

AGEC 412

Farm Business Management Workshop

1) Course Overview

This course provides an opportunity to analyze, evaluate, plan, and make decisions about a business issue of interest and important to you. In the past, many students have selected to develop a succession plan and/or strategy for growing the family business, or to develop a business plan for their own business.

Regardless of the management issue that you select to analyze, the analysis and evaluations that you conduct must be organized into a written business plan containing financial projections. A suggested business plan outline is attached. This outline provides suggestions for what to include in each section of the business plan. You are encouraged to suggest changes to the proposed outline to better fit your situation, but we will need to agree on an outline that will serve as the report minimum in a timely manner.

There are a number of books and other material on the topic of business plans and family business succession. If you need a detailed discussion of business plans and business plan development, you are referred to references listed in Section 10.

At the end of the course, you will be able to:

- a) Conduct a financial assessment of a farm business
- b) Evaluate alternatives for improving the profitability and cash management of a family business.
- c) Appreciate the trade-offs required to develop a sound succession plan.
- d) Develop and evaluate a succession business plan.

2) Course Structure

This class is a workshop so there are limited lectures. Rather there will be discussions of various topics. This means you must prepare for class ahead of time. Workshop students share the responsibility for organizing, leading, and participating in these discussions. A schedule of suggested course topics is listed in the **Agenda**. The **Topics** section of the syllabus lists other topics and references. These are intended to be helpful during the semester or in the future. If you would like to discuss one of these topics rather than a listed topic, please let me know. If you discover other interesting topics and/or helpful references for any succession or farm management topic, please let me know so that they can be added to our references.

Each class period will begin with a presentation. The purpose of the presentation is to get the thinking process started - indicate why this is an important issue, provide some background, identify alternatives, etc. - not provide the final answer. The presentation should be structured in a way that will allow time to ask questions, get reactions, and share

ideas about the topic presented. The class has the obligation to prepare for class by reading the text, investigate/research the topic, and share during class what they have discovered.

In addition, there is an assignment associated with various management topics (see **Agenda**). The due dates for these assignments are specified in the Agenda. Much of the course work required takes place outside class time.

3) Prerequisites

It is assumed you have an adequate background in commercial agriculture, personnel management, financial management, and decision-making methods ([[AGEC 310](#) or [AGEC 330](#) or [AGEC 411](#) or [ENTR 200](#)] and [[AGEC 311](#) or [MGMT 200](#) or [BUS A201](#)]). The purpose of this course is to apply these to management decision-making and the problem that you are analyzing.

4) Individual Management Decisions

Each individual will make an in-depth analysis of a family business and develop a business plan for this business. The business plan needs to illustrate why the change is worthy of implementation. During the first week, each student will identify and describe the topic you will be working on for the semester (Assignment 1). You are responsible for an in-depth analysis of the decision problem, preparing a written report, and making an oral presentation of your analysis. It would be best to work on a decision which has some personal importance to you—a decision with which you will be directly concerned with in the future.

5) Finpack Software

The software used for financial analysis, projecting cash flows, and projecting pro forma financial statements is Finpack. This is a collection of farm financial management programs developed by the Center for Farm Financial Management at the University of Minnesota. They have provided individual copies for everyone with a Windows computer. The program can be downloaded from the Center web site using the url <https://www.cffm.umn.edu/updates/FINPACKUpdate.aspx>. Select **Install or reinstall FINPACK on a desktop or laptop** (second menu item). Use the serial number given to you in class. It is also on the class web site.

You will be asked if you want to “Run” or “Save” the program. You can select either. If you select “Save,” be sure to note where the program is saved so you can find it later. If you “Save” the program, locate the program and double click on the program file to start installation. If you selected “Run” program installation should begin. The serial number you will need to install the software is available on the Blackboard web site. Progress through the instructions on the screen. When asked for the state, be sure to indicate Indiana. This response controls the income tax calculations in some Finpack programs. After the program is installed, register the program. After registration, you are ready to go.

If you do not have a Windows computer, this software is available in the ITaP computer labs.

