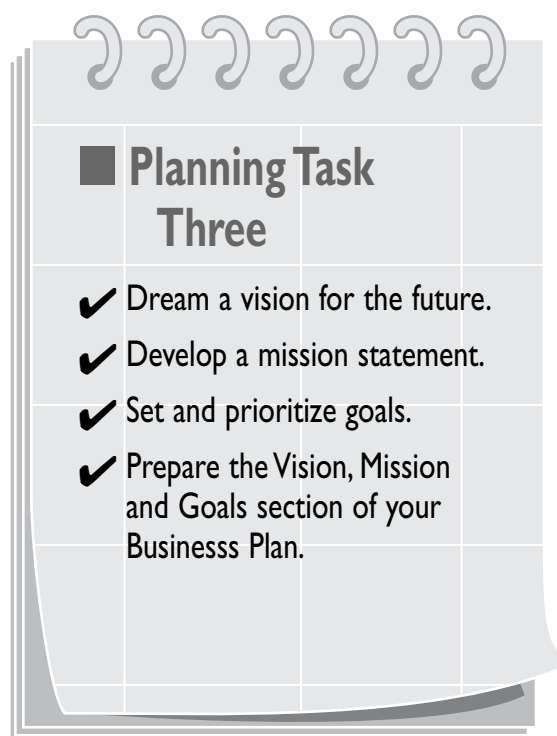


Vision, Mission and Goals—Where Do You Want to Go?



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 or visioning is critical to the business planning process. Visioning will help you identify the mission of your business—why it exists—and goals that will eventually form the basis of your business’ strategic plan. These three components—vision, mission and goals—make up Planning Task Three.

This Planning Task should be rewarding. It is a chance to imagine your future and set goals based on any short and long-term planning ideas that you have for your business. In the next chapter (Planning Task Four), you will research and evaluate your ideas to form a set of realistic business strategies. But for now, recall your values and dream a little as you work through developing a vision, mission statement and goals for your business. If you have participated in Whole Farm Planning, Holistic Management, or other workshops, you may have already gone through the visioning and goal setting process. Utilize any of this work and build on it in the questions and Worksheets that follow.



See pages 97–101 for a complete set of blank worksheets for Task Three.

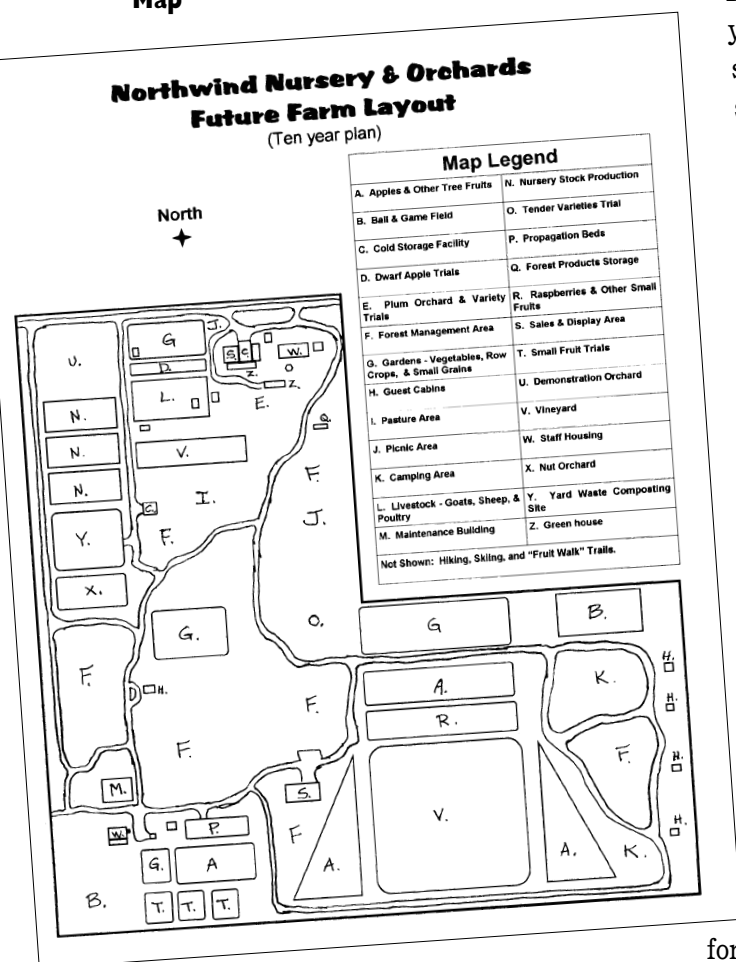


To print a complete set of blank worksheets, go to www.misa.umn.edu/publications/bizplan.html

