

This presentation is part of an educational modular program designed to provide new and beginning farmers and ranchers with relevant information to initiate, improve and run their agricultural operations



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Developing a Personal Plan for Agricultural Operations

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Objectives

- o To learn the various aspects of a Personal Plan
- o To determine what is important in your life and what it takes for you to get the most out of life
- o To see that personal planning can play an important role in life and can be helpful in achieving their personal life goals.

Overview

- o A Personal Plan describes your situation and personal plans for the future
- o A Personal Plan is similar to a business plan, but the Personal Plan is geared to the individual
- o Someone reading your Personal Plan should be able to understand:
 - o Your situation
 - o Any goals and future plans you might have
 - o Potential career changes
 - o Whether your goals and future plans financially possible.

Why Do A Personal Plan

- o There are many reasons to do a Personal Plan
- o The biggest reason is it creates a written record of your various career, personal, and financial goals
 - o Studies show that putting your goals into writing increases the chances of you achieving those goals
- o The other reason is that it creates a written document of your finances and career plans that can be taken to a lender when applying for a loan

Components of a Personal Plan

- o Many of the components will look similar those of your business plan
 - o Focus on you and not the business this time

- o Sections of a personal plan include:
 1. Executive Summary
 2. Personal Overview
 3. Career Plan
 4. Self Development Plan
 5. Financial Plan



Table of Contents

1. Executive Summary
 - 1. Individual Mission Statement
 - 2. Overview of Goals
 - 3. Plan Summary
2. Personal Overview
3. Career Plan
4. Self Development Plan
5. Financial Plan



Executive Summary

- o Similar to the Executive Summary with your Business Plan
 - o You will do this last using summaries of the major sections
 - o Remember this could be the only section of your Personal Plan that any person may read
 - o Summarize in a way that captures the reader's attention

- o Will include summaries of:
 - o Personal Overview
 - o Career Plan
 - o Self Development Plan
 - o Financial Plan

Personal Mission Statement

- o Your personal mission statement is a clear and concise statement that will describe your purpose and what is important to you
- o Developing a personal mission statement will allow you to stay focused on your goals and what is important to you
 - o Can help to eliminate activities that do not help you achieve your goals
 - o Keeps you on track
- o Your personal mission statement can be written to focus on many aspects of
 - o Career
 - o Finances
 - o Family

Personal Mission Statement

- o To develop your personal mission statement write down:
 - o Things that bring you happiness, inspire, and satisfy you
 - o Things you enjoy doing
 - o Personal Goals
- o Once you develop this list then turn them into a statement of your future. Write in present tense so you will see yourself achieving the goals in your statement

Personal Mission Statement

- o Examples of Personal Mission Statements:

- o Naomi Judd:

- o “Slow down. Simplify. Be kind.”

- o From Inspiration-sayings-in-action.com:

- o “I will contribute to my family by offering support. I want to contribute to society through a charity organization. I will raise my children to embrace other cultures and not fear differences in people. I believe in treating others with kindness. I do not make excuses for myself. I will be humble and serve others.”

Overview of Goals

- o Provide an overview of the goals you have personally and in your career and family
- o This will be a summary of the goals you listed in other sections of the Personal Plan
- o Complete this section once you have completed all your various goals required for the Personal Plan



Table of Contents

1. Executive Summary
2. Personal Overview
 - 1. Personal History/Situation
 - 2. Family Situation
 - 3. Values
3. Career Plan
4. Self Development Plan
5. Financial Plan



Personal Overview

- o In this section you will reflect on your personal history
- o You will describe your personal history and your current situation
- o Follows old saying:

“You can’t tell where you are going,
without first knowing where you have been”



Personal History/Situation

- o Here you will provide an overview of your personal history and the major events that have shaped you as an individual

- o Start with a self description.
 - o Discuss the events that have personally shaped your life. Include dates for these events when possible
 - o Consider who has had the greatest impact on your life, what motivates you, and things you enjoy doing

- o Discuss the community you live in
 - o What is the makeup of the community and what is its size
 - o How does your work contribute to the community
 - o How will the challenges of your community affect yourself and your family

Family Situation

o This is a description of the current makeup of your family

- Are you currently married or single?
- Do you have any kids and what are their ages?
- Are you responsible for anyone else besides your spouse and children?
- Who contributes to the household income?
- Do you own or rent your home?
- Any great family accomplishments?
- Any family members with special needs?



