for a season or two.

Your choice of production system will be heavily influenced by your social, environmental and community values. Each production system carries with it different resource requirements, production outcomes, labor demands and natural resource implications. As you define one or more production system strategies, try to be specific about how the system will work on your farm.

Workforce Needs: What do we need and how will we fill our gaps?

Labor and management are important to the success of any business— particularly farm businesses. Working together, managing each other, making key decisions collectively all can be challenging when you not only work together but live together. These challenges grow when a major change in business strategy is involved—when the roles of managers, family members, and employees can shift from production management to marketing management for instance.

Begin building your human resources strategy with some critical thinking about the type of work and accompanying workloads that will be necessary to reach your future vision and to carry out the marketing-, operations- and finance-related work within the business. Use Worksheet 1J: Tasks and Workload to think through these pieces.

Tasks

What marketing-, operations- and finance-related tasks will be required to produce and market your product? Be realistic about your labor needs and consider the not-so-obvious elements of business ownership and management, such as time required to communicate with staff, make equipment repairs, and handle administrative needs. For example, if you are considering organic production, be sure to plan ample time for recordkeeping. The paperwork necessary to track inputs, harvest and storage in an organic system can be tedious and time consuming.

Workload

Once you have brainstormed a list of tasks, try to estimate how much time each task will require and note any seasonal bottlenecks. This will help you to visualize the peaks and valleys of work demands, which in turn will help determine how to fill workforce needs or reduce workloads. Be sure to include work involved in producing and marketing products, maintaining equipment and facilities, and in managing the business when calculating your labor needs. If you are uncertain about how much time will be needed for each task, talk with other farmers or ag professionals.

Hiring

Once you have an idea about the tasks, workload, and skills required, think about how you would fill those needs. Will you shift responsibilities or reassign tasks among your current workforce? Will you hire family or community members to fill new jobs? Will you reorganize the business to reduce your own workload? Any one of these strategies may be appropriate for your business depending on the values and goals identified by your planning team, and your financial picture, as well as the skills of your current partners.

Before you begin to develop a strategy for filling workforce needs, you should get a good feel for the type of skills required for each new task or position. This information, combined with workload estimates, should help you better decide how to fill your human resources needs. Try to think through all of the tasks that hired labor may be required to do. The more you can think through a job description and the skills and tasks each job requires, the more likely you will be able to fill the position successfully—and keep your new hire happy. Ultimately, your labor strategy—your decision to hire workers, purchase equipment or reorganize the business—will depend on your financial goals and personal values. As you develop a workforce strategy, revisit your human resource goals.

Size and capacity: How much can we produce?

How will you size the business and plan for any growth? Begin your research with a little number crunching to determine realistic production estimates for each future enterprise and production schedule. Use information about the future carrying capacity of your land, the processing capacity of your equipment, boarding capacity of your Bed and Breakfast, or harvesting capacity of your family and staff to develop output projections.

If you have personal experience with the crops you're planning on growing, or better yet, a year or two of past production records, use those. If you don't, or if you're trying to evaluate the production capacity of a new piece of land, your local Extension office or the Montana Department of Agriculture should be able to help you get some rough numbers. As you develop output/production estimates, you may want to estimate "best" and "worst" case production scenarios, or high and low output projections. This will be a key part in thinking through your finances in Module 4, so be sure to put some time into the production capacity question now.

Worksheet 1A: Identifying Your Values and Creating SMART Goals

Take a few minutes to list some of your own values in the top row of the table below. You can list several values in each column. At this point, values can be single words or phrases that describe the business and lifestyle choices that are most important to you.

Next, circle one value in each column and use it to create short, mid, and long-term SMART goals (**specific, measurable, attainable, realistic, and timed**). Refer to page 7 for more on SMART goals.

