

# Changing conditions require higher level of entrepreneurship for farmers

Alfons Beldman, Dora Lakner, Niels Tomson  
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# Changing conditions require higher level of entrepreneurship for farmers

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- Content of the presentation
  - Why is entrepreneurship and strategic management now so important for farmers?
  - Method Interactive Strategic Management
  - Explanation of an ISM training for farmers
  - Leonardo da Vinci project transfer of innovation with Poland, Lithuania and Slovenia

# Why is strategy now so important for agriculture?

- Major changes in (the environment of) agriculture:
  - In EU\government policy:
    - From agricultural policy towards rural policy
    - Defining preconditions (quality control, environment, animal welfare)
  - In society:
    - Less influence farmers unions
    - More influence NGO's and retail
  - In market:
    - Globalization
    - Diversification of markets
- No clear direction available for the future for all farmers



# Why is strategy now so important for agriculture?

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- All these changes are leading to new challenges for farmers.
  - A farmer should not only be a craftsman, a hard worker and a manager, but also needs to develop a long term strategy for a successful future.
- LEI-WageningenUR has developed a method to support farmers in strategy development.
  - Implemented in several projects and sectors
  - Used in education
  - In young farmers succession program of Rabobank
  - Based on train the trainer

# Interactive Strategic Management farmers training

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- Several workshops and trainings have been developed based on the ISM method.
- Focus on a three day farmers training
- Main goals of the training:
  1. Develop skills of farmer to develop strategy (= to handle changing environment)
  2. Develop a strategy with actionplan

# Interactive Strategic Management

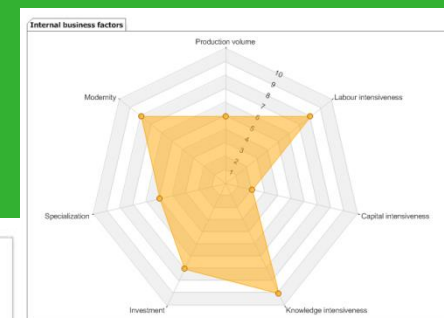
- Focus on strategic choices (1-5 years), not on operational (daily) or tactical choices (up to 1 year)
- Basis principle: a good strategy is based on a good match
  - Entrepreneur: ambitions and skills of the farmer and family and/or employees
  - Enterprise: structure and performance of the farm
  - Environment: market and society

# Interactive Strategic Management farmers training

- Group of 8-10 farmers: 3 meetings.
- Interactive method → farmers discuss with each other
- Important role facilitator
- Use web based tool
- Home work assignments: to interact and reflect

# Farmers training: program day 1

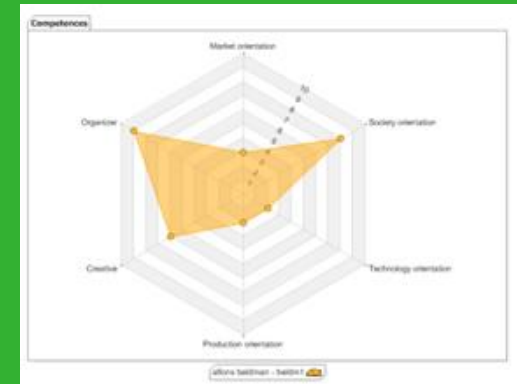
- Getting acquainted (What would your job be if you would not be a farmer?)
- What is strategic management
- History and development farm and farmer
- Working with tools
  - Analyze enterprise (farm structure and performance)
  - Analyze environment (market and society)
- Home work assignment
  - Talk with an entrepreneur outside agriculture