This software is provided to you for the semester at no cost by the Center for Farm Financial Management at the University of Minnesota. At the end of the semester, you need to remove this program from your computer. If you wish to continue using this software after this semester, it can be purchased from the Center at <http://www.cffm.umn.edu/FINPACK/producers.aspx>. The Center also has several helpful farm business management references on their home page at <http://www.cffm.umn.edu/>. One of these is a course on called Interpreting Financial Statements and Measures at <http://ifsam.cffm.umn.edu/>. Other useful Center web site includes Transferring the Farm Video Series, <http://www.uvm.edu/farmtransfer/?Page=videos.html> developed at the University of Vermont. .

6) Plan Report, Oral Presentations & Report Evaluation

Reports must be typed, organized with **headings** that follow the outline so the flow can be easily followed, pages numbered, and print should be sufficiently dark so that it will copy clearly. Use a 12 point Times New Roman font, 1.5 line spacing, and 1" margins. An outline for the report is at the end of the syllabus. This outline provides a list of suggestions for what to include in your written report. **Draft written reports are due April 4.** The evaluation rubric for the report is also attached.

An oral presentation of your analysis will be scheduled sometime during the last few weeks of the semester. The oral presentation of the plan should be no more than 15 - 20 minutes in length. The oral presentation needs to provide sufficient background information to provide the context of the issue analyzed. This background needs to briefly address the business history and current business situation (people involved, business structure, organization, and financial position). Provide a description of the issues explored and alternatives considered. Present the financial projections for the proposed business change - what happens to business profitability, annual cash flows over the next 5 years, changes to the people involved, business structure, and organization. Questions related to clarification can be asked during and after the presentation. Following the oral presentation, each class member will respond to the plan. The response should focus on three things:

- 1) What you like about the ideas presented.
- 2) What concerns you have about the ideas presented.
- 3) Suggestions you have for improving the plan.

Each student needs to carefully review and evaluate each report before class. Each student will provide an evaluation of the written report. A copy of the evaluation form is attached. A copy of the evaluation will be submitted to the instructor at the beginning of the class period. A copy of the evaluation will be submitted to the presenter at the end of the class period.

7) Post Report Edits

Based on the feedback you receive, make modifications that will improve your plan. This will give you the opportunity to apply the ideas of others to your situation. **Final reports are due April 22.**

8) Course Grading

The course grade will be comprised of two parts:

1. **Individual management problem – written and oral** **50%**
Written report and oral presentation
2. **Class preparation & participation -** **50%**
Complete exercises, questions asked and suggested ideas in class,

The criteria for evaluating your written report can be found at the end of the syllabus.

Participation will be subjectively measured by the following items 1) attended class, 2) prepared for class and made at least one contribution, and 3) multiple meaningful contributions. A more objective measure of your participation will be the on-time completion of requested exercises.

I will be evaluating participation of each class based on the following:

- Does the student demonstrate that they prepared for class?
- Does the student have constructive comments?
- Is the student a good listener?
- Do students build on what is being discussed, or do they go off on their own agenda or simply repeat what has already been stated?
- Do students foster full class participation, or do they try to dominate?
- Can students argue constructively?
- Can students integrate information from other sources (other economic classes, other agricultural classes, readings, and life experiences) to enhance our discussion?
- Do I learn something from the discussion?

The grading scale for your weighted course score is as follows:

97.0% or more	A+	93.0-96.9	A	90.0-92.9	A-
87.0-89.9%	B+	83.0-86.9	B	80.0-82.9	B-
77.0-79.9%	C+	73.0-76.9	C	70.0-72.9	C-
67.0-69.9%	D+	63.0-66.9	D	60.0-62.9	D-
59.9 or less	F				

9) Office Hours

Conferences with the instructor can be scheduled to discuss items related to the class on an as needed basis. To insure that I will be in my office, you can schedule an appointment by calling me (494-9041) or Jessica Bonnell (494-4208).

