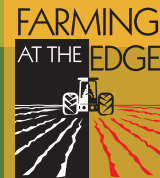


INTERNATIONAL FARM MANAGEMENT CONGRESS 2003



ENTERPRISING RURAL FAMILIES: MAKING IT WORK™

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Abstract

Enterprising Rural Families (ERF™) is an international course for the rural family in business. ERF™ teaches a process of finding success, resilience and satisfaction for rural families engaged in enterprises; including agriculture. Instructors from the United States, Canada and Australia have teamed together to offer this course that focuses on the three main components of a family business: individuals, the family unit and the business enterprise. This course also allows families in business to increase their awareness of cultural differences and similarities and improve their understanding of global issues. The course consists of written presentations, online chat sessions, threaded discussions, readings, videos, case studies and individual projects. Using these mechanisms, the online interaction provides rural families with both the tools and skills to resolve immediate family business issues and build a profitable business for the future.

Purpose of the course

“Those who prosper in the future world of the family business must adjust to a rapidly changing environment and be willing to challenge their own comfort zone.”

Enterprising Rural Families: Making it Work™ is an international online course for the rural family in business structured to:

- Provide rural families with the tools and skills to deal with immediate challenges and build long-term resilience.
- Create skills to think proactively, analyze critically, manage profitable enterprises, recognize potential and act on opportunities with confidence.
- Increase awareness of cultural differences and similarities.
- Improve understanding of global issues and positive relationships with global partners.
- Focus on the four segments of family business: individuals, the family unit, the business enterprise and the surrounding community using the ERF™ Model.

The course is offered in 4 modules. It consists of written material, videos and sharing experiences with other participants who may be located in Canada, Australia, the United States or elsewhere. Regardless of location, people facing similar issues share ideas and information that relate to the management of a family based business.

[Place Figure 1: the Family Enterprise (ERF™) Model here]

The Family Enterprise (ERF™) Model

The course is developed around the above model, which provides a graphic representation of the components of the family-business enterprise system—the individual, family, business and community. The family enterprise interface characterizes the process in which the independent systems overlap forming a common boundary. Questions explored in the course include: Is the enterprise a way of life or a business? Is the overlap a zone of destructive conflict or a successfully integrated entity?

The ERF™ model represents an intertwining of systems. A system is an assemblage or combination of things or parts that form a complex or unitary whole. The round illustration in the center of the triangle represents the intermingling of individual, family and business systems existing in family businesses. Typically, standard business courses concentrate on the activities occurring in the business system. The ERF™ course, however, focuses on the interactions of the individuals and the family members.

The first system is the individual system. Each individual is a system of complex factors that makes up that person. The ways in which these factors mix contribute to the type of interaction the individual has with others in the family and business. Important factors that make up the individual include values, skills, personal goals, levels of stress, age and level of maturity among other factors.

The second system is the family. This system is composed of two or more members, serving to nurture the individuals and provide harmony. Some factors that make up the family and that strongly influence the business and the individual include the unique family rules, the shared family history, the common goals, lifestyle and patterns of interaction.

The third system is the business. The purpose of a business is to generate a return in excess of cost, to further the goals of its ownership. The focus is on business management that includes the business's vision and mission, the position of the business within the industry, the management of resources and the external and internal challenges facing the business, among other issues.

Individuals participate in more than one system that make up the rural family enterprise. For example, the individual-family interface represents the process in which the independent systems of the individual and the family connect with each other forming a common area represented as the individual-family overlap.

Individuals are also engaged and may be enmeshed in the business system. The individual-business interface represents the process in which the individual and business systems connect to form a common area represented as the individual-business overlap. Issues that affect this overlap may include the individual's business strengths and weaknesses, the ability of the business to meet the needs and expectations of the individual and the training and professional development of the individual within the business.

The family-business interface represents the connection between the family and the business to form a common area represented as the family-business overlap. This overlap is a critical component of the rural family enterprise. How well the business meets the goals of the family, the division of labor and the supervision of family members within the business are examples of issues in this overlap.

Finally, the community system encompasses the previous three systems. The immediate community—neighbors, local economy, zoning regulations, taxes—has some level of control over the rural enterprise. The external environment surrounding the individual, family and business systems is yet another system the family enterprise must contend and interact with. Issues such as industry trends, consumer demand, weather conditions, commodity prices and technology are often outside the control of the family enterprise but with which the individual, family and business must find ways to respond and adapt to these external changes.

The resulting family enterprise system: an assemblage of individual, family, business and community systems forms a complex, unique whole. The family enterprise interface represents the process in which the independent systems connect with each other to form a focal point represented as the enterprise overlap. Is the enterprise a way of life or a business? Is the overlap a zone of destructive conflict or a successfully integrated entity?

The Enterprising Rural Families model introduces concepts that focus on the four systems comprising a family enterprise. It also introduces the planning process of a family enterprise represented by the triangle and arrows surrounding the enterprise system. The planning process is an essential component of any successful family enterprise. As such, the ERF™ model emphasizes the progression of family enterprise planning from strategic goal setting to the tactical objectives to day-to-day operational plans. The process of planning, implementing and controlling is ongoing, circular and dynamic. This model demonstrates that there is no starting or ending point in the process. Therefore, the ERF™ model represents a planning framework for goal accomplishment, outlining how the family enterprise intends to move toward its goals in a logical and systematic fashion.

The course structure

Module # 1 ~ Who are you and what do you do?

Introduce the theory of family business

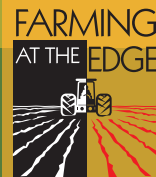
- Present successful family business case studies
- Discuss the uniqueness, characteristics and issues facing the family business
- Interact with other learners by describing their current enterprises, family structures and general aspects of their family-business situation.

Module # 2 ~ Where are you now and how did you get here?

Analyze the current situation

- Investigate reasons for being in a family business
- Chart individual/family/business values
- Learn about the family/business/life cycles

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- Identify family, business and community roles
- Complete personality, skills and risk assessments
- Identify the characteristics of a successful family business

Module # 3 ~ Getting to where you want to go.

Identify where one wants to be

- Develop vision of self, family, business and community
- Focus on the fit of self, with others in the family and business
- Explore values and principles
- Examine options
- Investigate how to get there

Module # 4 ~ Moving forward.

Work through the process of making a change

- Realistically analyze where one wants to be
- Address necessary changes required to move forward
- Complete a self-driven project demonstrating how to move the family business forward

Schedules for upcoming courses and more information about Enterprising Rural Families: Making it Work™ is available at eRuralFamilies.org. Registration and other details on how to sign up can also be made online. More information about ERF™ can be obtained by emailing Information@eRuralFamilies.org.

Biographical details

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Randy Weigel is associate professor at the University of Wyoming. He has a B.S. degree in psychology from Colorado State University, a M.S. degree in human development from Kansas State University, and Ph.D. in professional studies from Iowa State University. His extension interests include human relations in agricultural families and rural male psychology.

John P. Hewlett

John Hewlett is a Farm/ranch Management Specialist at the University of Wyoming. John holds a B.S. degree in Agricultural Business from Montana State University and M.S. degree in Agricultural Economics from Oregon State University. John's extension interests include integrated management, enterprise budgeting, financial analysis, agricultural record keeping and applications of technology in agricultural.

John Reeve

John Reeve, from Rockhampton, Queensland, serves as trainer for FutureProfit, a community education program focusing on planning for long-term financial viability of family farms. He has been a financial counselor, assisting farm family businesses. John is also on the Board of Directors of Lifeline, a telephone crisis counselling and outreach service.