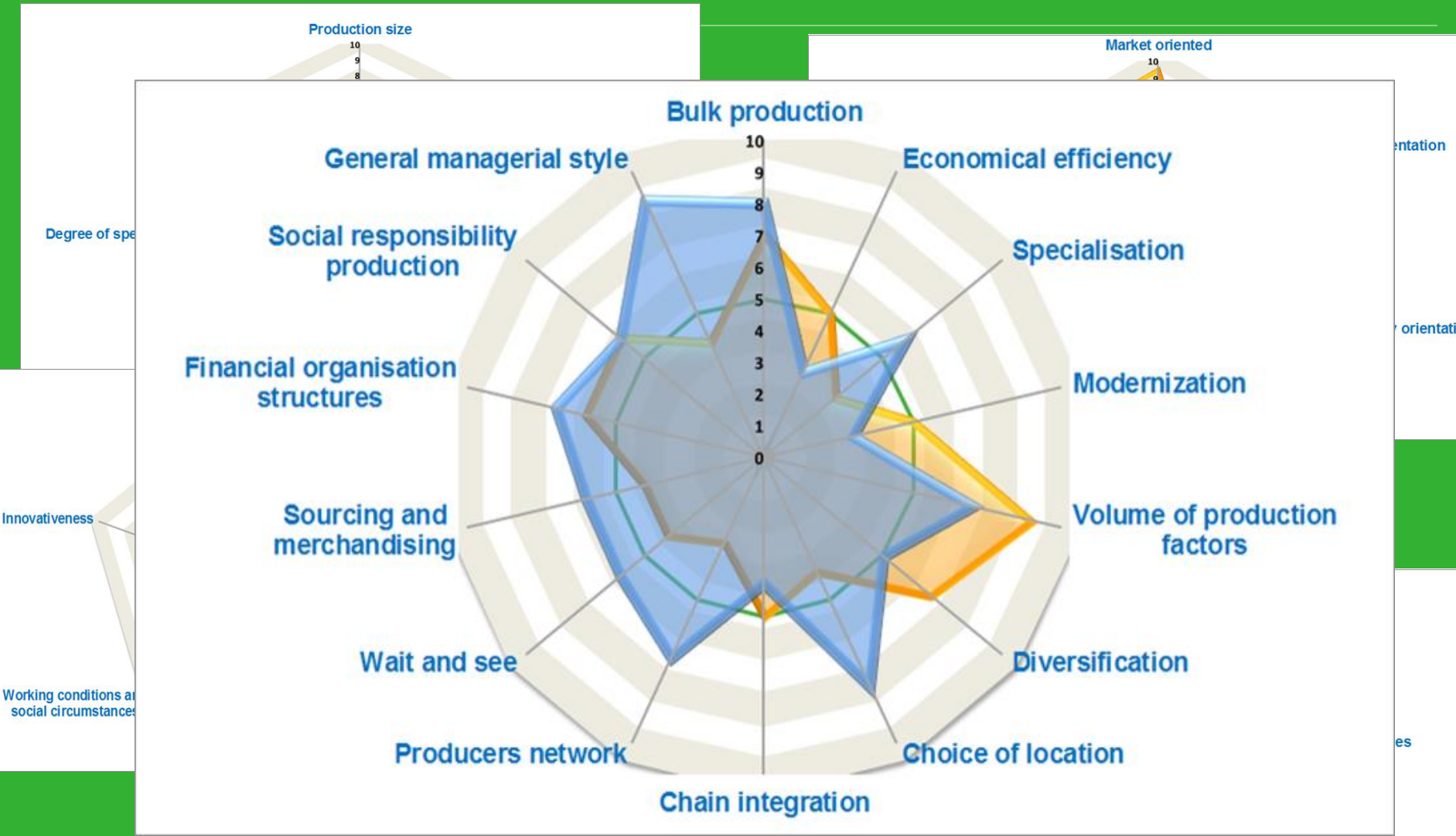


# Farmers training: program day 2

- Presentation of homework assignment
- Entrepreneur: skills
- Switch from analyzing to strategy
  - Personal ambitions and drive
  - Combining the analyses to matching strategy
  - Farmer must come up with at least two strategies!
  - Consistency check with SMT
  - Crucial step in training!!



# From analyzing to strategy



# Farmers training: program day 3

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- Presentation of farmers: analyze current situation, chosen strategy and action plan
- Reality check (e.g. investment tool, first steps in actionplan)
- Reflection from trainer and other farmers
- Action plan!

