

Chapter 10

Personal Evaluation II

A Snapshot of Your Progress



Chapter Overview

Although many factors determine whether or not an enterprise is or will be successful, many fundamental concepts important to agritourism enterprises have been discussed in this publication. Although not a guarantee, implementation of these concepts will improve your potential for success.

This final chapter is designed to help assess your progress in applying these fundamental management concepts to your operation through a personal evaluation tool. You can use the tool to measure progress and help identify concepts you need to address.

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Personal Evaluation

The personal evaluation tool consists of 50 statements presented in six sections:

1. Business Planning
2. Marketing
3. Customer Service
4. Risk Assessment and Management
5. Safety Considerations
6. Government Regulations

Read each statement as though it were written for you and your agritourism enterprise and management activities. Then circle the response that best describes your situation, product(s) and/or service(s). If you **agree** with the statement, circle **A**. If you **somewhat agree** with the statement, circle **SA**. If you **somewhat disagree** with the statement, circle **SD**, and if you **disagree**, circle **D**.

Personal Evaluation Tool

Section 1: Business Planning		Response A=Agree SA=Somewhat Agree SD=Somewhat Disagree D=Disagree			
1.	I have developed a complete, written business plan for my agritourism enterprise.	A	SA	SD	D
2.	My mission statement reflects the core purpose of my agritourism enterprise.	A	SA	SD	D
3.	My business plan contains a clear description of my agritourism enterprise.	A	SA	SD	D
4.	I have written, measurable goals and objectives for my agritourism enterprise.	A	SA	SD	D
5.	My business plan identifies the management team and legal structure of my agritourism operation.	A	SA	SD	D
6.	I routinely forecast start-up expenses, operating expenses and sales for my agritourism enterprise and use this information to make management decisions.	A	SA	SD	D
7.	The financial records for my agritourism operation are accurate and up-to-date.	A	SA	SD	D
8.	I develop financial statements for my agritourism enterprise, which I use to analyze the financial health of my business.	A	SA	SD	D
9.	My business plan includes an exit strategy that I have discussed with my accountant and/or lawyer.	A	SA	SD	D
10.	I update my business plan as my goals and objectives, financial situation, business concept, and the market situation changes.	A	SA	SD	D

Section 2: Marketing		Response A=Agree SA=Somewhat Agree SD=Somewhat Disagree D=Disagree			
11.	I have developed a complete, written marketing plan for my agritourism operation.	A	SA	SD	D
12.	I use my marketing plan to dictate the marketing activities for my agritourism operation.	A	SA	SD	D
13.	I have a clear understanding and definition of the target audience for my agritourism enterprise.	A	SA	SD	D
14.	My marketing activities are designed to reach the identified target audience.	A	SA	SD	D
15.	All of my marketing activities and materials are consistent with the positioning/image of my agritourism enterprise.	A	SA	SD	D
16.	Roadside signs direct customers to my operation safely and effectively from all major access points.	A	SA	SD	D
17.	When setting prices for my agritourism enterprise, I consider operating (fixed) and variable costs, financial goals and objectives, product positioning, customers' willingness to pay, consumer preferences, and competitors.	A	SA	SD	D
18.	My marketing budget is approximately 5 percent to 10 percent of projected sales (or I have chosen a budget based on market information).	A	SA	SD	D
19.	I measure both the number of customers who visit my agritourism enterprise and my sales volume over some specified time period.	A	SA	SD	D
20.	I routinely re-analyze the market for my agritourism operation, evaluate the effectiveness of my marketing activities and make appropriate adjustments to my marketing plan.	A	SA	SD	D
Section 3: Customer Service					
21.	I have developed a written customer service plan for my agritourism enterprise.	A	SA	SD	D
22.	My customer service plan is based on the target market's needs, desires and expectations as well as the goals and objectives for my agritourism operation.	A	SA	SD	D
23.	My employees are well-trained in my enterprise's customer service goals and policies.	A	SA	SD	D
24.	I strive to positively motivate employees to provide excellent customer service.	A	SA	SD	D
25.	I have developed and implemented a system to evaluate the effectiveness of my customer service plan in meeting my customers' needs and expectations.	A	SA	SD	D
26.	I have developed and implemented a system to evaluate the effectiveness of my employees in implementing my customer service policies.	A	SA	SD	D
27.	My customer service policies include methods to effectively resolve customer problems and complaints.	A	SA	SD	D
Section 4: Risk Assessment and Management					
28.	I understand the types of risks I face in my agritourism enterprise.	A	SA	SD	D
29.	I have evaluated the likelihood of these risks causing a loss or injury as well as the magnitude of the potential loss.	A	SA	SD	D
30.	I have chosen a method for managing each risk to my operation.	A	SA	SD	D
31.	I am knowledgeable about current laws and regulations pertinent to my operation and follow requirements.	A	SA	SD	D

