



# Assessing Your Identity and Resources

## Workshop Worksheet

### Enterprise and Skills Assessment

Work down through the following table and give an honest assessment if you, or your business, tends to be stronger or weaker relative to each statement. In addition to your perception of yourself, it may be valuable to ask someone else who is very familiar with you and your business to provide their perceptions and insights into your relative strengths and weaknesses relative to each statement.

Once you have finished, review the assessment tool for valuable feedback.

- What are your strengths?
- Where are your opportunities in marketing?
- Where are your product opportunities?
- In which areas do you need to educate yourself or improve to remain competitive?
- If you have partners, do strengths of one partner help compensate for another partners weaknesses?
- Are individual's strengths being used for maximum benefit to the business?

**Skills & Enterprise Assessment: Am I Ready for Direct Marketing?**

	<b>Stronger</b>	<b>Strong</b>	<b>Weak</b>	<b>Weaker</b>	<b>Comments</b>
I/We Have a written inventory of our family's and farm's physical, social, knowledge, financial and capital resources					
I/We would be willing to make changes to post-harvest handling, product packaging or transportation if it would maintain or increase sales					
I/We Have several years of production experience					
I/We Have an interest in extending my growing season to get product to market earlier and extend my season					
I/We Would rather focus on growing fewer items in larger quantity					
I/We Would rather focus on growing a diversity of products in smaller quantities					
i/We Know more, or less, which products I/we will grow for sale and when these will be available					
I/We Have a well-researched idea about who will buy my/our product(s) and where the transactions will take place					
I/We Know how to distinguish my/our products from the competition					
I/We have an idea of what I will need to charge to be sustainable					
I/We Know how to effectively brand my product and have started to develop labels, logo, website, brochure and/or other marketing tools					
I/we Understand the infrastructure required for various types of market channels (direct marketing/wholesale/CSA/etc...)					

**Skills & Enterprise Assessment: Am I Ready for Direct Marketing?**

	Stronger	Strong	Weak	Weaker	Comments
I am open to working with my customers to establish an ordering and delivery schedule that is works for my clients and me					
I respect local chefs and would welcome the opportunity to partner with them in featuring local products					
I/We Believe the "buy local movement" and "foodies" should be catered to					
I/We enjoy interacting with customers on a regular basis					
My/our farm is located in an area that could have multiple market channel customers and not be in competition with each other					
I/We have a formalized bookkeeping system for tracking expenses, transaction, income, etc...					
I/We feel comfortable cold-calling potential customers regarding my/our products					
I/we are prepared to stand behind our product and make our customer happy					
I/we welcome suggestions from customers					
I/we would enjoy the opportunity to help educate staff about the benefits of my product(s)					
I/We are comfortable using various technologies, such as e-mail, social networking and other online tools					
I/We have a good understanding of various marketing methods, including guerilla, social marketing, online,					
I/We currently possess a website (or other online presence) for our farm and products					
I/We currently have a mechanism to sell (or display) our products on our property (farm store, farm stand, etc...)					

**Skills & Enterprise Assessment: Am I Ready for Direct Marketing?**

	<b>Stronger</b>	<b>Strong</b>	<b>Weak</b>	<b>Weaker</b>	<b>Comments</b>
I/We understand the zoning and other requirements for operating a agricultural enterprise with regards to signage, buildings, business, etc...					
I/We are currently operating in a business-like manner & filling a schedule "F" with our taxes for farm expenses					
Green = Essentials, potential "Deal-breakers"					
Blue = Marketing Skills, Phase I					
Red = Marketing Skills, Phase II					
* This Skills Assessment is based on the University of Vermont's "Are you Ready to Sell to Restaurants" checklist ( <a href="http://www.uvm.edu">www.uvm.edu</a> )					

## Assessment of Production Capacity

In terms of your business enterprise:

What production measures will you track?

What units of measure will you use?

What standards, or available data, will you use for benchmarks to compare and evaluate performance?

How and where will you collect the relevant production data from your operation?

Review the statement in the following table and indicate if you believe they represent strengths or weaknesses for your production capacity or management. Where appropriate think about the statement in terms of the individual who is responsible. Is the knowledge and skill needed to enhance production lacking or missing? Does the records monitoring process need improvement? Feedback from a third party individual may be valuable.

### Production/Management Checklist

	Stronger	Strong	Weak	Weaker	Comments
I/we are a low-cost producer, based on monitoring cost per dollar of revenue, cost per bushel, or other similar measures.					
I/we have established a system to identify, monitor, and benchmark key production efficiency measures.					
I/we have an organized financial record keeping system for tracking expenses, transaction, income, etc...					
I/we help employees develop their skills and abilities.					
I/we recognize how everyday operating decisions affect the achievement of long-range business goals.					
I/we can clearly identify and state the source(s) of our business's competitive advantage.					
I/we have established appropriate production benchmarks for evaluating crop and livestock production.					
I/we can quickly identify problems in production performance and take corrective action.					
I/we Have a written inventory of our family's and farm's physical, social, knowledge, financial and capital resources					
I/we can identify the influence production practices have on quality and level of production.					
I/we closely monitor stored crop and feed inventories to be sure that quality is maintained.					
I/we observe changes occurring in the industry and develop strategies to use these changes for personal gain.					

## Assessing Cost of Production

The contents of a cost of production budget vary depending on the crop being analyzed and the region of the country. If you do not already have one, search the internet for appropriate cost of production budgets. Identify one or two budgets that will be appropriate for your use. The most useful budgets provide more than just budget line numbers, they also provide indications and formulas for how the numbers were calculated so you can adjust the budget to better fit our business.

What is the source of the cost of production budget you will be using?

If you haven't already, take the time now to modify the cost of production budget to fit your business.

**Total Cost of Production = \_\_\_\_\_**

Calculate a breakeven cost of production for the product(s) you sell.

In addition to the cost of production you have identified, you will also need to know how much product you actually sold, or an honest estimate of how much you will actually sell. It is best to calculate a breakeven price based on the same unit of measurement you use when selling the product.

**Total Units of Product Sold = \_\_\_\_\_**

**Total Cost of Production / Total volume of Product Actually Sold = Breakeven Price**

\$ \_\_\_\_\_ / \_\_\_\_\_ = \$ \_\_\_\_\_

Most business owners want to do more than just break even. Depending on how complete and accurate your total cost of production figure is, typically a 25-30% margin is desirable.

**(Breakeven Price X .25) + Breakeven Price = Average Selling Price**

(\$ \_\_\_\_\_ X .25) + \$ \_\_\_\_\_ = \$ \_\_\_\_\_