10) Text

The text for the class is:

Ward, John, L., *Perpetuating the Family Business*, Palgrave Macmillan, New York, 2004. There is a pdf version of this text on the web at: http://www.untag-smd.ac.id/files/Perpustakaan_Digital_1/FAMILY%20BUSIBESS%20Perpetuating%20the%20Family%20Business.pdf

11) Additional References

Family Business/Succession References

Kenyon-Rouvinez, Denise and John L. Ward, *Family Business Key Issues*, Palgrave Macmillan, New York, 2005

Le Van, Gerald, *The Survival Guide for Business Families*, Routledge, New York, 1999.

McCann, Gregg, *When Your Parents Sign the Paycheck: Finding Career Success Inside or Outside the Family Business*, JIST Works, 2007

Nell, W. T and R. J. Napier, *Strategic Approach to Farming Success*, Wim Nell, Bloemfontein 9301, South Africa. ISBN: 0-620-33428-2

Poza, Ernesto j., *Family Business*, South-Western, Cengage Learning, Mason, OH, 2010.

Ward, John, L., *Keeping the Family Business Healthy: How to Plan for Continuing Growth, Profitability and Family Leadership*, Palgrave Macmillan, New York, 2011.

Business Plan References

DiGiacomo, Gigi, Robert King, Dale Nordquist, *Building a Sustainable Business: A Guide to Developing a Business Plan for Farms and Rural Businesses*, Minnesota Institute for Sustainable Agriculture and the Sustainable Agricultural Network, 2003. <http://www.sare.org/publications/business/business.pdf>

Abrams, Rhonda, *Passion to Profits: Business Success for New Entrepreneurs*, The Planning Shop, 2008.

Flory, Chip, *Making the Family Farm the Family Business*, Pro Farmer, 2003.

Hoag, Dana, *Applied Risk Management in Agriculture*, CRC, 2009.

The [Risk Navigator Web Site](http://www.risknavigatorsrm.com/default.aspx) (<http://www.risknavigatorsrm.com/default.aspx>) has several tools for developing a risk management plan.

Libbin, James D., Lowell B. Catlett, Michael L. Jones, *Cash Flow Planning in Agriculture*, Iowa State University Press, 1994.

Peterson, Steven, Peter E. Jaret, and Barbara Findlay Schenck, *Business Plans Kit for Dummies*, 2nd Edition, Wiley Publishing Company, 2005.

Web Sites:

AgTransitions – An on-line tool for helping structure a succession plan. Contains some reference materials

<https://www.agtransitions.umn.edu/>

Beginning Farmers - Beginningfarmers.org is an effort to develop a comprehensive and up to date compilation of information resources for new, experienced, and potential farmers, as well as educators, activists, and policy makers interested in the development of new farm enterprises.

<http://beginningfarmers.org/>

RightRisk – Developed by a group of western region researchers and extension specialists from eight Western states including Arizona, Colorado, Idaho, Montana, Nebraska, Oregon, Utah, and Wyoming. There are useful items under Products

The courses [A Lasting Legacy #1](#) and [A Lasting Legacy #2](#) found on this web site are directly related to succession planning.

<http://rightrisk.uwagec.org/>

Personal Finance – contains several learning lessons and resource materials dealing with personal financial planning for farmers and others,

http://www.extension.org/personal_finance

Farm Journal Legacy Project – Web site that provides several reference materials from TV programs and other sources on succession. One of the references they have developed in a Legacy Workbook -

http://www.agweb.com/legacyproject/legacy_workbook.aspx

<http://www.agweb.com/legacyproject/>

Center for Farm Financial Management – Website maintained by the creators of Finpack, FinBin, and other farm financial management tools and educational programs.

<http://www.cffm.umn.edu/>

Farmdoc - Website that contains numerous articles on farm management topics. It also has decision support tools called Fast Tools. Also contains a link to the Farm Bill Tool Box, a website for evaluating the various decisions required by the 2014 Farm Bill.