TASK

3

Figure 3 I.
Envisioned Northwind Nursery and Orchard Map



Dream a Future Vision

You've chronicled a history and described your current business situation. Now it's time to sketch a future vision for your family and business. Your vision should paint a clear picture of how your business will function in the future, and incorporate personal values for family, community, the environment and income.

In the Introduction Worksheet: Why are You Developing a Business Plan? you identified a critical issue that motivated you to begin the business planning process. If you have ideas about how to address this issue, you should include it in your vision. For example, Dave and Florence Minar conceived of on-farm processing (prior to conducting any brainstorming or strategic planning) as a way to add value and jobs to their existing dairy business. This was their initial vision. It was the first idea that they researched and evaluated in Planning Task Four (Strategic Planning and Evaluation).

If you have identified a critical planning need but do not have clear ideas about how to address it, begin with a more personal vision for your business.

Describe what role you would like to play in the business, what you will be doing. You'll have an opportunity to brainstorm specific marketing, operations, human resources and finance strategies in Planning Task Four.

Begin the visioning process with some brainstorming. Ask what your farm or business will look like in five, ten, or twenty-five years. For example, what product(s) and services will you produce? Will you be working with animals or crops? What will the landscape and community look like? What role will you play in the business? Will you be working alongside family? Will you earn all of your income from the farm? Will there be time for regular vacations?

Include your planning team and even nonteam members in the visioning process. Although Dave and Florence Minar were already considering the idea of on-farm processing, they invited 15 family members and friends from the non-farm community to their home for a visioning session. Family and friends were divided into four groups. Each group was asked to develop "farm business ideas that will create jobs for the next generation of family members." After an evening of brainstorming, each group came up with several new ideas ranging from the creation of a bed and breakfast/game farm to the purchase of a local creamery

for ice cream production. Ultimately, the Minars rejected ideas that did not fit with their personal and environmental values, but they did

There are many ways to communicate your future vision: as a story, a short paragraph, a picture or even a map like that created by Northwind Nursery and Orchard owner Frank Foltz. Frank Foltz and his family agreed as part of their vision to continue selling nursery stock and farm-grown fruit in the future, but noted in his plan that *“the most exciting concept we envision implementing is the experience of the farm itself.”* The Foltz family drew two maps—one to reflect their current situation and one, like that shown in Figure 31, to reflect the service and tourism components of their envisioned nursery and orchard ten years from now, complete with guest cabins, a picnic area, a ball and game field, a demonstration orchard, and fruit trial areas as well as hiking, skiing and “fruit walk” trails.

Worksheet 3.1 Dreaming a Future Business Vision


Choose a timeframe from one, five to ten years (or more). Revisit your values if necessary. Next, develop a description of your business and personal future using some or all of the questions that follow. Or if you prefer, write a story, draw a map. Dream a little! Don't worry about the development of specific goals or action strategies—you will be setting goals and developing business strategies in the Worksheets and chapters that follow. For now, keep your vision fairly general and, if possible, address your critical planning need in some way. Remember—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?

The future looks bright! Cedar Summit Farm is still a diversified livestock enterprise after ten years. We have listened to our customers and have adjusted our product line to suit their needs.

All of our products are sold at our farm store, farmers' markets, CSA's, church drop-off spots, food co-ops or delivered to homes and restaurants within a 25-mile radius of the farm. Included in our product line are a large variety of dairy and meat products.

The customer base at Cedar Summit Farm has grown to the point that we must ally with neighboring sustainable producers. The fact that the farm is almost totally surrounded by homes has played a part in this growth.

