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Stepping Up to Change: Identifying and Responding to Entrepreneurial Farm Enterprises

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Characteristics of Entrepreneurs:

- ▶ First born
- ▶ Child of self-employed parents
- ▶ Married
- ▶ 30 to 40 years of age
- ▶ Moderate risk taker
- ▶ Uncomfortable working with others
- ▶ Working in a small business or with mgmt. of small business
- ▶ Ventured as a child
- ▶ Lived in 3 or more cities
- ▶ Fired or displaced
- ▶ Worked in several functional areas of business
- ▶ Had improvement ideas rejected
- ▶ Prefers doing rather than planning
- ▶ Tends to set long-term goals - - and stick to them
- ▶ Inclined to accept workable solutions, even if not perfect
- ▶ Problem solver - - even with help of others
- ▶ Seeks situations needing personal initiative

Knowledge Needed by Entrepreneurs:

- ▶ General Business Knowledge
marketing, finance, operations, personnel, legal, accounting, management (research, engineering, product)
- ▶ General Entrepreneurship Knowledge
understanding of venturing, experience, cashflow analysis
- ▶ Opportunity-Specific Knowledge
identifying an opportunity, market awareness, available resources
- ▶ Venture-Specific Knowledge
production, sales, costs, profit, markets, competition, resources (financing, equipment, raw materials)

Keys to Success:

- ▶ Start small and grow naturally
- ▶ Make decisions based on good records
- ▶ Create high-quality product(s)
- ▶ Follow demand-driven production
- ▶ Get everyone involved
- ▶ Stay informed
- ▶ Plan for the future
- ▶ Always evaluate
- ▶ Perseverance
- ▶ Adequate capital

More Characteristics of Success:

- ▶ Growth over 8-year period
- ▶ Average age is mid to late 50s
- ▶ Strong desire, interest and commitment to the “long-term”
- ▶ Able to identify a target market
- ▶ Manages cash flow well
- ▶ Quality control, consistency and large-volume production are critical
- ▶ Understanding & compliance w/ regulations
- ▶ Abnormal marketing costs in early years
- ▶ Word-of-mouth!
- ▶ “Let the business grow with the market”