



Enterprising Rural Families™

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:

RE-ENERGIZING YOUR BOARD OF DIRECTORS

1. **Celebrate accomplishments and express gratitude.** Create rituals and opportunities to thank members and reward their commitment.
2. **Encourage board members to tell each other what motivates them to serve.** Let them tell their story.
3. **Revisit your mission; audit and evaluate purpose and calling.** Tuning up or re-writing you mission periodically helps keep everyone heading the same direction.
4. **Educate, educate, educate.** Create the atmosphere that everyone is so important they must keep learning.
5. **Create meaningful meetings.** Focus on strategic goals and issues—stay above the mundane.
6. **Conduct a candid board assessment.** Measure performance and gauge efficiency, focusing on results and quality.
7. **Develop the Board-CEO partnership.** Trust, candor, respect, honesty.
8. **Add new board members and graduate some “old.”** Bring in new creativity, ideas, energy.
9. **Discuss and promote transparency and integrity.** Hidden agendas generate mistrust.

An Online Newsletter October, 2006 Volume II, Issue 10

ASSESSMENT AND INVENTORY: What Do You Have To Work With?

Bill Taylor, Area Community Development Extension Educator
University of Wyoming

Doing an inventory of your business, family, and even personal assets, is a vital step that must be performed before developing goals or plans. This is true whether you are working on the strategic (broad-sweeping, long-term) level or making daily operational decisions. Before you can determine the choices and options that are available for you, your family, and business, you need to develop a clear picture of where you are and what you have to work with.

I liken this need for assessment in the family business (or any business) to the pre-planning process for a military campaign. Before our armed forces could effectively attack and invade Iraq it was necessary for the planners to have a very clear picture of the amount and placement of all personnel and materiel. Not only did this require an understanding of the amount and placement of these assets, it also required an understanding of the capability, strengths, and weaknesses of each component. Without this information, the officers in charge of the campaign would have been operating blind, with no idea how many soldiers would show up and what weapons and equipment they would have at their command. These commanders would not have known which units were strong and which needed extra protection, where to attack or where to hold units in reserve.

This same picture is true of the rural family business. Without a clear understanding of the strengths, weaknesses, and characteristics of each component of the interacting parts of the whole (the individuals, the family, the business, and the community) the operation is at a clear disadvantage. This disadvantage will tend to compromise any planning and implementation process, creating the possibility for confusion, frustration, and failure.

The tendency of many, not only as business managers but in many arenas, is to see a hazy or incomplete vision based on our personal desires and to make decisions based on that desire, without slowing down enough to get a clear picture of our strengths and weaknesses. This often happens without clearly defining the goal, and getting the lay of the land between where we are now and where we want to be.



Continued from page one – “*Assessment and Inventory: What do You Have To Work With?*”

So, what do we need to assess and how do we take inventory of all our assets? Well, the tools and methods vary depending upon which part of the matrix we are looking at and what we need to know. Many instruments and methods have been developed to help individuals, families, businesses, and communities get a clearer picture of their inherit and acquired skills, abilities, and characteristics.

For individuals, such things as personality assessment, leadership styles, willingness to take risks, natural and learned skills and abilities need to be honestly determined and noted. If one person is gregarious and not detail oriented, it would not be wise to expect them to be the bookkeeper just because it was our family tradition. On the other hand, it would not be to our advantage to put the introverted individual in sales.

The second system we need to assess is the family. We need to answer questions like: “What are the family roles and do they mesh with the skills of the individuals in those positions?” “Why is the family doing this?” “Which family members are committed (to the family, to the business) and who would rather be elsewhere?” “How does our family make decisions and is everyone satisfied with how they are made?” “Who *are* the real decision makers in the family?” “What is first – family or business – and why?” “Where are the weakest links in your family-business chain?”

The business system should be inventoried on several levels. Many of us think of business inventory as totaling the physical assets of the operation, and this certainly is important. The business needs to take periodic stock of the financial balance sheet, physical stock on hand, resources available for production, capital assets, investment base, risk coverage, etc. However, stock should also be taken of such things as the personnel involved and whether their roles are matched with their strengths (this is the other side of the same issue as in the family) and how the lifecycles of the family and business are interacting (see the May 2006 issue of *Enterprising Rural Families*™ newsletter for a description of lifecycles). Other issues for examination are what rules (written and unwritten) the business team has and how does the team function, how much time do individuals have available for the business, what is the defining industry to which the business belongs and what is their real market, and does the business possess intellectual property that needs to be protected?