Values

- o Values are those things held in importance by the individual or ideals or core beliefs held by an individual
 - o Values are the guidelines used to make all decisions in life faced by an individual
 - o Values will also motivate an individual's behavior in life

Identify your values in life. Think about:

- What is important to you?
- What shapes your behavior?
- What are you passionate about?
- What motivates your achievements?



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1. Executive Summary
2. Personal Overview
3. Career Plan
 - 1. Career/Education History
 - 2. Skills Assessment
 - 3. Career Options & Preferences
 - 4. Education/Training Needs
 - 5. Career/Education Plan
4. Self Development Plan
5. Financial Plan



Career/Education History

- o Discuss your past education/training history, positions you have held, and your current position

- Give dates of the education/training occurred and how long past positions were held
- List job titles for all positions
- List any degrees you have earned and any academic honors you have received during your education

- o With your current work

- o Discuss what attracted you to the job
- o What do you enjoy most about the position
- o What does your work mean to you



Career Goals

- o List the goals you hope to accomplish in your career
 - o Provides reminder of your goals
 - o Writing your goals increases the chances of you reaching those goals
- o Start with thinking about long-term goals, usually what you hope to accomplish in 5 or more years
 - o Start with your long-term goals
 - o Follow long-term goals with short-term goals



Career Goals

- o Once you have your long-term goals, think about short-term goals to meet the long-term goals
- o Short-term goals need to be (Remember **SMART**):
 - o Specific
 - o Measurable
 - o Attainable
 - o Rewarding
 - o Timed
- o The more specific and detailed the goal is the better positioned you will be to plan for the goal



SMART

Career Goals

Example:

- By December 15, 2013, I plan to have completed my Master's in Business Administration degree

Specific	Plan on completing a certain degree
Measurable	I'll be able to know if I've completed this goal by completing the degree program
Achievable	Completing a degree is typically an achievable goal
Rewarding	To this person, completing the degree program would be rewarding
Timed	I have placed a deadline on this goal. I have until December 15, 2013 to finish the degree program or I do not meet this goal

Career Goals

Example:

- By December 15, 2013, I want to be successful

Specific	This goal is not very specific with just the idea of being successful
Measurable	There is nothing in this goal that makes it measurable, successful is a very vague term
Attainable	Who knows if the goal is attainable, we are not sure what successful means to know if it is attainable
Rewarding	Unclear
Timed	Although there is a time deadline for the goal, using the term "successful" is very vague and I will not know if I have met this goal

Skills Assessment

- o Here you will be doing a personal reflection on the areas you have skills in and the areas you do not have skills in
- o You will use a **SWOT** analysis
 - o **S**trengths, **W**eakness, **O**pportunities, and **T**hreats analysis



Some questions to consider in a SWOT analysis

Strengths

What advantages do you have?

What do you do better than anyone else?

What unique or lowest-cost can you draw upon that others can't?

What do people in your market see as your strengths?

Weaknesses

What are your weaknesses?

What do your competitors do better than you?

What can you improve given the current situation?

What do others perceive as your weaknesses?

Opportunities

What trends or conditions may positively impact you?

What opportunities are available to you?

Threats

What trends or conditions may negatively impact you?

What are your competitors doing that may impact you?

Do you have solid financial support?

What impact do your weaknesses have on these threats?

