



THE FARMING LIFE CENTRE

SUPPORTING FARMING & RURAL LIFE
IN THE PEAK DISTRICT

WHOLE FARM PLANNING GUIDE

OVERVIEW

1. Family and Farm History

Consider the history of your family and the farm

- Who is involved in the farm business?
- What are the underlying values and goals of the family?
- Can lessons be learned by examining past successes and disappointments?

2. Goals, Strengths and Weaknesses

Determine the areas of responsibility to be allocated to each person

- Each member of the farm business should conduct a self-assessment of their own communication, financial, production, marketing and management skills.
- Identify any skills or experience gaps and consider the need for additional education or training or possible outsourcing some jobs.

- Always look at ways to help family members and employees improve their skills and strengths

3. Taking stock

Analyse the business and set business goals. By taking a snapshot of where the farm business is currently it will be easier to develop key goals for the future.

- What capital, land and workforce available to the business?
- Assess the profitability of the farm
- How is the business structured and what are the operating procedures?
- How are employees managed?

4. Individual Goals

Consider the things each member of the workforce wants to achieve and what their strengths are.

- Each individual should share their individual goals and skill-set assessments with the other member of the business.
- Members can then work together to determine the responsibilities of each team members and to develop goals.

5. Write a mission statement

No longer reserved for large concerns, a mission statement will help you to identify the underlying values that are going to push your family and the business forward.

It doesn't need to be complex, just a short statement describing the fundamental reason for the business to exist.

6. Write a business plan

Use your responses from the previous steps together with our Farm Business Plan Guide to help develop plans for the different areas of your farms business operation.

A business plan will help your family develop a course of action for production and operation practices.

It will help develop a coherent plan for all sectors of the business including finance, personnel and risk-management.

Your business plan could also examine the strengths, weaknesses, opportunities and threats in each of these areas.

7. Plan for retirement

The profitability of your farm should be such that a family member can retire and not adversely affect the financial position of the business.

- Retirement plans should be established early for all members of the business
- Identify retirees' needs and the role the farm plays in meeting these.
- Create a transition strategy – how will your farms assets and managerial control will be transferred to the next generation.
- How will the retiring generation transfer their knowledge to the younger generation and how and when managerial responsibilities will be transferred.

8. Create a farm estate and investment plan

Assets and investments vary widely by family and farm but in fairness to all involved it makes sense to consider what will happen to them in the future.

- Determine how your farm's assets will be distributed upon the death of the principal operators
- Investments typically comprise land, machinery and livestock. Determine how the availability of these investments, or lack there of, will affect the future needs of the business.

9. Set goals in all areas

Setting goals establishes a plan of action for each area of business activity.

- Set measurable goals that are short, mid and long term.
- Hold monthly family meetings where you can look back at the goals you set in each major area of planning.
- Reviewing goals keeps them in focus, even though you might not be able to act on them until a date in the future.

10. Plan for the unexpected

Things rarely go to plan – particularly in farming! It is a good idea to work into your plan a ‘what-if’ scenario for each planning area.

- Look at what unexpected things could happen
- Talking about those ‘what-if’ situations that no one wants to think about could help you stay on target and not become overwhelmed if the worst should happen.
- By making a conscious effort to implement a whole-farm approach to business planning, your farm and family can be ready to face the future with confidence.