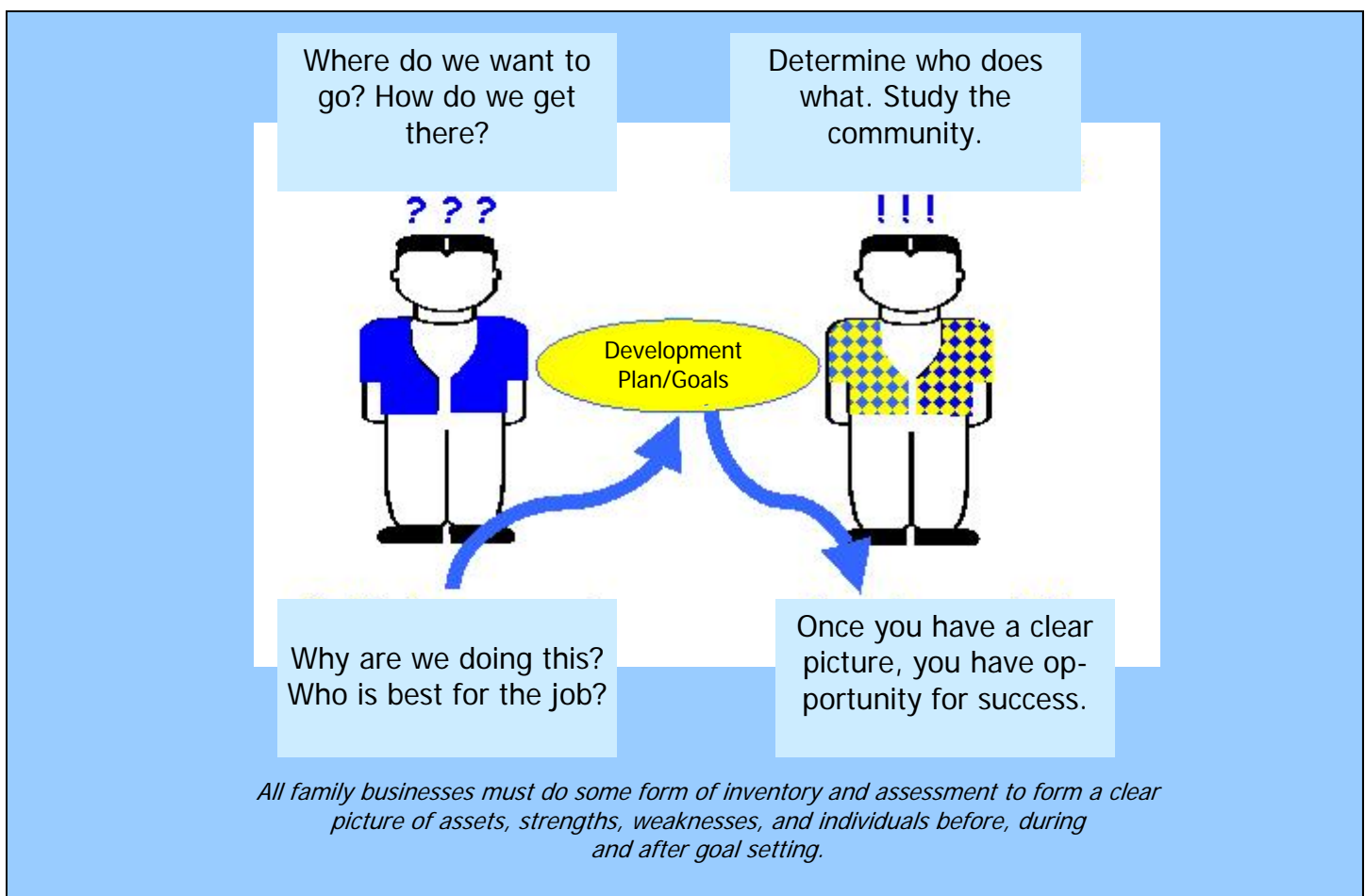
Lastly, the rural family business needs to analyze the characteristics of the community within which they find themselves and determine how it affects them. Issues such as rural versus urban or industrial, progressive versus entrenched, growing versus stagnant, religious versus lack of strong spiritual dogmas all affect the family and business. The family business must determine how these issues affect such things as hiring employees, salaries and rewards, markets available, natural and business resources available, regulations and ordinances, and their long-term outlook and goals.

As indicated, many instruments, forms and methods have been developed by those working with individuals, families, businesses, and communities to extract information important to them. No one instrument or assessment is necessarily the best or end-all in any one arena.



Each has its own strengths and weaknesses and care must be used in interpreting the results obtained by each. Common sense must rule as the rural family business examines themselves and their assets. However, the point of this message is that all sustainable rural family businesses must do some form of inventory and assessment. Some of that process will be intuitive and come naturally. But each enterprise should also take the time and effort to formalize the process to the degree that all members of the management team have a clear picture of the assets, strengths, weaknesses, and characteristics of the four systems (individuals, family, business, community) making up their situation before, during, and after setting goals, making plans and setting operations into motion.

The *Enterprising Rural Families™: Making It Work* online course and its attending library contain numerous inventories and assessments to help rural family businesses determine their strengths and weaknesses at each level.



Enterprising Rural Families™

October, 2006 Volume II, Issue 10