<http://www.farmdoc.illinois.edu/>

Ag Decision Maker - Website devoted to providing information and decision support tools for a wide range of farm management decisions. <http://www.extension.iastate.edu/agdm/>

Center for Commercial Agriculture – Website addressing current events taking place in production agriculture. Papers addressing applied research and recording of webinars. <http://www.agecon.purdue.edu/commercialag/index.html>

12) Contact Information

Instructor:

Craig Dobbins
Room 690 Krannert
Phone: 765-494-9041
E-mail: cdobbins@purdue.edu

Administrative
Assistant:

Jessica Bonnell
Room 688 Krannert
Phone: 765-494-4208
E-mail: jonesjl@purdue.edu

13) Special Needs

If you have a disability that requires academic adjustments, please make an appointment with me to discuss your needs. Please note that university policy requires all students with disabilities to register with [Adaptive Programs](#) in the [Office of the Dean of Students](#) before classroom accommodations can be provided.

14) Campus Emergencies

Information about ongoing on-campus emergencies will be posted at <http://www.purdue.edu>. Local news is available at <http://www.wlfi.com> and <http://www.jconline.com>. Cell phone emergency text messages will be sent to those signed up for them. You can register for this university service at <http://www.purdue.edu/securepurdue/>.

In the event of a major campus emergency, course requirements, deadlines and grading percentages are subject to changes that may be necessitated by a revised semester calendar or other circumstances beyond our control. To get information about changes in this course because of a campus emergency see the course web page: <http://www.itap.purdue.edu/tlt/blackboard/>, send me an email (cdobbins@purdue.edu), or call my office (494-9041).

16) Attendance

Students are expected to be present for every class meeting. Unless you have an emergency causing you to miss class, you need to make arrangements ahead of time to have your absence excused. What is excused? – Illness, job interview, family emergency, business appointments. Send me an e-mail and let me know why you will not be able to make the class session and I will try to promptly reply. With emergencies and unexpected events, this might not be possible. In these cases, let me know as soon as you can. If you are ill and have a fever, it is best for you to take care of yourself in a way that will allow you to recover as soon as possible.

17) Communication

Please note that my primary out-of-class method of communication is by email to your Purdue email address. It is your responsibility to check for e-mail on a regular basis.

18) Academic Integrity

University policy on academic dishonesty is clear: academic dishonesty in any form is strictly prohibited. The University policy for academic dishonesty is as follows:

Purdue prohibits "dishonesty in connection with any University activity. Cheating, plagiarism, or knowingly furnishing false information to the University are examples of dishonesty." [Part 5, Section III-B-2-a, [University Regulations](#)] Furthermore, the University Senate has stipulated that "the commitment of acts of cheating, lying, and deceit in any of their diverse forms (such as the use of substitutes for taking examinations, the use of illegal cribs, plagiarism, and copying during examinations) is dishonest and must not be tolerated. Moreover, knowingly to aid and abet, directly or indirectly, other parties in committing dishonest acts is in itself dishonest." [University Senate Document 72-18, December 15, 1972]

Anyone found to be cheating or helping someone else cheat will be referred directly to the Dean of Students for disciplinary action. Penalties are severe and may include dismissal from the University. The risks associated with cheating far outweigh the perceived benefits. Academic dishonesty includes citing someone else's work as your own, using "cheat sheets" or sharing your answers with someone else. If you are unsure whether your planned action constitutes academic dishonesty, seek clarification from your instructor. Other information regarding your rights and responsibilities as a student are contained in the university's regulations on [student conduct](#).

AGEC 412
Agenda Spring 2016

<u>Week</u>	<u>Date</u>	<u>Topic</u>	<u>Reference Material/ Class Location¹</u>	<u>Assignments</u>
1	1/7	Course Introduction		Exercise 1 – Decision Problem Due 1/14
	1/9	Finpack Balance Sheet Development	Computer Lab KРАН 250	
2	1/14	Finpack Balance Sheet Development	Computer Lab KРАН 250	Exercise 2 – Balance Sheet Evaluation - Due 1/16
	1/16	Finpack Balance Sheet Development	Computer Lab KРАН 250	
3	1/21 ²	Martin Luther King Day		
	1/23	Finan Data Entry	Finan – Revenues, Expenses, & Analysis Computer Lab ???????	
4	1/28	Finan Data Entry	Finan – Revenues, Expenses, & Analysis Computer Lab KРАН 250	Exercise 3 – Cash & Earnings Evaluation Due 1/30
	1/30	Financial Analysis Discussion	Interpreting Financial Statements & Measures Computer Lab KРАН 250	
5	2/4	Finpack Budget Data Entry	Crop & Livestock Budgets Computer Lab ???????	Exercise 4 - Scenario Analysis Due 2/5
	2/6	FinFlo Data Entry	Cash Flow Projections & Analysis Computer Lab KРАН 250	

¹ See Section 11 and Other Potential Discussion Topics for additional reference material.