Example:

Values	physical health
Short-Term	Stretch for fifteen minutes every day
Mid-Term	Arrange labor and daily work flow so everyone gets one full day off each week
Long-Term	Take a family vacation during the growing season each year

Your Turn:

	Personal	Financial	Production	Marketing
Values				
Short-Term Goals (1-3 years)				
Mid-Term Goals (4-10 years)				
Long-Term Goals (+10 years)				

Worksheet 1B: Drafting Mission and Vision Statements

Remember that a mission statement is a concise statement of *what you do*, *how you do it*, and *for whom* you do it. It should communicate your values to yourself, your team, and your customers. Look at the example below. Then, answer each question and put your answers together to draft your own mission statement.

Example

What do you do? I raise heritage breed pigs.

How do you do it? I raise them on pasture.

For whom do you do it? For my family, friends, and community.

Putting it all together:

My mission is to raise heritage breed pigs on pasture for my family, friends, and community.

Your Turn

What do you do? _____

How do you do it? _____

For whom do you do it? _____

Now, put it all together:

My mission is to...

Dreaming a Vision

Choose a timeframe from one, five, to ten years (or more). Next, develop a description of your business and personal future. Don't worry about the development of specific goals or action strategies. For now, keep your vision fairly general. Have each of your planning team members develop their own personal and business vision for the future. Most importantly, ask, "What will our farm or business look like in one, five, or ten years?"

Worksheet 1C: Using Your Goals to Make Decisions

Using your values and goals to guide your decision-making will help you stay true to your values and on track to meet your goals. This worksheet will help you practice this process. **Refer to the example on page 8. Then, use the values and goals you outlined in Worksheet 1A to solve a farm or ranch-related problem you've had.** Even if you're just getting started, you've probably worked on a farm or ranch before. Think back to a problem that your employer had and work through the process to find the solution that would be right for you.

1. Briefly describe the problem.

2. Use the "5 Whys" technique to identify the root cause of the problem - once you've drilled down as far as you can, you should have reached the root problem.

A. Why is the problem above happening? _____

B. Why is A happening? _____

C. Why is B happening? _____

D. Why is C happening? _____

E. Why is D happening? _____

3. Outline three possible options for how to solve the problem.

Option 1: _____

Option 2: _____

Option 3: _____

4. What are the positive and negative consequences of each option?

Option 1: _____

Option 2: _____

Option 3: _____

5. For each option, ask yourself the following questions, using Worksheet 1A.

	Does it solve the root problem?	Is it consistent with my values?	Does it move me toward my goals? If yes, which goals?	Does it create concerns or problems for people whose support we need? If yes, who and how?
Option 1				
Option 2				
Option 3				

6. Finally, select the option that best responds to these questions and makes the most sense for your operation.

Worksheet 1D: Business Idea Map

Using the example below, take a few minutes to brainstorm about your product and business model. Refer to page 9 for more details on the Map. Use additional rows to brainstorm multiple products if needed. Even if you're not sure yet what your product(s) will be, pick an idea to go through the process. Elements of your business model will likely change as you plan your business, but the most important thing is to practice!

We will go into more depth on customers, customer values, distribution methods, and types of expenses in later modules so use this opportunity to brainstorm your thoughts so far and then return to this page and make improvements as you continue your planning process.

Example: Product = Beef

Major Characteristics	Customers	Product Values	Distribution Method	Expenses/Resource Needs
<ul style="list-style-type: none"> locally raised and slaughtered pastured grass-fed 	<ul style="list-style-type: none"> higher income health-conscious special diets 	<ul style="list-style-type: none"> supports local economy animal welfare healthy 	<ul style="list-style-type: none"> farmers market supermarket 	<ul style="list-style-type: none"> cattle winter feed equip. for farmers market help with marketing info on cover crops (etc.)

Your Turn:

Product <i>What are you selling?</i>	Major Characteristics <i>Think of as many as you can.</i>	Customer <i>Think about their age group, income level, and values.</i>	Product Values <i>What value does your product provide to your customers?</i>	Distribution Method <i>How do you get your product into your customers hands?</i>	Expenses/Resource Needs <i>What expenses will you have/resources will you need to produce your product?</i>