

# Kitchen Table Strategic Planning<sup>SM</sup>

as presented to:

National School for experienced Ag Bankers

Denny Everson and Nate Franzen



## Objective "One"

- Be "Contrary to Ordinary"

## Objective "2"

Define how Facilitating this Process for your customer could work for their Operation.



## Intent

- Add a new but "time tested" approach to building a stronger relationship with your customer!



## Why?

- ▮ Sustainability of the customer base within your loan portfolio.



## How?

- ▮ Ask your customer to define where they have been.
- ▮ Ask your customer to define where their Business is going.
- ▮ Ask them what the business will do to get there.



## A quick review of how the Formal Strategic Planning Process works.

- **Rules of the road:** All involved in the process must leave their egos at the door and put on their elephant hide!



## Explain to your Customer how the Formal Strategic Planning process works.

- SWOT Analysis
- Determine objectives
- Prioritize objectives
- Refine the objectives
- Set the strategy for each objective or goal
- Develop the action plan for each objective and strategy



# Explain the Significance of SWOT Analysis.

- Strengths
- Weaknesses
- Opportunities
- Threats



# Ask them to establish the Internal factors of their Operation that are within their control!

- Strengths
- Weaknesses



# Ask them to establish the External factors of their operation that are outside of their control!


- Opportunities
- Threats



## Overall Goal of Strategic Planning for your Customer:

*"Utilize their **strengths** to overcome their **weaknesses** which will help guard against their **threats** and allow them to take advantage of their **opportunities**".*





## Allow your Customer/s to establish future Objectives for their Family and Operation!

- Ask them to “*Dream Big*”
- *Be Sincere*
- *Be realistic*



## Challenge your Customer/s to Prioritize their Objectives.

Ask them to list all of their Objectives  
Request they limit their future goals to 3 or 4



## Strategy Development is the next step and key to the Process!

Ask that they develop a Strategy or Strategies for each Objective.



## Lean on your customer/s to establish Action Plans Per Strategy

- This is where the rubber hits the road and going gets tuff(lots of detail)!
- An action will be done by:
  - who?
  - When?







## Last Step!

▶ Execute, Execute, Execute



## Case Study

Father and two son operation





# Operation

- 3,500 acres
- Custom feed 5,000 hogs annually
- Both wives work off the farm
- \$6,000,000 in assets
- \$2,700,000 in liabilities
- \$3,300,000 in equity
- 250 stock cows



# Strengths(Spouses included)

- diversified
- ambitious
- good leadership
- Spouses off farm income
- compatible
- good finances
- understand our debt load
- better than average producers
- good cattle program
- adequate labor force
- their bank





## Top Three Strengths (men)

- diversified
- better-than-average cattle producers
- wives' incomes



## Top Three Strengths (women)

- diversified
- ambition
- strong finances (they assumed)





## Top Three Weaknesses (women)

- Score-keeping/bickering
- Communication
- Balance of life and work



## Top Three Weaknesses (men)

- Score-keeping/bickering
- Lack of consensus
- Goal setting





# Opportunities

1. Landlord wants to sell
2. Irrigation development
3. Pro-livestock environment



# Threats


1. Disease
2. RE prices
3. Landlords
4. Death
5. Markets
6. outside investors
7. Weather





# Objectives

- Buy landlord's ground
- Manage debt
- Improve record keeping
- Balance home-life-work
- Better define succession plan
- Improve Communication/Meetings
- Treat the operation more like a business



# Top Three Objectives (women)

- More emphasis on bookkeeping
- Meetings/Communication
- Treat the operation more like a business





## Top Three Objectives (men)

- Balance farm-life-work
- Purchase landlords land
- Define Succession for Dad



## Action Plans

- Begin formal farm meetings
  - Weekly for the men
  - Quarterly for all partners
  - Have an agenda for all meetings
- Establish a leave policy & better define partner compensation
- Ramp up Dad and Mom's estate plan activities
- Seek financing to purchase landlords ground





## Best practices for a facilitator

- Remain neutral
- Be quick to defuse any emotional issues
- Caucus with a factioned portion of the group when necessary
- Stay structured



## Questions?