SWOT example:

Strengths

- Devotion to the farm business
- Off farm income is helpful to start the farm enterprise
- Well known in the community and reputation for quality
- Commitment to quality and success
- Land area and capacity with good soils
- New high tunnels with technology
- Attend trainings and workshops for management and production
- Ability to extend the growing season and control disease in the tunnels

Weaknesses

- Do not have some of the required equipment
- Lack of farm experience and new to farm production
- Off farm jobs take precedence over farm
- Transportation and delivery to restaurants have been an issue of time and money
- Finances are limited due to property purchase and start up costs
- We are new growers entering the market

Opportunities

- Local food movement is growing
- Promotion of farmers' market and coupon programs by state
- Food cooking movement
- Lack of quality specialty vegetables at chain food stores
- Chain stores shelf life of fruits is very short and are usually picked before ripe and therefore lack flavor

Threats

- Local farms are competitors
- Consumer tastes and preferences vary
- Disposable income of consumers and what they are willing to pay for fruits and salad mixes
- Distribution costs
- Product liability insurance are required for the farmers' market and by some restaurants

Skills Assessment

o SWOT analysis

Strengths	those skills in which you excel and those skills that make you unique
Weaknesses	those skills that you need to improve or develop
Opportunities	there new prospects that could present themselves in the future
Threats	list those things that could prevent you from achieving your goals

- o You may consider having family and friends review the SWOT analysis and critique your analysis of yourself

Skills Assessment

o SWOT analysis example:

Strengths	I enjoy working outside and fully understand what goes into a vegetable farm
Weaknesses	I have a need to do things quickly to get them off my to do list and this can impact the quality of my work. I also have a tendency to be stubborn causing me not to fully grasp all issues
Opportunities	The area I live in is experiencing an increase in farmer's markets and other sellers of locally grown produce. This could work well for a person with my skill set
Threats	Although the area is growing, the current economic crisis could limit some of the opportunities in my area

Career Options & Preferences

- o This section will examine what you want to do with your career and how career preferences match your goals, visions, and personal, family, and financial needs

- o To develop your career preferences you will complete a four step analysis:
 1. Skills Assessment
 2. Career Exploration
 3. Goal Setting
 4. Decision Making



Career Options & Preferences

o Skills Assessment:

- o Examines your interests, skills, and characteristics and allows you to find jobs and careers that could match your interest, skills, and characteristics

o Career Exploration:

- o Here you gather information about careers that meet your skills assessment and begin to explore the job market conditions in those career areas



Career Options & Preferences

o Goal Setting:

- o Look back to the career goals you have set earlier in this section

o Decision Making

- o Now you have done all the assessment of potential careers that meet your needs
- o You will create a career plan for how to move forward in this career

Education/Training Needs

- o You have developed your career plan from the previous section and you may be in need of education or training to help meet that career plan
- o With your career plan evaluate the additional education and training that will be required for you to meet your career goals
- o Evaluate the amount of time the education or training will take, how much the education or training will cost, and where the education or training is located
- o Develop a pro and con list for each education or training required to determine if it is worth you pursuing



Career/Education Plan

- o The final step is to take the previous sections discussed under the “Career Plan” heading and develop your personal Career/Education Plan
- o In your Career/Education Plan prioritize your career goals and provide a time frame to achieve each activity in the Career/Education Plan
- o If you need to prepare for your career, discuss the additional education or training you have decided to get
- o Finally, discuss any potential barriers that could exist that could cause you not to meet your Career/Education Plan



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1. Executive Summary
2. Personal Overview
3. Career Plan
4. Self Development Plan
 - 1. Desired Future
 - 2. Personal & Family Goals
 - 3. Leisure Hobbies & Interests
 - 4. Retirement Plan
5. Financial Plan



Desired Future

- o What kind of future do you envision for you and your family?
- o You will develop a vision statement that best represents this desired future you see for you and your family



Desired Future

o To develop your vision statement think about and answer the following questions:

- What do you envision your future to be?
- What do you desire for yourself and/or for your family?
- What is important to you and/or your family?
- What are you and/or your family's core values/principles?
- What do you want you and/or your family to achieve?
- How do you define success?