² January 18, 2016 is Martin Luther King, Jr. Day Holiday and class will not meet.

<u>Week</u>	<u>Date</u>	<u>Topic</u>	<u>Reference Material/ Class Location¹</u>	<u>Assignments</u>
6	2/11	FinFlo Data Entry	Cash Flow Projections & Analysis Computer Lab KРАН 250	Exercise 5 - Margin Analysis Due 2/13
	2/13	Cash Management Discussion	Computer Lab KРАН 250	
7	2/18	Nature of Family Business Presenter: Craig Dobbins	Chapter 1 RWLS 1071	Exercise 6 – Cash Management Analysis Due 2/20
	2/20	Strategic Vision & Culture Student Presenter	Chapter 2 – Five Insights RWLS 1071	
8	2/25	Four Principles Student Presenter	Chapter 2 – Four Principles RWLS 1071	Exercise 7 – Entity & Resource Map Due 2/27 Exercise 8 – Business Vision Due 3/04
	2/27	Vision for the Future Student Presenter	Chapter 3 RWLS 1071	
9	3/04	The Owner-Managed Business Student Presenter	Chapter 4 RWLS 1071	Exercise 9 – Business Organization Structure & Job Descriptions Due 3/18
	3/06	The Sibling Partnership Student Presenter	Chapter 5 (66-86) RWLS 1071 Developing Effective Job Descriptions for Small Businesses and Farms	
10	3/11 & 13	Spring Break - Get feedback on plan, go somewhere warm, or both		

<u>Week</u>	<u>Date</u>	<u>Topic</u>	<u>Reference Material/ Class Location¹</u>	<u>Assignments</u>
11	3/18	The Sibling Partnership Student Presenter	Chapter 5 (86-101) RWLS 1071	Exercise 10 – Develop a Business Resume Due 3/27
	3/20	The Cousin Collaboration Student Presenter	Chapter 6 (102-122) RWLS 1071	
Complete business plan draft for submission by April 4				
12	3/25	The Cousin Collaboration Student Presenter	Chapter 6 (122-143) RWLS 1071	Exercise 11 – Exiting a Business Arrangement Due 4/03
	3/27	Buy/Sell Agreements Presenter: Craig Dobbins	Buy/Sell Agreements	
13	4/01	Work Session		
	4/03	Work Session		
14	4/08	Report Presentations		
	4/10			
15	4/15	Report Presentations		
	4/17			
16	4/22	Report Presentations		
	4/23			
17	4/27	Finals Week		
	5/4			

Other Potential Discussion Topics

Below is a list of topics on business and succession planning to discuss during the semester. You are invited to suggest additional topics. I would like the list to be as complete as possible by the end of the third week of class.

Topic	Reference Material
Business Mission, Vision, & Goals	Developing Vision & Mission Statements How to Use Goals to Achieve Business Success: First Steps for New Entrepreneurs
Strengths, Weaknesses, & Core Competencies	Checking Your Farm Business Management Skills The Internal Analysis of Your Farm Business: What Is Your Farm's Competitive Advantage? , Purdue Extension, EC – 721, May 2004. Internal and External Analysis Core Competence Analysis , MindTools Web site http://www.mindtools.com/pages/article/newTMC_94.htm Peterson, Steven, Peter E. Jaret, & Barbara Findlay Schenck, “Chapter 5 Charting Your Strategic Direction” in <i>Business Plans Kit for Dummies</i> , Wiley Publishing, Inc., Hoboken, NJ, 2005.
Marketing	Marketing's Four P's: First Steps for New Entrepreneurs
Job Descriptions/ Organization Structure	Developing Effective Job Descriptions for Small Businesses and Farms Principles for Structuring Small Businesses and Farms
Creating & Using a Business Plan	Fatal Business Planning Assumptions The Elements of a Business Plan: First Steps for New Entrepreneurs
Business Entities LLC Partnership Corporation	Deciding How to Structure Your Business Farm Business Arrangements, Which One for You? Limited Liability Company: A Farm Business Arrangement Alternative General Partnerships for Agricultural Producers Farm Incorporation – A Beginning Farmer Website that address other forms of business organization as well. No Mere Yeoman: Incorporating the Family Farm –Consideration and Consequences Special Problems of Farm Incorporation

