



Enterprising Rural Families™

An Online Newsletter July, 2007 Volume III, Issue 7

THINK BEFORE YOU LEAP

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This newsletter is an instrument of the *Enterprising Rural Families: Making It Work* program of the University of Wyoming Cooperative Extension Service. For further information concerning the *Enterprising Rural Families* program or on-line course contact information@eRuralFamilies.org or go to <http://eRuralFamilies.org/>.

TIP OF THE MONTH:

HOW TO HAVE GOOD FOREMEN

Consider minimum criteria:

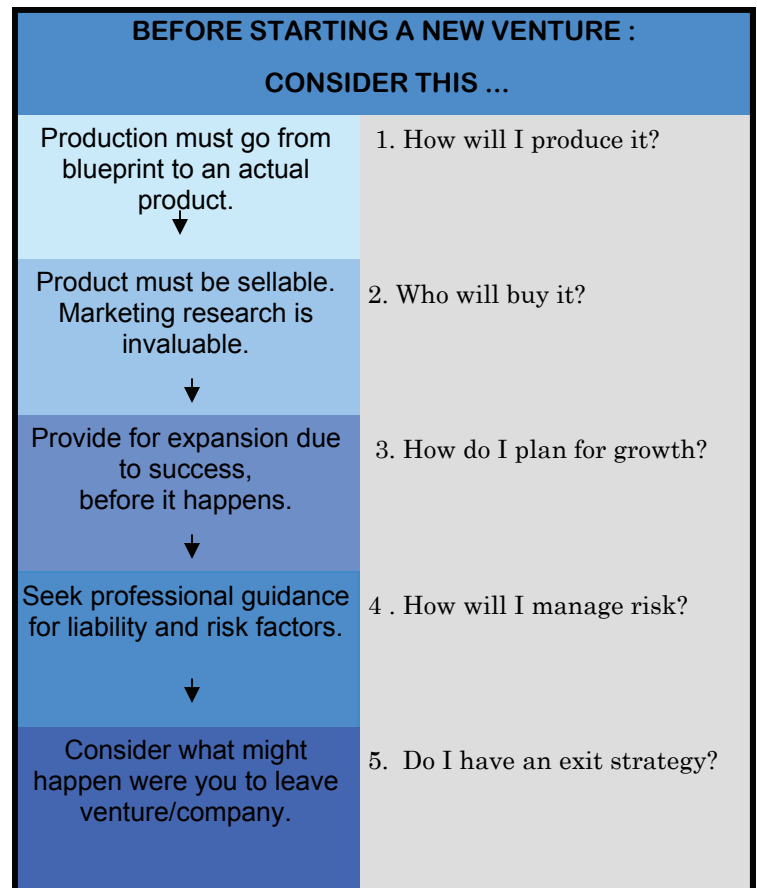
- Job orders: reading, understanding, delegating orders
- Communication skills: verbal - clarity over phone/radio; written—minimum to carry out processes where necessary
- Interpersonal communication: respectful, asks & answers questions effectively, clear instructions, checks for understanding, available to help
- Trainer: able to teach effectively, follows operating procedures
- Feedback: takes feedback openly, willing to grow and respond to supervisor

Make the opening available to all:

- Define the job description completely and carefully
- Define the qualifications to carry out the job description
- Give fair opportunity to all employees to apply. If necessary, translate into other languages used in the workplace
- Allow interviewees privacy and plenty of time to ask and answer questions. Discuss visions for advancement
- After interviews inform everyone of the process used and results obtained in an open meeting

Entrepreneurs and business owners need to be visionary. However, this often means they think the public will be as enamored with their product or service as they are. This lack of prior planning and attention to detail can lead to hardship or disaster for the fledgling product or business. Here are some questions that you need to answer before starting into a new venture.

How will I produce it? Ideas must move from a blueprint, diagram or words on a page to an actual product. Have you planned for how that will happen? Look for programs that can help you decide how to move your product from research and development onto the store shelves. This might involve creating a new technical process in your operation; building or installing specialized equipment; or locating a manufacturer who has the equipment and ability to assist you.



Who will buy? If you've done research to show that you can produce the product or service, then you must begin thinking about who will buy it. A lot of information has been published on marketing research, but there are some basic questions. Why is this product unique or different? Who is the product made for – adults, toddlers, teens, families? What similar type of product or service is already on the market and what success has it had? This part of business planning often takes the longest time because it involves research. Without good



market research, an entrepreneur can produce what they think is a great product but watch sales fall far below the projected target.

How do I plan for growth? Many great ideas have been created, produced and sold only to fail at the stage where growth explodes and where an entrepreneur is the least ready to move forward. If a product does well in a local or regional market, the next logical step often is to find wholesalers, buying groups or stores that will purchase large lots. If the producer has not planned for this type of growth, it is difficult to put it into place on the fly. Do you have the materials, labor, transportation and distribution plans ready for sudden expansion? Planning for that contingency at the very beginning of a project is extremely helpful.

How will I manage risk? Managers today realize that risk management is an important part of everyday operations. Advisors can help determine what risk factors accompany your produce and service and what plans should be in place to meet those risks. Risks are associated with financial planning, product liability issues, production problems, transportation and distribution factors. Early on it's important to weigh each of these risk factors and determine what type of financial and other reserves are necessary to overcome business hurdles. One quick way to assess risk factors is to name the risk, identify the exposure to that risk (low, medium, or high), state the type of production risk that might occur and then identify tools to minimize the risk. This exercise helps to identify possible risk factors that can limit successful business operations.

Where do I go from here? Having an exit strategy seems self-defeating, but in reality offers a step-by-step guide to parting from a business without terrible hardships. If you propose to manufacture and sell a new product, what happens if you are hurt in an accident, or cannot direct the business operation? Many entrepreneurs think only in relatively short terms and do not plot scenarios for leaving a business either through accident or choice. That means that the choice is out of their hands and is either resolved by partners, family members, creditors or by legal means. It's helpful to plan for future stages of a business and identify how to withdraw at any given point should you need to do so. Financial planners can assist you with working out these strategies.

The planning that goes along with creating something new is an important factor in the overall success of that product or service. The urge to jump ahead without planning for the future of the business is a dangerous leap. It takes time to step back and work through the many steps necessary to bring a product online or develop a service that will survive for years ahead. Enjoy the creative process, but don't jump ahead without planning.



Before you light that fuse to launch your new product have you considered ...

- ▶ **Production plans**
- ▶ **Growth/expansion**
- ▶ **Risk/liability issues**
- ▶ **Exit strategy**

THINK IN THE LONG TERM.



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