

Training module

Interactive Strategic Management in Agribusiness

Curriculum and Guidelines for Agricultural Students Training

Product 8. of ISM+ Project

“Entrepreneurship with vision - methods and tools for managerial capacity building of agricultural producers in Central and Eastern Europe” no. 2015-1-PL01-KA2-016871

EDUATIONAL CURRICULUM

Course title:	Interactive Strategic Management in Agribusiness
ECTS:	4
Course form:	30 hours of theory combined with practical work with the on-line ISM Tool (5 days of training * 6 hours). The course could be also realized in shorter version adjusted to 15 hours (3 days).
Level:	higher education level: Bachelor or Master (exceptionally upper secondary level)
Prerequisites:	The course is dedicated for students who have an agricultural background and would like to take over the farm in the future from their family or became a farmer, starting a new farm business; the preceding course of principles of management (strategic management) or agricultural economics will be an additional advantage.
Course technical requirements:	Group of maximum 10 students; 10 computers with Internet access, Internet browser and Ms Office. Good internet connection, LCD Projector + computer.
Lecturer(s):	ISM trainers, Farm advisors or teachers trained in ISM method;
Training Objectives	<ul style="list-style-type: none"> • to train the students of agricultural schools – future successors of their farms and students who have an interest for the strategy development in agriculture how to think strategically about their business and how to develop a farm strategy. • to teach and stimulate students to think about long-term future of their (or other) farms (or cooperatives / or agriculture firms); • to teach students how to calculate economic results on the basis of their future strategies*; • to present and discuss the best / the most innovative strategy plans with the other students/ farmers / managers of cooperatives / other agriculture firms.
General Description:	<p>The course provides both theoretical and practical knowledge concerning strategic analysis of the farm and development of the long term farm strategy.</p> <p>The course covers the following aspects:</p> <ul style="list-style-type: none"> • theoretical introduction to strategic management in a context of a farm strategy development; • extended analysis of an enterprise/farm; • analysis of enterprise/farm environment including network analysis; • analysis of competences and skills of an entrepreneur; • developing mission, vision and goals of the farmer and the farm; • preparation of the farm strategies (farmers' choice and recommended strategy); • analysis of key success factors for the strategy and "black" pessimistic scenario • preparing an Action Plan • theoretical background of farm economic calculations (gross margins, profits, cash flows)* • preparing an economic calculation for the farm in current and future (strategy) scenario* • public presentation and discussion of the farm analysis and prepared strategy.

Learning outcomes	<p>After the course participants will have abilities to prepare a strategic analysis of the farm and to prepare farm strategy with an action plan (and economic reality check*). Especially:</p> <ul style="list-style-type: none"> • students/farmers have more insights in their drivers, personal competences, what they find important and which goals they pursue; • students/farmers have insight in the present enterprise situation and goals; • students/farmers have insight in the strong and weak points of their enterprise and performance; • students/farmers have more insights in changes and challenges from the environment; • students/farmers have strengthened their skills in formulating strategic plans; • students/farmers improved their general management and entrepreneurial capacity; • students/farmers are encouraged to think about long term goals and translate these into concrete actions; • students/farmers are enabled to participate more easily in discussions with others and to exchange with and learn from others colleagues; • students/farmers are able to prepare economic calculation for their farm (Gross margins, profits, cash flows) for the chosen strategy*.
Passing form and evaluation criteria	<p>In order to pass the course 51% points are required. The % points can be collected based on the following criterions.</p> <ul style="list-style-type: none"> • Preparation of the farm strategy (PDF Report from the ISM Tool) - 30% • Economic analysis of the strategy (Xlsx) - 20%* • Preparing presentation of the farm strategy (PPT+quality of presenting) - 20% • Overall Involvement and active discussion during the training - 10% • Homework assignments - 10% <p>Student must obtain/fulfill at least 50% of each evaluation criterion. Final Mark: according to the system of university/school where the course is organized.</p>
Literature:	<ul style="list-style-type: none"> • Beldman, A., Malak-Rawlikowska, A., Stalgiené, A., Kuipers, A., Tomson, N., De Lauwere, C., Lakner, D., Zekalo, M. and Klopčič, M. (Eds.), 2013. Supporting farmers in making strategic choices. The method and implementation of Interactive Strategic Management in Lithuania, Poland and Slovenia. Lifelong Learning Programme. Tiskarna Littera Pictad.o.o., Ljubljana, Slovenia. • Porter, M. E. <i>Competitive Strategy: Techniques for Analyzing Industries and Competitors</i>. New York: Free Press, 1998. • FARMING WITH VISION – strategy, networking, marketing and business planning” / Agata Malak-Rawlikowska... [et al.]; [editing Marija Klopčič ... et al.]. - Wageningen: Wageningen UR; Domžale: Biotechnical Faculty, Department of Animal Science; Warsaw: University of Life Sciences - SGGW; Vilnius: The Lithuanian Institute of Agrarian Economics, 2018

*not included in the shorten - 15 hours' version of the course

PROGRAM of the COURSE (30 hours version)

DAY 1	DAY 2	DAY 3	DAY 4	DAY 5
<p>Theoretical part of ISM Training (3 hours)</p> <p>Work with ISM Tool (Enterprise & Environment chapter) (3 hours)</p> <p><u>Home-work:</u> -Interview with entrepreneur outside of agriculture -Network analysis of farmer or outside entrepreneur</p>	<p>Presentation of Homework (experiences from interview with entrepreneurs) (2 hours)</p> <p>Work with ISM Tool (Entrepreneur & Strategy chapter) (2 hours)</p> <p>Theoretical part about Business plan (2 hours)</p> <p><u>Home-work:</u> Presentation of Farm Strategies</p>	<p>Business plan exercise for the most realistic / chosen strategy (6 hours)</p> <p><u>Home-work:</u> Business plan for chosen strategy</p>	<p>Presentation of Farm strategies with Action Plans and Business plans (3 hours)</p> <p>Critical debate / discussion / evaluation of chosen strategy in combination with Action plan and Business plan (3 hours)</p> <p><u>Home-work:</u> Preparation of material for Farmers Meeting</p>	<p>Farmers Meeting / Workshop: Presentation of the most SMART / Innovative Strategies with Action Plan and Business Plan (4 – 5 hours)</p>

