

# Webinar

## Starting a New Farm Business

Brent VanKoughnet  
Agri Skills Inc.

# About Agri Skills Inc.

- Purpose:
  - Technology and Human Resource Development
  - Preparing People for the future of Agriculture
  - Helping Industry and Farm Managers understand each other and do better business together
  - Remove the barriers for personal success
- Process:
  - Training / Consulting
  - Field Scale precision trials and management systems

# How New is the Market to You?

- Range of complexity
  - A similar product or service offering to the same customers you already know and serve
  - A new product to the same customers with a different service requirement from usual
  - A new product to similar customers in a mostly familiar marketplace
  - New product, new customers, new marketplace

# Things You Don't Often Hear

- Keep it Complicated not Keep it Simple (KIS)
- It's business and it is personal
- My neighbor is more of a competitor than my processor or supplier
- Lean and Mean loses
- Treat your suppliers and customers like customers
- Loyalty is better measured by the future than the past
- Thank goodness for difficult customer problems

# Commodity or Value Market?

- More familiar with commodity markets
  - Remember someone else has been squeezing nickels out of this for years.
  - Price wins
- Value markets
  - No market for “sort of” different
  - Clearly definable distinct
  - Differentiation wins

# More About Value

- Quality of the product is no assurance of success
  - If products sold themselves there would be no salespeople
- The reputation of people, of everything they have done and how they are known or not known is as big a market challenge as the product.

# Building the Required People Connections

- How deep is your contact list
  - To grow and build
  - To rescue and recover
- Network strategy
  - Grow your network and reward it
- Don't underestimate the distraction factor from other issues

# Innovation Strategy

- Within a matter of months the market I am planning to serve will require something I likely haven't thought of yet.
- Competitors are watching and copying
- Market Stability/Predictability

– Good or Bad?

# Time

- Do you have a realistic sense of how much time the new enterprise will take?
  - Management
  - Labor
  - Creative thinking
  - Relationship building
- At what point can the core business of the farm suffer?
- Do all of the people in the farm operation agree with the plan and the potential sacrifices?

# Money

- Are the budgets realistic? Over what timeframe?
- To what extent are you accounting for the resources lent from one division to another?
- Is there a bailout plan?
- Do all of the people in the farm operation agree with the plan and the potential sacrifices?

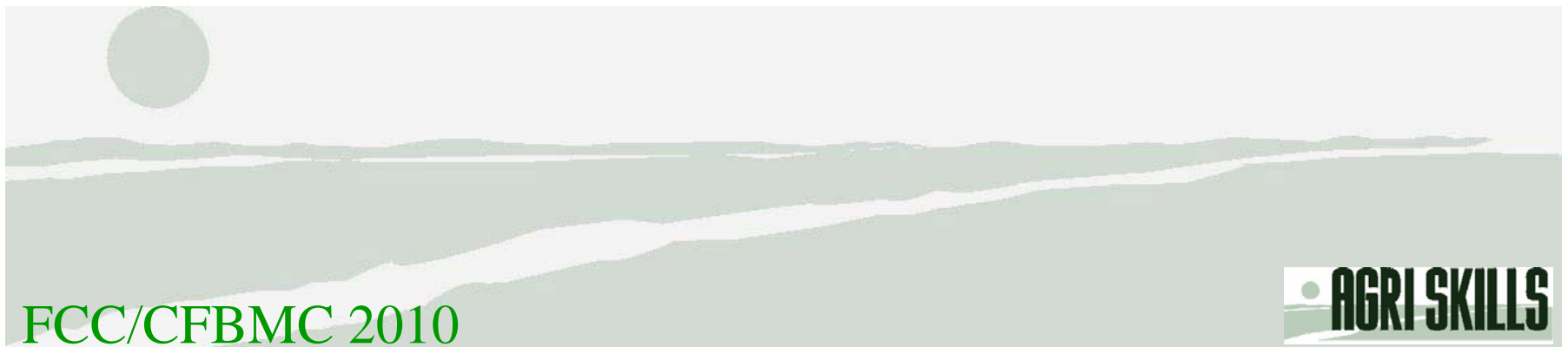
# Energy

- Ideally a new venture can energize management, partners and families.
  - New energy and ambition
- If things don't go well – it can suck the life out of the farm, families and all connected
- Emotional Stability
  - Expect more people issues than weather or production challenges

# The Farm is Not the Business!

- You are responsible for an enterprise that happens to require some farm resources to operate.
- The entrepreneurial journey of hundreds of other businesses may provide more direction and helpful context than your previous farm experience!

# Introducing our Guest



FCC/CFBMC 2010

