



# Enterprising Rural Families™

This newsletter is an instrument of the *Enterprising Rural Families: Making It Work* program of the University of Wyoming Cooperative Extension Service. 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/>.

## TIP OF THE MONTH:

### WHAT'S NEEDED IN A BUSINESS PLAN?

- executive summary: condensed version of all other sections, opening statement that gives the reader cause to examine the rest of the document.
- Mission, goals, and objectives: the underlying business concept is described along with the stages of development.
- Background information: specifics of the industry and its past and present trends.
- Legal form of ownership and organizational structure management will, people and positions described, as well as bookkeeping and financial procedures.
- Marketing section: one of most important parts, will show whether you have really researched and defined your market and what you have to offer.
- Financial plan: salaries, wages, and benefits; outside services; insurance; advertising; occupancy expense; sales forecasts; costs of goods sold; fixed assets; growth expenses; and miscellaneous expenses.
- Appendix: numerous supporting documents such as a timetable for action, market research, resumes, specifications, testimonials, etc.

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## Enterprising Rural Families Course Materials Now Available in an Alternative Format

### Introduction

Family businesses are a unique form of business, facing more risks than other business owners because the family and business are enmeshed; issues that threaten the business threaten the family as well. A family business can reduce risks and increase the likelihood of successfully integrating family and business by increasing knowledge about how to plan for the future. The Enterprising Rural Families course materials help families do just that. These materials are now being made available in an alternative format to better accommodate today's family business operators.

Two, CD-based courses have recently been completed, which provide access to Enterprising Rural Families online course presentations in a new format. The two courses cover *Strategic Planning and Goal Setting* and *Resource Inventory*. Copies are being made available to persons who request them from the authors or may be accessed at the project homepage at [eRuralFamilies.org](http://eRuralFamilies.org).

### *Strategic Planning and Goal Setting Course*

The *Strategic Planning and Goal Setting* course is designed to assist the user to:

- Identify the unique characteristics of a family owned business.
- Describe the ERF model for family business systems.
- Identify the roles and responsibilities in a family owned business.
- Identify key points of change in personal and business cycles.
- Define goal setting and strategic planning.
- Identify the purpose and characteristics of a vision statement.
- Identify the purpose and characteristics of a mission statement.
- Identify the purpose and characteristics of a strategic goal.
- Describe the strategic planning process.

### Family Business Dynamics

A family business is comprised of several independent, yet interdependent systems that have continual and dynamic interactions with one another – dynamics that are often not apparent in a non-family business. The process for decision-making in a family business is complicated, ranging from autocratic to group consensus. At times not enough attention is paid to the concerns of the family or the individuals. Family logic and dynamics can have considerable influence on business decisions.

Business-first or family-first – which is the emphasis? The goal of family is to create compassion and caring, while the goal of business is to incorporate efficiency and objectivity. The tension between these two systems often creates stress and misunderstanding amongst family members and between members of the business management team. There are critical differences between how families handle important issues as opposed to how businesses handle the same issues.



The Family-Business overlap becomes a critical interface which must be dealt with through open communication and honesty for the family engaged in business to succeed. Assessments and worksheets are provided in the course to help participants better understand the attitudes and preferences of their family and business management team.

### The Planning Process

The Enterprising Rural Families model places the assemblage of individual, family, and business systems, and the surrounding communities within a strategic planning process. This process of planning, implementing, and controlling is ongoing, circular, and dynamic.

Matching roles to individuals is one of the first and most basic steps in preparing a workable plan for a family business. A role assessment worksheet assists with matching roles and skills within a family. Properly determining and assigning roles is a basic step in building a successful business management team.