PROGRAM of the COURSE (15 hours version)

DAY 1	DAY 2	DAY 3
<p>Theoretical part of ISM Training (3 hours)</p> <p>Work with ISM Tool (Enterprise & Environment chapter) (3 hours)</p> <p><u>Home-work:</u> -Interview with entrepreneur outside of agriculture -Network analysis of farmer or outside entrepreneur</p>	<p>Presentation of Homework (experiences from interview with entrepreneurs + network) (2 hours)</p> <p>Work with ISM Tool (Entrepreneur & Strategy chapter) (3 hours)</p> <p><u>Home-work:</u> Presentation of Farm Strategies</p>	<p>Presentation of Farm strategies with Action Plans with critical discussion and feedback (4 hours)</p>

THE ISM METHOD

The method of ISM has three main principles: (1) the emphasis is on the entrepreneur; (2) interaction with the environment; and (3) a focus on actual progress or actions of the entrepreneur. Placing the entrepreneur at the centre means that, instead of an advisor, the farmer himself is responsible for the content of the strategic plan. The strategy developed by an advisor or expert could not truly fit with the individual situation of the farm and the farmer, his personal thinking, goals and abilities. The entrepreneur must therefore write the strategic plan himself; an advisor is only there to guide and stimulate the process.

The focus in the ISM training is on strategic choices (3–10 years ahead). This means that tactical choices (choices for the next 1–2 years) and operational issues do not receive much attention. In general, a good strategy is based on a good fit between means and opportunities. Within the ISM method this is specified in the following way. A good strategy is based on a good match between:

- **the entrepreneur:** the ambitions and skills of the farmer, his family and/or employees;
- **the enterprise:** the structure and performance of the farm
- **the environment:** market and society.

In the first part of the training course (1.5 days), the farmer/student analyses three aspects (enterprise, environment and entrepreneur), while in the second part of the training the farmer/student translates this analysis into a suitable strategy and an action plan (1-1.5 days). The prepared strategy is then analyzed for its economic reality (1 day). The group is facilitated by a qualified ISM trainer/teacher. Interaction and networking is an important aspect. The farmers/students are asked to discuss with and challenge each other. The trainer also has this role. Homework assignments are used to create interaction/network with the outside world and to organize reflection on the process of developing a strategy.

A **web-based tool** is used to structure and support the process. The tool consists of a list of questions a farmer/student has to answer to ensure that all aspects are taken into account. As part of the tool the farmer must also give a score to the three E-elements: Entrepreneur, Enterprise and Environment. After this analysis, a switch is made to the future strategy. The starting point for this is the farmer's personal ambition and vision. The farmer himself has to combine all of the gathered information to transform it into a few possible strategies; he then has to evaluate these alternatives and finally comes up with his own personal strategy. The tool also calculates a 'fitting score' for 11 categories based on the score the farmers have given to different aspects of the three Es. The farmer can use this calculation as inspiration or to reflect on his own choice. In the last steps, the farmer prepares an action plan along with a presentation of the background and content of his strategic plan. he also prepares an economic reality check in the excel-based business-planning tool.

EXPERIENCES WITH STRATEGIC MANAGEMENT TRAININGS FOR STUDENTS FROM SLOVENIA, POLAND AND LITHUANIA.

Based on the experiences with training of students, who planned to become future farm successors, the following conclusions can be made:

- It was observed that students/young farmers have higher computer skills and are more efficient in work with the Internet ISM tool. They were also working with the tool at home, improving the content of their reports after each training day. The training day with students took less time than training with farmers, there was more time for discussion.
- Similarly to the farmers' training, the facilitator has a key role in the process. He/she must be able to stimulate student-farmers to think realistically rather than idealistically about their future plans and to show them how to prepare a valuable farm analysis.
- Students were less certain about their future strategy, usually the farmers already had some development path in mind which they expressed at the training, whereas the students tended to create the strategy at the training. There were a lot of cases when students choose the "wait and see" strategy as the main one. Students also found many more critical success factors for their business and focused on less labour intensive strategies.
- During the training days, one student from Slovenia, who does not come from a farm, even developed a "dream" farm in New Zealand, a country he would like to go to realise his dream. But, on the opposite, the other students were very much attached to their roots. We must realise that, in all countries where the trainings were performed, farmers and also other land owners are extremely attached to their land and region. This is part of the culture.
- Students more often chose labour-intensive production for the future in order to have more time for themselves.
- Students had difficulties with questions about networking related to farming (feed suppliers, cooperatives, dairy plants, etc.), because students are in this stage of their life as a student involved in other networks, like school environment, friends, hobbies, sports, etc.
- Regarding farming goals, such as size of farm, investments, new techniques, the students tended to be over courageous, i.e. too ambitious and not realistic. Their future dream farm is often far outside reality.
- Regarding availability of knowledge and credit, the students were more optimistic than the farmers.
- Regarding opportunities and threats, the students saw more opportunities than their parent farmers. They are very much in favour of new techniques, ICT and the market place. For instance, students look for new marketing lines. They have sometimes very innovative ideas. Students needed to be asked all the time about the reality of their plans and assumptions.