TASK 3



Develop a Mission Statement

Figure 33.
Example from Cedar Summit
Farm—Worksheet 3.2: Creating
My Business Mission Statement

A mission statement rolls your values, current situation and vision into a set of guiding principles that describe your business. It serves as a benchmark for you and your partners while communicating how and why your business exists to customers and other community members outside your business. It is, what *Holistic Management* author Allan Savory calls a “statement of purpose.”⁶

Your mission statement may include values and beliefs as well as a product, market, management and income description. Moreover, it should draw from

your future vision by including an

overview of the direction in which your business is headed. It should be general and short, like the mission statement prepared for Riverbend Farm by owner Greg Reynolds:

“The mission of this farming enterprise is to produce organic food that: is sold to local customers at a fair price; will provide us with enough income; will improve the soil, air and water quality on our farm; and is a vehicle to raise community awareness of sustainability and environmental issues.”

Consider who will see your mission statement and bear this in mind as you write. For example, will you post your mission statement somewhere visible for customers to read like a label

TASK
3

Worksheet 3.2 Creating My Business Mission Statement

Use the questions below to begin sketching a brief mission statement that communicates your values, management philosophy, and future vision. Remember to have each one of your planning team members complete this Worksheet. Then share your statements, discuss your similarities and differences, and draft a final mission statement. Going through this process as a team will generate more ideas and will result in a common mission statement that every one of your planning team members support. Try to limit your response to each of the questions so that, once combined, your mission statement does not exceed five to six sentences. Remember, write in the present tense and keep it positive.

I would like our business to be known for the following in the future:

Nutritious, fresh, clean food.

The internal and external purpose of my business is to:

Provide our children with jobs in agribusiness, finance our retirement, and keep agribusiness alive in our community.

Our business mission statement will communicate to:

Our mission statement will be posted at our farm stand and in our processing facility. It will also be printed on our labels and in all of our brochures.

Based on your answers above, write internal and external mission statements that communicate your business' purpose and the qualities for which you would like your business to be known:

Internal mission:

Our mission is to create a successful, fulfilling business that can support our children and ourselves financially while preserving the land and community around us.

External mission:

Our mission is to provide fresh, wholesome meat and dairy products to our growing community; to become the neighborhood farm.

⁶ *Holistic Management: A New Framework for Decision Making*, 2nd Ed., Savory and Butterfield, 1999.

or brochure? What would you like your business to be known for—a particular quality such as “old-fashioned” taste, environmental stewardship, competitive prices? If the mission will remain within the business, think about how it can be used to inspire and motivate future members of the business.

Draft a preliminary mission statement for your business. You will revisit this mission statement as you research, develop and evaluate business strategies for Planning Task Four. You can then make any necessary changes based on your research and strategic planning decisions. Limit your mission statement to five or six sentences and maintain a positive, active voice when writing. Think about these guidelines as you complete the statements in **Worksheet 3.2: Creating My Business Mission Statement**.



Set and Prioritize Goals

TASK

3

With a vision and mission in mind, you and your planning team are ready to begin the process of goal setting—that critical first step towards the development of a working strategic plan with measurable objectives.

Goal setting is important for all businesses—but it is especially important for family farms because they involve family. Clearly defined goals not only motivate and inspire, but they can also help mitigate conflict for families and help direct limited resources toward value-driven priorities.

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”⁷ as a part of their certification application. In this case, goal identification is not only a good idea, but is necessary.

What Are Goals?

Goals describe what you and your family would like to achieve—statements that point in the direction of your future vision for the business. They reflect the “what” and “who” pieces of your vision—what it is you would like to market, what the farm landscape will look like, who will be involved in operations, and what you intend to earn from the business. 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. You will draft and test these “how to” strategy ideas in Planning Task Four.

⁷ *Organic Certification of Crop Production in Minnesota*, Gulbranson, 2001 (revised).

Author Ron Macher notes that goals come in all shapes and sizes. “There are personal goals, family goals, business goals, community goals and environmental goals. A family goal,” he explains, “might be to develop a system of farming that allows you to spend more time with your children. A personal goal might be to have enough farm income to quit your town job and farm full-time. A business goal might be to achieve a 20 percent return on your total investment.”⁸

Business goals can be broken down further into marketing, operations, human resources and finance objectives. As an existing business owner, for instance, you may have very specific goals for each functional area of the business—specific sales targets, workload limits, or profit objectives.

While these business goals will be unique to your business and personal values, one goal that is common to most business owners is some level of financial success. Although financial success may not be the most important goal of your farm business, it is usually in the mix. It is often very difficult to reach other personal, environmental, economic and community goals unless you reach a certain level of financial success.