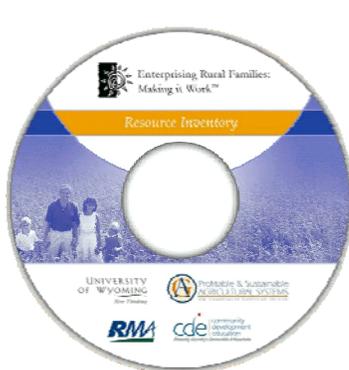
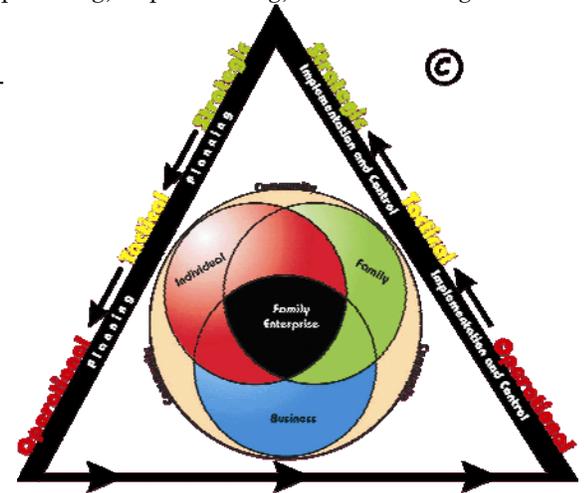
Families and businesses go through distinct and separate cycles and these cycles may dovetail or clash to enhance or weaken the growth of either. Coping with the dynamic of change is a critical skill for all family businesses wishing to survive. Exercises are provided to help the participant think about the issues of change in their situation and how well they are prepared to deal with such change.

### Course Tools

To accomplish the course objectives and deliver subject matter information, *Strategic Planning and Goal Setting* utilizes several tools:

- Scenarios of two example families in business to illustrate various aspects of the course content,
- Four worksheets and assessments,
- Seven readings to expand on course material, and
- Twenty-two interactive components and exercises to enhance participant learning.

*Strategic Planning and Goal Setting* is designed to help participants understand the uniqueness of the enterprise managed by a family in the world of business and a number of the risks and issues that such an operation faces. Family businesses are composed of distinctive, interactive systems that impact operation and success. Those that are successful share common characteristics which enhance strengths and compensate for weaknesses. One method to build on the strengths of the family business is to use proper visioning and planning processes. This allows members of the team to assume roles which most closely fit their skill sets. Such steps will build the sustainability and longevity of the family business from generation to generation.



### Resource Inventory Course

A clear picture of the resources available must be developed before family business owners can fully appreciate the choices and options open to them. Conducting a resource inventory is part of the strategic level of management. It is the process where individuals involved take a hard look at what they have to draw from to make the enterprise a success. This process may lead to the discovery of new strengths or previously unknown weaknesses.

The course is specifically designed to help family business managers learn to:

- Identify the value and purpose of inventorying the resources of a family business.
- Describe the individual inventorying process and identify available individual assessment tools.
- Describe the family inventorying process and identify available family assessment tools.
- Describe the business inventorying process and identify available business assessment tools.
- Describe the community inventorying process and identify available community assessment tools.

### Inventorying Systems

The three systems of the rural family enterprise—individual, family, and business—surrounded by the community are inventoried in the *Resource Inventory* course. How detailed an inventory depends on the importance of each system in relation to the family enterprise.

### Individual System Inventory

Technical knowledge and skills are essential with the growing complexity of family businesses. But technical skills and knowledge may not be the core source of strategic competitive advantage. The skills needed to be successful in the future include vision and strategic management, communication, and personal management. These skills are more difficult to develop but family businesses that do so are expected to have an advantage in the changing world of competitive business.

Strategic management focuses on visualizing the future and where the family business fits. Assessing strategic management skills focuses on three major areas: visualizing the business future; analyzing the current situation; and assessing strengths as a manager.

Communication is often perceived as an art, and many individuals in family businesses believe they just don't have the talent for it. By completing the communication skills inventory, the business owner has a better understanding of their ability to convey information to those they work with and a preferred method for handling interpersonal conflicts.

Personal management skills determine how well an individual handles multiple roles and responsibilities of their lives. After completing the balance assessment, family business operators are able to rate satisfaction in the physical, mental, spiritual, career, family/social, and emotional dimensions of their personal lives.