# Farmers training: program day 4

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- 1 year later return meeting: presentation of developments since the training
- Plans are probably adapted: this is OK! Explain which factors changed or which developments made you change your plan.
- If possible facilitator has contact with the farmers after the training and before the return meeting

# ISM training program:

Day 1

Day 2

Day 3

Day 4

Enterprise

Entrepreneur

Reality check

Return  
meeting

Environment

Strategy

Presentation  
and reflection

# Some lessons learned within LDV project

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- Implementation of method in three countries
- Based on interviews trainers and evaluation by the farmers
- Critical Success Factors (1)
  - Timing in the season
  - Trained trainers – key role for facilitator
    - Facilitation skills
    - Understanding of the sector
  - Good internet connection and a working tool

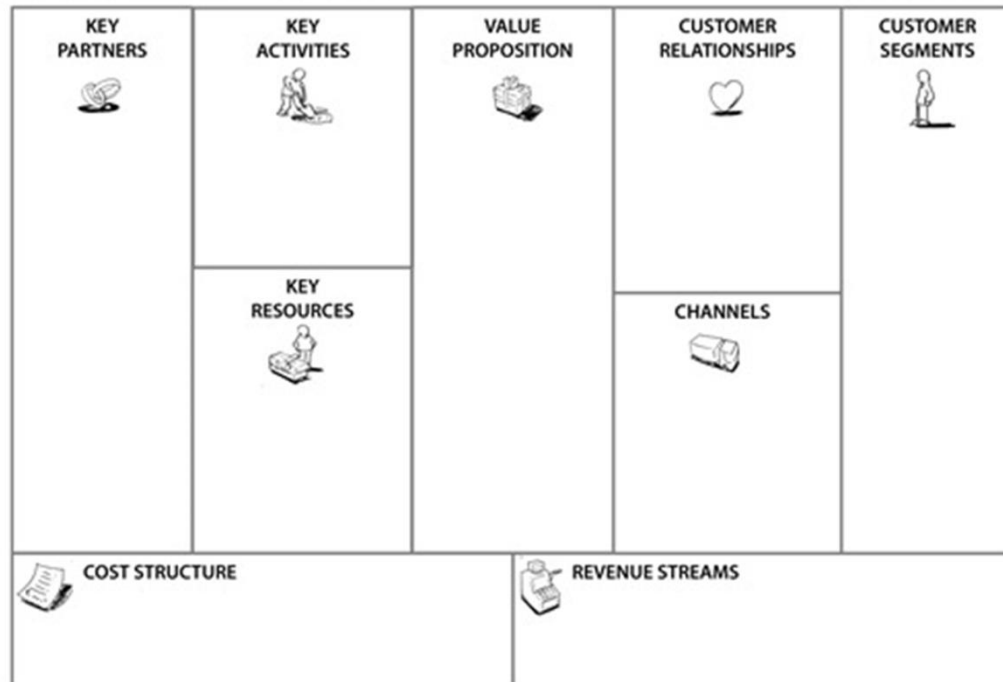
# Some lessons learned within LDV project

- Critical Success Factors (2)
  - Have the right farmers in the training
    - Motivated to discuss about strategic choices
    - Willingness to share data and views with colleagues and trainer
    - Manage expectations
  - Motivate farmers to be involved
    - During training involved in interaction
    - Home work assignments
  - Work towards a personalized strategy
- Strong focus on interactive way of working was new for farmers and advisors

# New developments

- Strategic Management Tool 2.0
  - With updated factors and strategies
  - Includes gap analysis between strategic choice of farmer and strategic choice of the tool
  - Pilot in 2013 in the Netherlands
- Business Model Innovation
  - Based on Canvas Business Model (Osterwalder et al)
  - More focus on market
  - Implemented in training

## Business Model Canvas





# Questions and discussion



- More information:

[Alfons.beldman@wur.nl](mailto:Alfons.beldman@wur.nl)

[www.agrocenter.wur.nl/uk](http://www.agrocenter.wur.nl/uk)