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.

As you sketch goals, think about your family’s desired standard of living. Estimate your future family living expenses using your current expenses (Worksheet 2.11: Family Living Expenses) as a starting point. Then factor in any quality of life changes that you foresee in the next two to ten years, such as the need to pay for college tuition, home improvements, retirement or travel as expressed by Dancing Winds Farm Owner Mary Doerr. Alternatively, if you are happy with your current standard of living, one of your goals might be to maintain current spending levels during the start-up phase of a new business enterprise. Be specific about how much income you will withdraw from the business annually to meet family or household living expenses. Will it supply all of your family living needs or only a portion? **Worksheet 3.3: Estimating Our Family’s Goal for Profit** will help you estimate your family’s future family living expenses and goals for financial success.



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 five years, an intermediate horizon of five to ten years, and a long-term horizon of ten years or more. Look at the Minars’ goals (Worksheet 3.4, Figure

⁸ *Making Your Small Farm Profitable, Your Goals and Farm Planning*, Macher and Kerr Jr., 1999.

Long-time business owner, Frank Foltz of Northwind Nursery and Orchards, outlined the following short and long-term goals for his business:

... The lighter workload will enable us to initiate our next goal of a community-oriented nursery fruit farm and sustainable agriculture research facility where customers (community members) come to purchase products, learn how to grow their own fruit, and ‘experience’ a working farm. A long-term goal is to help other interested families establish their own small-scale, sustainable, agricultural enterprises, thus encouraging the restoration of the family farm and the revitalization of our rural communities.”

Worksheet

3.4

Identifying Our Family Business Goals

Have each member of your planning team draft personal goals as well as one or more short-term and long-term goals for each functional management area of your business.

Short-term Goals (1-5 years)

- Process products on the farm.
- Market a wide range of high quality, differentiated dairy and meat products.
- Improve the landscape and local environment.
- Provide at least three full-time jobs for our two sons and daughter.
- Generate enough profit from the business in year one to cover expenses, including all of our children's salaries.
- Support the local community.

Intermediate Goals (5-10 years)

- Reduce year-to-year income fluctuations (reliance on commodity prices).
- Reduce debt.

Long-term Goals (10 Years +)

- Provide employment for any family member who desires to work in the business.
- Transfer the farm business to our children.
- Begin drawing retirement income from the business.
- Create franchise opportunities for other farmers.

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Figure 35. Group Goal Setting— Reconciling Different Goals

“A question that arises is how business owners can reconcile their different goals. The individuals that ask this question have already set their own goals and shared them with their family and co-owners. It is at this point in the process that they realize there are differences that need to be resolved. One observation in answering this question is that the goals of family members and co-owners do not need to, and never will, be identical. It is not reasonable to strive to establish one set of goals that fits everyone.

Yet goals cannot be so divergent that there is nothing in common. Instead, group members should strive to find commonalities among their goals and opportunities to work together to accomplish tasks that fulfill goals of several individuals. For example, there may be an activity that fulfills goals for several people even though they are different goals. The key to working out differences among goals appears to be communication and willingness to cooperate.”¹⁰

just starting out or considering an entirely new business venture, your goals may be a little more general and personal in nature like those drafted by organic wheat producer Mabel Brejle:

“Prior to 1998, my short-term goal was to convert my farm to organic standard, which has been accomplished. Currently, my short-term goals include sharecropping to overcome ongoing labor and equipment deficiencies while working toward my longer term goal—to sell the farm to a family or organization who will continue to manage it organically and maintain it as a showplace . . . Once the farm sale is complete, I intend to remain active as a consultant and to pursue another lifelong goal: writing.”

You may use **Worksheet 3.4: Identifying Our Family Business Goals** to spell out your family’s goals.

With these goal-setting ideas in mind, you are ready to:

- 🕒 Write out individual goals
- 🕒 Identify common goals
- 🕒 Prioritize goals

Write Out Goals.

As an experienced business owner or as a far-sighted entrepreneur, you may have very clear goals and objectives for each component of your business. Or, instead you may choose to develop personal, economic, community and environmental goals. It’s up to you. The main idea is to get your goals, whatever they may be, down on paper. Written goals will give you “checkpoints” to follow—something to revisit as you evaluate strategic alternatives (Planning Task Four) and monitor your plan following implementation (Planning Task Five).