Buy-Sell Agreements	<p>Davidoff, Howard, "Understanding Buy-Sell Agreements", <i>The CPA Journal</i>, April 2006.</p> <p>NOLO, "Plan for Changes in LLC Ownership with Buy-Sell Provisions,"</p> <p>Khera Communications, Inc., "Buy/Sell Agreement Checklist," 1998</p> <p>Sullivan, Megan, Why your Business Needs a Buy-Sell Agreement. Buy Sell Agreement Funded With Life Insurance [Top 9 Best Benefits], June 18, 2017.</p> <p>Fontaine, Constance J, Chapter 11 – Buy-Sell Agreements, in <i>Fundamental of Estate Planning</i>, 9th Edition, The American College Press, Bryn Mawr, PA, 2005</p> <p>Harrison, Gerald, Family Business Transfer: Importance of Buy-Sell Agreements, Purdue Extension.</p>
Retirement	<p>Retirement Planner, Social Security Administration</p> <p>Who Will Get Grandpa’s Farm? Purdue Extension</p> <p>Retirement Planning, AARP</p>
Estate Planning	<p>Harl, Neil, Farm Estate and Business Planning, Ag Law Press, 2014</p> <p>Specht, David, The Farm Whisperer: Secrets to Preserving Families and Perpetuation Farms, 2015.</p> <p>Dalton, Michael A. and Thomas P. Langdon, Estate Planning, Money Education, 11th Edition, 2018.</p> <p>Hopkins, Jamie and Constance Fontaine, Estate Planning, American College Press, 2016</p>

<p>Estate Planning, cont'd.</p>	<p>Estate Planning - http://www.extension.iastate.edu/Publications/PM993.pdf</p> <table border="1"> <thead> <tr> <th data-bbox="440 285 1068 394">Basic Estate Planning – series of Fact Sheet from Ohio State University Extension</th> <th data-bbox="1068 285 1305 394">Number</th> </tr> </thead> <tbody> <tr> <td data-bbox="440 394 1068 474">Basic Estate Planning: Introduction</td> <td data-bbox="1068 394 1305 474">EP-1</td> </tr> <tr> <td data-bbox="440 474 1068 590">Basic Estate Planning: Costs Involved in Transferring Property</td> <td data-bbox="1068 474 1305 590">EP-2</td> </tr> <tr> <td data-bbox="440 590 1068 705">Basic Estate Planning: Tax Basis if Property Is Transferred</td> <td data-bbox="1068 590 1305 705">EP-3</td> </tr> <tr> <td data-bbox="440 705 1068 785">Basic Estate Planning: Why Have a Will?</td> <td data-bbox="1068 705 1305 785">EP-4</td> </tr> <tr> <td data-bbox="440 785 1068 865">Basic Estate Planning: Letter of Instruction</td> <td data-bbox="1068 785 1305 865">EP-5</td> </tr> <tr> <td data-bbox="440 865 1068 945">Basic Estate Planning: Life Insurance</td> <td data-bbox="1068 865 1305 945">EP-6</td> </tr> <tr> <td data-bbox="440 945 1068 1024">Basic Estate Planning: Trusts</td> <td data-bbox="1068 945 1305 1024">EP-7</td> </tr> <tr> <td data-bbox="440 1024 1068 1104">Basic Estate Planning: Giving</td> <td data-bbox="1068 1024 1305 1104">EP-8</td> </tr> <tr> <td data-bbox="440 1104 1068 1184">Basic Estate Planning: Sale of Residence</td> <td data-bbox="1068 1104 1305 1184">EP-9</td> </tr> <tr> <td data-bbox="440 1184 1068 1264">Basic Estate Planning: The Nursing Home Dilemma</td> <td data-bbox="1068 1184 1305 1264">EP-10</td> </tr> <tr> <td data-bbox="440 1264 1068 1344">Basic Estate Planning: Medicare and Medigap</td> <td data-bbox="1068 1264 1305 1344">EP-11</td> </tr> <tr> <td data-bbox="440 1344 1068 1419">Basic Estate Planning: Miscellaneous Issues</td> <td data-bbox="1068 1344 1305 1419">EP-12</td> </tr> </tbody> </table>	Basic Estate Planning – series of Fact Sheet from Ohio State University Extension	Number	Basic Estate Planning: Introduction	EP-1	Basic Estate Planning: Costs Involved in Transferring Property	EP-2	Basic Estate Planning: Tax Basis if Property Is Transferred	EP-3	Basic Estate Planning: Why Have a Will?	EP-4	Basic Estate Planning: Letter of Instruction	EP-5	Basic Estate Planning: Life Insurance	EP-6	Basic Estate Planning: Trusts	EP-7	Basic Estate Planning: Giving	EP-8	Basic Estate Planning: Sale of Residence	EP-9	Basic Estate Planning: The Nursing Home Dilemma	EP-10	Basic Estate Planning: Medicare and Medigap	EP-11	Basic Estate Planning: Miscellaneous Issues	EP-12
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<p>Succession Planning</p>	<p>Jones, Rodney, Successful Family Business Transitions, Presented at 2005 Agricultural Lenders Conference, September, 2005</p> <p>OSU Extension Farm Succession Blog</p> <p>Pennsylvania Center for Farm Transitions</p>																										

