

Making It Happen Annual Report, December 2015

Attachment C, Learning Matrix

MIH-Learning Matrix-09022015
LEARNING GROUPS

| Link to LO | Common Mistakes | Common Success Strategies | Learning Point the Training Should Make | What Specific Action(s) Should Farmers Engage In? | When Should Farmers Take this Action(s) and in what Situations, at what Times? | What Habit will Enable Success in Taking the Action at the Appropriate Moment? |
|--|---|---|--|---|--|--|
| LG-300 PROACTIVE FINANCIAL MANAGEMENT (Using financials to your advantage) | | | | | | |
| 2 | Not making financial management a priority | Implementing (starting) habits in November/ December when things are slow | Create Habits | Schedule financial management as a regular chore | November, December and January when they have space to think. | Putting dates/times on the calendar for when they'll focus on FM |
| 2 | Lack of an ongoing business plan | Annual review of a business plan | review of a business plan regularly annually | Internal &/or external process | Before the next farm season | Annual review of a business plan |
| 3 | Lack of (financial) records | Find a process that enables farmer to keep records at some level they're comfortable with | Create a record keeping system that will be utilized | Keep records | Set up before the season begins | Annual review of records, add what is missing, dump what is not working or worthwhile |
| 2 | Not Planning the work flow through the season | Systems for planning workflow | A planned workflow allows a business to make adjustments for peak demands and anticipate overloads and burn out | Find a system for planning workflow | Set up before the season begins | Annual review of workflow and any changes anticipated |
| 3a | Payment is not profit | Profit comes after the farmer's salary and other expenses | Profit comes after the farmer's salary and other expenses | Plan for payment to the owners, then work back to determine what to produce | Plan for payment to the owners | Plan for payment to the owners |
| 2 | Taking capital expenses out of cash flow when there is not cash to support it. | | Managing cash flow can be a daily, weekly, or monthly business activity depending on the season, business type and stage | Track cash flow closely, especially at key decision points. | When making a capital purchase, at key decision points. | Ongoing cash flow planning. Cash flow planning at key intervals. |
| 3b | Mixing capital expenses into annual cash flow projections | | Understanding annual cost v. capital costs and clearly reflect the distinction in your finances | Separate capital expenses in a budget section below the annual expenses. | At startup, at least annually. | Learn business financial basics before starting a business. |
| LG-301 Heeding Advice & Using Expert Resources | | | | | | |
| 3a | Unrealistic projections | Use historical data (both production and Financial) and sensitivity/scenario analysis. Start-ups, should lean heavily on benchmarks, existing info, & someone with more experience. | Do your homework or due diligence | Low and high brackets/scenarios; Seek good numbers | Before the enterprise starts. If starting up, scaling, or adding new enterprise. | Providing space and time for planning and analysis. If on-going concern, keep good records. If startup have record keeping system in place |
| 2 | When someone says you are not in a good position to borrow, not listening and finding someone else that will lend | Listening to concerns from others and evaluating their merit. Proving loan repayment capacity with sound budget projection | Ability to access finance is different than taking on smart debt | | Demonstrate repayment thru budgets and feasible marketing plan that is validated by a 3 rd party adviser | Develop relationships in advance with peer or technical assistance providers that can review plans |
| 3d | Not realizing the variety of credit/finance options | Seek out more competitive rates/terms Explore alternatives, Slow Money, Crowd funding, clubs | Talking to lenders in advance and shopping for financing to get familiar with options | Use amortization calculations to determine how significant and change in interest rates will be on monthly payment/loan lifetime payments | | Get a loan calculator app on phone or computer desktop to get familiar with monthly payment estimates |
| 3 | Understanding business growth trajectory | Setting a feasible target for business growth that gets the business to a feasible scale for profitability | Refer to benchmarks on business scale and right sizing | Multi Year production, budget and market plans projections to land at "right size" | Need to seek out these benchmarks early, before they get it in their head that the scale they "want" to operate at is going to be profitable | Research industry before entry |