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.⁹

Figure 35 describes a few guidelines for group goal setting. If you are having trouble reconciling different goals, mediation services are available to facilitate family discussions. Contact the U.S. Department of Agriculture (USDA) Farm Service Agency or your local extension service for more information about certified mediators (www.fsa.usda.gov/pas/publications/facts/html/mediate01.htm).

⁹ Goal Setting for Farm and Ranch Families, Doye, 2001.

¹⁰ Business Planning for Your Farm—Setting Personal and Business Goals, Saxowsky, et al., 1995.

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. Prioritized goals “provide clear guidelines for management decisions.”¹¹

For example, Riverbend Farm owner Greg Reynolds’ goal, “to take a couple of weeks off in the summer,” may seem modest, but it is one that he and his family identified as a priority. Summer is typically the busiest time of year for Riverbend Farm since it specializes in vegetable production and Greg rarely has time away from the business during this season. Therefore, Greg’s business strategy—to hire additional labor—was built around his critical planning need (labor shortages) and one of his top goals (to have time off during the summer).

This task of prioritizing your goals won’t necessarily be easy since many goals may overlap or conflict. The Minars, for example (Figure 36), envisioned building a processing plant in order to reach their family goals. This idea, however, conflicted with a financial goal to reduce their debt load.

The idea here is to identify which goals are *most* important to your family and for your business—to determine which goals are worth pursuing even if they prevent you from reaching other goals. **Worksheet 3.5: Prioritizing Goals** includes questions to help you with this task.

Worksheet

3.5

Prioritizing Goals

Use the questions below to prioritize goals for your family and business. Remember high priority goals need not receive all of your attention and resources; priorities are not permanent. Simply use this worksheet as a starting point for family discussions and planning in the chapters to come.

(A) Which goals are most important for family well-being and for business success?
Our goals to provide employment, improve the landscape, reduce debt, and control income fluctuations are all important for our family's well-being. Goals to process on the farm, market top-quality dairy products, support the local community, improve the landscape, and mitigate price fluctuations, are all important for the business to succeed.

(B) Which short-term goals, if attained, would help you achieve long-term goals?
If we build the processing plant and are able to secure markets for our products, all of our other goals become possible.

(C) Which short-term goals conflict with or impede your long-term goals?
Our goal of processing on the farm will prevent us from reducing our debt load in the short-run - in fact, we will have to take on more debt to reach this goal. In the long run, however, we hope that by processing on the farm and building markets, we will be able to reduce our overall debt load from current levels while accomplishing other long-term goals that are a priority for our family.

(D) Which goals are so important that they should be attained even if it prevents you from reaching other goals?
Doesn't really apply to us.

(E) List your top five goals by priority.

- Provide employment for any family member who wishes to join the operation.*
- Reduce income fluctuations and/or reliance on milk commodity prices.*
- Process on the farm - add value.*
- Market fresh, top-quality meat and dairy products.*
- Support the local community.*

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Figure 36.
Example from Cedar Summit Farm—Worksheet 3.5: Prioritizing Goals

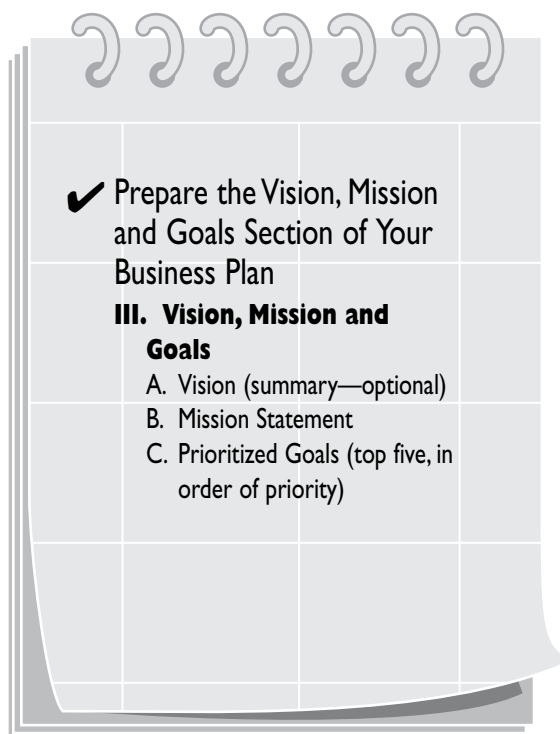


¹¹ Goal Setting for Farm and Ranch Families, Doye, 2001.