Personal & Family Goals

- o Similar to your career goals, you will want to write personal goals for yourself and those you have for your family
- o As with career goals, your personal and family goals need to be SMART (specific, measurable, attainable, rewarding, and timed)
- o First, develop long-term goals and then develop short-term goals that help you to meet your long-term goals
- o If you have a family, you may want to sit down with them and have everyone develop their personal goals and then work on developing goals for the family

Leisure Hobbies & Interest

- o Remember the old adage
“All work and no play makes Jack a dull boy”
- o You can not just be about your career and work, and this section will allow to discuss what you enjoy doing in your free time
- o Develop a list of hobbies and other interest that you enjoy
- o Develop a plan how to include these hobbies and interests in your life



Retirement Plan

- o What will it take to fund your retirement
- o Start by calculating the amount of money it will take to fund your retirement
 - o Experts believe you will need 70-90% of your pre-retirement income to live comfortably and the average American spends 20 years retired
 - o Calculate the amount of money you will need to retire
 - o Develop a plan for how to save money and how this money will be invested to insure that you have the resources available to retire



Table of Contents

1. Executive Summary
2. Personal Overview
3. Career Plan
4. Self Development Plan



5. Financial Plan

1. Financial Situation
2. Personal/Family Budget
3. Savings Plan
4. Investment Plan
5. Retirement Savings Plan
6. Financing Education
7. Insurance Plan
8. Debt Reduction Plan
9. Estate Plan

Financial Situation

- o Simply layout your current financial situation.
 - o How much money do you earn each pay period
 - o What financial resources do you have at your disposal?
 - o Do you save any money?

- o You may want to consider developing personal financial statements, such as:
 - o Balance Sheet
 - o Income Statement



Personal/Family Budget

- o To help you see how money comes into your household and how it is spent, develop a monthly budget
 - o What all income do you have coming in each month
 - o What expenses are you incurring each month
 - o Are you spending more money than you make?
- o The development of a budget will help you better see your financial situation along with the use of the other financial statements
- o Once you have an understanding of how you spend money each month, develop a budget for how money will be spent in the future to help you live within your means



Savings Plan

- o Part of your monthly budget that you develop should be a savings plan, any excess money not spend should be included in some kind of savings plan
- o You can break the money you are saving down to various funds of future expenses you are saving for, such as:
 - o New Car Fund
 - o Vacation Fund
 - o Children's Education Fund
 - o Retirement Fund



Investment Plan

- o Part of your Savings Plan can include an Investment Plan
- o Investment Plan areas include:
 - o Stocks
 - o Bonds
 - o Mutual Funds – Funds that invest in a mixture of stocks and bonds and allow an individual investor to buy a share
 - o Real Estate
 - o Other investments that generate revenue on funds invested



Investment Plan

- o Your Investment Plan will be developed based upon:
 - o Goals
 - o Values (personal, not monetary)
 - o Wants & Needs
 - o Family Situation

- o Risk Tolerance – are you a person that prefers a lot of risk that may have high payoffs or do you prefer low risk, safe investments, that generate a consistent payoffs



Retirement Savings Plan

- Previously you have developed a Retirement Plan with an amount of money you will need to retire
- The Retirement Savings Plan will develop a plan with the amount you can save to reach the amount necessary for you to retire
- As with the Investment Plan, you can use a variety of investment tools that generate income on money invested to invest your Retirement Savings Plan



Financing Education Plan

- o Do you or your family members have goals to attend college or receive other training?
 - o With your Financing Education Plan, you will estimate the potential costs of this education and how much will be necessary to fund this education, including tuition and living expenses
 - o You can decide, based on your savings, how much you can put away to help finance future educational needs
 - o You may also want to consider scholarships available from organizations in your potential career field

Insurance Plan

- o The best way to deal with the risks that surround us is through purchasing insurance
- o The Insurance Plan lets you sit down and discuss the types of risk that you and your family face and decide which types of insurance policies that you can currently afford to protect against these risks
- o The types of insurance coverage to be considered:
 - o Medical, including Health, Vision, & Dental Insurances
 - o Homeowners
 - o Automotive

Always get insurance!!

Farming is one of the most dangerous businesses!



