

# Equine Business Planning Course

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## INTRODUCTION

- New Jersey's equine industry is currently in a precarious position. The instability of the racing industry has the potential to affect the show/pleasure horse industry and the overall agricultural sector as major farms go out of business and no longer require hay, feed, bedding, etc. (Malinowski, 2010)
- An informal survey among horse industry leaders suggested that few business owners write business plans and that there is a need and desire for training in this area.
  - Often equine business owners have no formal business training. It is hard to find "sample" business that are customized for horse businesses.
- The process of writing a business plan is truly the most valuable part, because it requires significant market research, self-reflection, and financial analysis. A thorough business plan will highlight potential problems and predict the success or failure of a venture.
- Funding for this project was obtained from Northeast Sustainable Agriculture Research and Education's "Sustainable Communities" grant and the Rutgers Equine Science Center State Equine Initiative planning grant.



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## OBJECTIVE

The overall objective of the project was to develop a new tool to help business owners navigate the myriad considerations when running an equine business. Specifically, the objectives included:

- **Objective 1.** Increase awareness of business planning in the New Jersey horse industry
- **Objective 2.** Provide live business planning training for horse business owners or potential business owners
- **Objective 3.** Distribute educational materials to additional business owners or potential business owners



## METHODS

- Online initial survey was developed and collected using SurveyMonkey®
- Industry collaborators helped develop the course and workbook and assisted with course presentations on areas of expertise; they included Ann Dorsett (Dorsett Farms), Ryck Suydam (Suydam Insurance Agency), Bix DiMeo (Showplace Farms), and Sandra Denarski (retired finance executive).
- A stand-alone workbook was developed by repurposing existing materials (Brumfield, 2011), and edited to serve the horse industry. It includes a complete business plan for a sample farm and financial spreadsheets.
- A seven-week short course was planned for March and April 2013; it met once a week in two different locations linked by videoconferencing technology (Oovoo).
  - Each week covered a different section of the workbook. Participants were assigned sections of their business plans to complete as homework.
- Post-course evaluations aided in workbook edits and the improved workbooks were offered as stand-alone educational material for equine business owners.
- Follow-up evaluations were sent in January 2014 and September 2014 to gauge long-term impact of both the course and the workbook.



## RESULTS AND IMPACT

### Initial Survey

- 64% of survey respondents had attempted to previously write a business plan, yet only 31% had a complete written business plan.
  - Of these, 66% found the process difficult for reasons such as limited time, no access to appropriate resources, too many variables in the industry/economy, and feeling it was unnecessary for the individual business.
- 80% of respondents estimated that under 25% of horse businesses have written business plans, and 82% believe that having a written business plan is important to the viability of a successful horse business.
- 66% of respondents expressed interest in taking a business planning class.

## RESULTS AND IMPACT, CONTINUED

### Course Evaluation

- 31 attendees rated the course a 4.9 on a scale of 1 to 5 (5 being Very Valuable).
- 76% of participants who completed the final evaluation now have a business plan. Of those who replied that they did not, 50% intended to finish it soon.
- When asked when participants would make changes to their plans, the vast majority (81%) responded that they would make these changes within 6 months of the course or had already completed the actions before taking the course.
- 10 participants wrote that the course changed their opinions on the importance of business planning: "We had no idea the importance of business planning before starting this course" and "I knew it was important, and I knew what I needed to do, but didn't know how to cut into manageable pieces that I could then go and use to not only develop a plan, but plan for the future and envision growth."

### First Follow-Up Evaluation

- 65% response rate; 64% reported making changes to their businesses as a result of the course.
  - This included keeping more detailed records, improving networking, improved use of social media and internet, increased insurance coverage, simplifying the business, taking on partners, changing boarding policies, seeking out new business rather than waiting for it, and deciding to invest in facilities updates.

### Second Follow-Up Evaluation

- 52% response rate; 71% have completed specific business planning actions since the course.
- The effects on their businesses included higher profits due to raising board prices, expanded partnerships, restructured insurance and liability, increased efficiency using ideas learned in class, and several students networked with each other to find mutually beneficial arrangements regarding their businesses.

### Workbook Evaluation

- 50% of 26 responded; 61% have not read the workbook yet (4-10 months later)
- Only 1.5% used the workbook to write or make major changes to business plans.

## DISCUSSION

- Results of the follow-up surveys highlight the importance of holding a class over simply distributing materials. Only 2 of the 13 who received workbooks and responded to the survey have made significant use of it after 4-10 months, while 76% of course participants had a written business plan at the end of the course.
- The materials and agenda can serve as a template for the course to be offered by other groups; we have already been contacted by another state about the project.
- The course needs to be sustainable; grant funding only covered one iteration and there is already demand for a second course. Participants were only charged for food (not covered by funding), so raising the price could be an option. It may also be possible to offer the course through the Continuing Education program.

## REFERENCES

- Brumfield, R. 2011. "Business Management." Greenhouse Operations and Management, 7th Edition. Ed: Paul V. Nelson. Prentice Hall, Upper Saddle River, NJ. Pg. 531-586.
- Malinowski, K. 2010. What does New Jersey stand to lose if there is no horse racing in the state? Response to the Report of the Governor's Advisory Commission on New Jersey Gaming, Sports and Entertainment.