Prepare the Vision, Mission and Goals Section of Your Business Plan

Your vision, mission and goals statements are likely to change as you conduct research and develop an overall business strategy in Planning Task Four (Strategic Planning and Evaluation). The Minars, for example, spent weeks on their initial visioning process. However, after analyzing the feasibility of on-farm processing and deciding to implement this strategy, they ultimately chose to include only a short statement about the business component of their vision: *“Our vision is to process and direct market all of our milk and meat products. We would like to help other farmers direct market their own products, possibly by creating a franchise for milk processing plants.”*

Your draft business plan might include the elements shown here.



[illegible]

Use the questions below to begin sketching a brief mission statement that communicates your values, management philosophy, and future vision. Remember to have each one of your planning team members complete this Worksheet. Then share your statements, discuss your similarities and differences, and draft a final mission statement. Going through this process as a team will generate more ideas and will result in a common mission statement that every one of your planning team members support. Try to limit your response to each of the questions so that, once combined, your mission statement does not exceed five to six sentences. Remember, write in the present tense and keep it positive.

I would like our business to be known for the following in the future:

The internal and external purpose of my business is to:

Our business mission statement will communicate to:

Based on your answers above, write internal and external mission statements that communicate your business' purpose and the qualities for which you would like your business to be known:

Internal mission:

External mission:

Estimate future family expenses—family living, education, retirement and vacation expenses—to determine your minimum income (“necessary contribution”) from the business. It may be easiest to work from your current expenses (Worksheet 2.9) when estimating future expenses.

| Family Living Expenses (\$/year) | Current | Future |
|--|---------|--------|
| Food and meals | _____ | _____ |
| Medical care and health insurance | _____ | _____ |
| Cash donations | _____ | _____ |
| Household supplies | _____ | _____ |
| Clothing | _____ | _____ |
| Personal care | _____ | _____ |
| Child / dependent care | _____ | _____ |
| Gifts | _____ | _____ |
| Education | _____ | _____ |
| Recreation | _____ | _____ |
| Utilities (household share) | _____ | _____ |
| Nonfarm vehicle operating expense | _____ | _____ |
| Household real estate taxes | _____ | _____ |
| Dwelling rent | _____ | _____ |
| Household repairs | _____ | _____ |
| Nonfarm interest | _____ | _____ |
| Life insurance payments | _____ | _____ |
| Other | _____ | _____ |
| Total cash family living expense | _____ | _____ |
| Family living from the farm | _____ | _____ |
| Total family living expenses (a) | _____ | _____ |
| Other Nonfarm Expenditures | | |
| Income taxes | _____ | _____ |
| Furnishings & appliances | _____ | _____ |
| Nonfarm vehicle purchases | _____ | _____ |
| Nonfarm real estate purchases | _____ | _____ |
| Other nonfarm capital purchases | _____ | _____ |
| Nonfarm savings & investments | _____ | _____ |
| Total other nonfarm expenditures (b) | _____ | _____ |
| Total cash family living investment & nonfarm capital purchases (c) = (a + b) | _____ | _____ |
| Nonfarm income (d) | _____ | _____ |
| Necessary contribution from farm business (net farm income) (c) – (d) | _____ | _____ |

Have each member of your planning team draft personal goals as well as one or more short-term and long-term goals for each functional management area of your business.

Short-term Goals (1-5 years)

[illegible]

Intermediate Goals (5-10 years)

[illegible]

Long-term Goals (10 Years +)

[illegible]

Use the questions below to prioritize goals for your family and business. Remember high priority goals need not receive all of your attention and resources; priorities are not permanent. Simply use this worksheet as a starting point for family discussions and planning in the chapters to come.

(A) Which goals are most important for family well-being and for business success?

(B) Which short-term goals, if attained, would help you achieve long-term goals?

(C) Which short-term goals conflict with or impede your long-term goals?

(D) Which goals are so important that they should be attained even if it prevents you from reaching other goals?

(E) List your top five goals by priority.

1.

2.

3.

4.

5.