Transferring assets	<p>Two-Generation Farming Step 1: Getting Started</p> <p>Two-Generation Farming: Transferring Machinery and Livestock</p> <p>Hachfeld, Gary A., David B. Bau, C. Robert Holcomb, & James N. Kurtz, <i>Farm Business Transfer Strategies</i>, University of Minnesota Extension, September, 2009.</p> <p>Curtis, Kynda R. and Margaret W. Cowee, “Estate Taxes & Asset Transfer Mechanisms in Agriculture,” University of Nevada, Reno, Fact Sheet 06-09.</p>
Farm Resumes	<p>Designing a Farm Resume</p> <p>http://extension.missouri.edu/explorepdf/agguides/agecon/g00420.pdf</p>
Risk & Contingency Planning	<p>Planning for the Unexpected: Human Resource Risk and Contingency Planning</p>
Budgets	<p>2018 Purdue Crop Costs & Returns - https://ag.purdue.edu/commercialag/Documents/Resources/Mangement-Strategy/Crop-Economics/id166_2018%20-%20november%202017%20projections.pdf</p> <p>Estimated Costs of Crop Production in Iowa – 2017 https://www.extension.iastate.edu/agdm/crops/pdf/a1-20.pdf - pdf format.</p> <p>https://www.extension.iastate.edu/agdm/crops/html/a1-20.html - provides access to completed budgets in Excel Spreadsheets.</p> <p>Livestock Enterprise Budgets for Iowa – 2017 https://www.extension.iastate.edu/agdm/livestock/pdf/b1-21.pdf - pdf format</p> <p>https://www.extension.iastate.edu/agdm/livestock/html/b1-21.html - provides access to completed budgets in Excel Spreadsheets</p>
Business Promotion	<p>Ten Low-Cost Ways to Promote Your Business</p> <p>How to Promote: Directory of Free Business Promotion Articles & Tips</p>

Notice: Some people view the class syllabus as some sort of contract. I do not. This is a plan not a contract. Plans often get changed as they are implemented. As a result, there may be changes to this plan, including the ways grades are determined, as we progress through the semester. Anyone that has a suggestion for improving things is welcome to suggest a change. Any change will be discussed in class and distributed by email or announcements on Blackboard. .