### Family System Inventory

Meshing a family and a business blurs the lines that distinguish one system from the other. Family businesses are strongly influenced by the patterns of the family and it is impossible to understand a family business without understanding the family running it.

Balancing work and family is an individual and family issue. If families are to be a positive influence, if individuals are to be successful and satisfied in their careers, they must assess what and how they are doing. After completing the balancing work and family assessment, families will better understand the current balance between work and family/personal issues and strategies to help manage the challenges working individuals face.

Every business and every family have roles that must be filled. Along with a clear understanding of the roles family and non-family members play in both the business and the family, every business needs clearly identified job responsibilities and people who can fulfill them. Where jobs and responsibilities are not defined, misunderstanding, friction, and poor performance can result. The Resource Inventory course includes a family role inventory that helps address these concerns.

Finally, good decision making leads to sound management. The means by which individuals make decisions is one of the keys to family business survival. Whether decisions in the family occur autocratically, through consensus, majority vote, or unanimously and the degree family members are involved in decision making is the focus of the decision making inventory.

### Business System Inventory

Before determining a future direction for the business, a picture of what resources the business system has to work with is needed. The Resource Inventory course inventories the following business resources: industry and market; financial situation; physical and natural resources; human resources; business infrastructure; and intellectual property.

The business system inventories in the course assist family business owners explore:

- Current and future industry needs (industry and market),
- Overall financial strength and position of the business (financial resources),
- Cost and market value of natural and man-made resources (physical and natural resources),
- Key assignments needed to ensure success in the family business (human resources),
- Written and detailed procedures and policies (business infrastructure), and
- Copyrights, patents, or customer listings in the business (intellectual property).



### Community Inventory

The family enterprise and the individual, family, and business systems are surrounded by the community. The resources used by communities and inventoried in the course can be placed into seven categories—natural, cultural, human, social, political, financial, and built. The family business interacts with these categories to various degrees, perhaps even daily. Other community resources may be outside the control of the family business but nevertheless may exert an influence on the business.

### Course Tools

To accomplish the course objectives and deliver subject matter information, this *Resource Inventory* course utilizes several tools:

- Twenty-two system inventories,
  - Eight readings to embellish course material, and
  - Thirteen interactive components and exercises to enhance participant learning.
- The *Resource Inventory* course is designed to help the family business consider all the resources available to it. These resources are available from a variety of sources and systems. Some resources come easily to mind; others may take considerable thought to estimate their value to the business and the family enterprise.

### Additional Components

In addition to presentation of the subject matter, each ERF CD-based course includes several additional components. These components are designed to assist the learner or presenter with course material. Additional information includes:

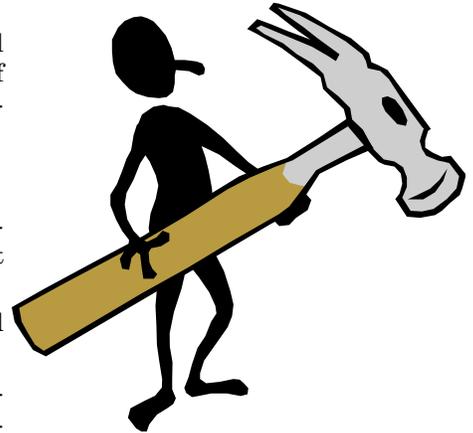
- Glossary- A glossary provides definitions and explanations of terms used throughout the course.
- Resources- The resources section provides links to additional online information and resources for family business managers, a listing of all module worksheets and readings, and a link to presenter files.

Presenter files- This section provides the presenter with a teaching outline for making onsite presentations of the ERF course material, access to Microsoft PowerPoint presentation files for all course content, and links to all course worksheets, readings, and activities.

(Other issues in successfully managing family businesses in today's environment are covered in greater detail in the **Enterprising Rural Families: Making It Work™** on-line course. To request a copy of the courses discussed in this article send an email to [information@eruralfamilies.org](mailto:information@eruralfamilies.org))

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The *Strategic Planning and Goal Setting* course will enable you to:

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