Debt Reduction Plan

- o If you are in debt, a Debt Reduction Plan will allow you to plan to meet repayment obligations and reduce your current debt load
- o With your budget, examine the sacrifices you can make in the short-term for the long-term benefit of reducing your current debt load
- o Remember to use discipline to stick with any personal plan to reduce your debt load



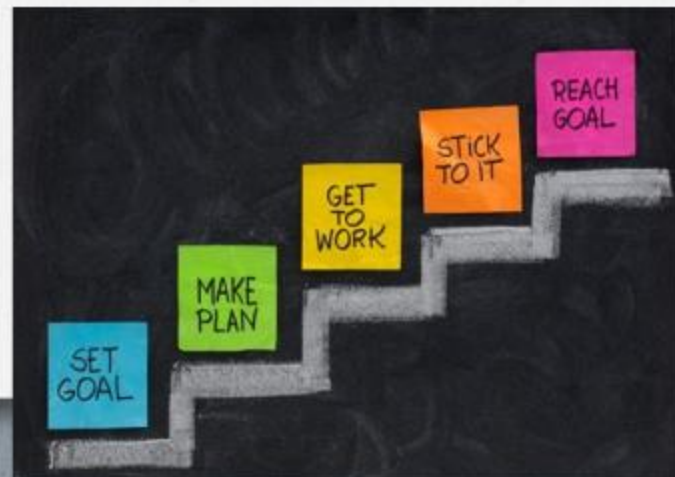
Estate Plan

- o You will consider wills and other estate planning instruments to contemplate what will happen upon your death
- o Consider how you would like your property and other assets divided upon your death
- o If you have minor children, do you have someone in mind that should raise them if you and your spouse were to die at the same time



Conclusion

- o A Personal Plan is an instrument that lays out the various goals a person could have for their life
- o Personal planning requires a lot of work and various considerations be taken into account by the person
- o Developing and living by a Personal Plan is one way to ensure that you meet the various goals, both personal and professional, that you have for your life



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Additional Resources

- o Arkansas Cooperative Extension. *Achieving Financial Goals.*
http://www.uaex.edu/Other_Areas/publications/PDF/FSFCS52.pdf
- o Arkansas Cooperative Extension. *Build Your Savings.*
http://www.uaex.edu/Other_Areas/publications/PDF/FSFCS43.pdf
- o Arkansas Cooperative Extension. *Estate Planning Defined.*
http://www.uaex.edu/Other_Areas/publications/pdf/FSHEC-100.pdf
- o Arkansas Cooperative Extension. *Getting Started on an Estate Plan.*
http://www.uaex.edu/Other_Areas/publications/PDF/FSHEC-36.pdf
- o Arkansas Cooperative Extension. *Who Needs an Estate Plan?*
http://www.uaex.edu/Other_Areas/publications/PDF/FSFCS142.pdf

Additional Resources

- o University of New Hampshire Extension. *Reaching Your Goals by Saving Small Amounts*
http://extension.unh.edu/resources/files/Resource001531_Rep2080.pdf
- o Oklahoma Cooperative Extension Service. *Estate Planning: A Simplified Guide for Oklahoma Farm and Ranch Families.*
<http://osufacts.okstate.edu/docushare/dsweb/Get/Document-3593/E-726%20web2011.pdf>
- o Oklahoma Cooperative Extension Service. *Farm Family Decision-Making.*
<http://osufacts.okstate.edu/docushare/dsweb/Get/Document-2188/AGEC-213web.pdf>
- o Oklahoma Cooperative Extension Service. *The Financial Puzzle: Goals, Choices, and Plans*
<http://osufacts.okstate.edu/docushare/dsweb/Get/Document-3009/T-4316web.pdf>

Additional Resources

- o Oklahoma Cooperative Extension Service. *Goal Setting for Farm and Ranch Families*. <http://osufacts.okstate.edu/docushare/dsweb/Get/Document-1674/AGEC-244web.pdf>
- o Oklahoma Cooperative Extension Service. *Wills and Trusts*. <http://osufacts.okstate.edu/docushare/dsweb/Get/Document-7078/T-4155web.pdf>