Report or Business Plan

POSSIBLE OUTLINE

Maximum length for each section in parenthesis.

- I. Cover Page (1 page)**
- II. Table of Contents (Max of 1 page)**
- III. Executive Summary (Max of 1 page) – The last thing to write. The purpose is to condense your total report down to one page.**
 - A. Current Business Description and Business Issue
 - B. Business Vision
 - C. Recommended course of action
 - D. Financial Summary
 1. Current financial strengths and weaknesses
 2. Summary of earnings projections and potential return to investors
- IV. Business Resume (Max of 2 pages)**
 - A. Name, Products, Location, Management team, Other facts that help prompt the business
- V. Business Description (Max of 2 pages)**
 - A. Important events in history of the business
 - B. Business vision
 - C. Description of product line or services
 - D. Business strengths/weaknesses/core competency
 1. Features that make your business special
 2. Competitive advantage
 - E. The management team
 1. Business Organization Chart
 2. Positions & responsibilities (job descriptions in supporting documents)
 3. Key advisors and how they are used
 4. Changes to staffing plan/number of employees
- VI. Business Environment/Scenario – source of your assumptions about prices, yields, and costs (Max of 2 pages)**
 - A. Description of the industry

1. Industry trends
 2. Opportunities and threats
 3. Description of direct and potential competitors
- B. Description of customers
1. Who they are, size, market power, etc.
 2. What they want

VII. Business Strategy (Max of 2 pages)

- A. Business strategy and specific steps to carry out the strategy
1. Ways of using strengths to take advantage of opportunities
 2. Items to monitor as measures of progress
- B. Contingency plans that recognize the critical risks your business faces
- C. Exit strategy for people involved in the business

VIII. Financial Plan (Max of 3 pages)

- A. Current financial assessment relative to industry competitors
- B. Capital investments – physical and human
- C. Financial projections for five years (discuss projected trends)
1. Net Farm Income (accrual adjusted)
 2. Owner Equity – amount and trend
 - a) Contributed capital and retained earnings
 - b) Valuation equity
 3. Cash Management
 - a) Gross Revenue
 - b) Cash Expenses
 - c) Capital Investments
 - d) Debt payment
- D. Trend of key business ratios
- E. Explanation of use of new funds (if new funding is sought)
- F. Potential return to investors compared to competitors and the industry in general

IX. Supporting Documents (Unlimited)

- A. Beginning & Ending balance sheet
- B. Enterprise budgets

- C. Cash flow projections, pro forma balance sheets and income statements for up to 5 years
- D. Job descriptions

Business Plan

Author: _____

Evaluator's Name: _____

BUSINESS PLAN EVALUATION

		<u>Very Good</u>	<u>Good</u>	<u>Adequate</u>	<u>Fair</u>	<u>Not Adequate</u>
I. Executive Summary	Rating	_____	_____	_____	_____	_____
	Business Description					
	Comments					
	Vision					
	Problem Analyzed					
	Recommended course of action					
	Summary of financial projections					
II. Business Description	Rating	_____	_____	_____	_____	_____
	Business Resume					
	Comments					
	Business history and present situation					
	Vision/Mission, Goals & Objectives					
	Strengths/weaknesses/core competencies					
	Management team					
	Organization chart					
	Advisors					
III. Business Environment	Rating	_____	_____	_____	_____	_____
	Description of industry					
	Comments					
	Company customers					
	Direct and potential competitors					
IV. Business Strategy	Rating	_____	_____	_____	_____	_____
	Business Strategy					
	Comments					
	Contingency plans					
	Exit strategy					

BUSINESS PLAN EVALUATION

		<u>Very Good</u>	<u>Good</u>	<u>Adequate</u>	<u>Fair</u>	<u>Not Adequate</u>
V. Financial Plan	Rating	_____	_____	_____	_____	_____
Current financial position	Comments					
Projections (project for 5 years)						
Owner Equity Structure						
Cash Management						
Notes and assumptions underlying projections						
Key business ratios trend						
Return to Investors						
VI. Overall Report	Grade	_____	_____	_____	_____	_____
Comments:						
Like:						
Concerns:						
Suggestions:						