Section 4: Risk Assessment and Management		Response A=Agree SA=Somewhat Agree SD=Somewhat Disagree D=Disagree			
32.	I have sought and obtained legal counsel for all legal matters.	A	SA	SD	D
33.	My employees are well trained in risk assessment, management activities and policies of my operation.	A	SA	SD	D
34.	I have fully discussed my agritourism activities with my insurance agent and purchased liability and other applicable insurance coverage.	A	SA	SD	D
35.	Risks to my agritourism enterprise are constantly assessed, and management strategies to address them are chosen and implemented.	A	SA	SD	D
Section 5: Safety Considerations					
36.	I have developed a written safety plan for my agritourism enterprise.	A	SA	SD	D
37.	My employees are trained in appropriate procedures in case of an emergency at my enterprise.	A	SA	SD	D
38.	First aid kits, ABC fire extinguishers and communication devices (such as phones, cell phones or radios) are easily accessible to my employees in case they are needed.	A	SA	SD	D
39.	Customers are informed of the enterprise rules and procedures they are expected to follow for their safety.	A	SA	SD	D
40.	Hazardous areas and attractive nuisances of my agritourism operation are clearly designated, and access by customers is restricted.	A	SA	SD	D
41.	Personnel are trained in the proper and safe use of equipment.	A	SA	SD	D
42.	I have developed an inspection form to guide a safety inspection process, and I maintain a written record of findings and corrective action needed and taken.	A	SA	SD	D
43.	I have a procedure in place to keep informed and to warn employees and customers of approaching hazardous weather conditions.	A	SA	SD	D
44.	Entrances and exits to the property are clearly visible with unobstructed views of oncoming traffic and are wide enough for vehicles to pass and easily maneuver.	A	SA	SD	D
Section 6: Government Regulations					
45.	My agritourism enterprise has an up-to-date business license from the city and/or county where I operate.	A	SA	SD	D
46.	I have determined whether or not my agritourism enterprise is responsible for remitting sales tax and, if so, have registered with the Tennessee Department of Revenue.	A	SA	SD	D
47.	My agritourism enterprise is compliant with the Americans with Disabilities Act.	A	SA	SD	D
48.	I have contacted the county or city planning commission or zoning authority to determine whether my agritourism operation will meet existing zoning ordinances.	A	SA	SD	D
49.	My agritourism enterprise is in compliance with all labor laws including child labor, minimum wage, worker's compensation and payroll withholding.	A	SA	SD	D
50.	My agritourism operation holds all necessary permits for specific products and services offered, such as for a winery, petting zoo, fee-fishing operation, food retail store or food service establishment.	A	SA	SD	D

Scoring, Preferred Responses and Explanations

Once you have circled answers to ALL 50 statements, follow the directions below to score your responses.

1. Count the number of times you circled each response (A, SA, SD and D) and write the number in the table below under **Number of Responses**.
2. Multiply the **Number of Responses** times the **Points per Response** indicated and write it in the table under **Points**.
3. Add the points for each of the four categories and write the total in the box next to **Total Score**.

	Number of Responses	Points per Response	Points
Agree (A)		x 4 =	
Somewhat Agree (SA)		x 3 =	
Somewhat Disagree (SD)		x 2 =	
Disagree (D)		x 1 =	
Total Score			

Use the following scoring key to find out what your score indicates.

- 200** You apply fundamental management concepts that have been found to be positive components of a successful enterprise. Continuation of these basic, important practices will benefit your enterprise.
- 150-199** You apply many fundamental management concepts to your enterprise. To strengthen the chances for success, however, evaluate areas where you are weak or consider concepts that have not been addressed and implement these fundamental concepts as well.
- 100-149** Although you implement some fundamental concepts at your enterprise, your potential for success may be greatly enhanced by investing time and energy in improving your implementation of fundamental management concepts.
- 0-99** There is a significant lack of implementation of fundamental management concepts. If you are serious about continuing to operate your enterprise, you should develop and implement written business, marketing, customer service, risk management and safety plans; investigate laws and regulations impacting your business; and seek professional assistance when appropriate.

Finally, check your responses against the preferred responses given in the following table and read the explanations to the right of each preferred response.

Preferred Response and Explanation	
Section 1: Business Planning	
1.	AGREE — The process of developing a written business plan greatly enhances your potential for entrepreneurial success by allowing you to work through and evaluate business decisions on paper. The business plan then provides guidance and focus for your enterprise.
2.	AGREE — Your mission statement should reflect the core purpose of your business and serve to focus your business decisions and actions.
3.	AGREE — Although your business may evolve over time, a current, clear description of your business will help you to communicate effectively with others involved in the management of the enterprise or with potential investors or lenders.
4.	AGREE — “If you don’t know where you’re going, how will you know when you get there?” Setting measurable goals and objectives helps determine how you will measure success.

5.	AGREE — Identifying the operational and management structure of an enterprise may help to add credibility to the business idea for potential investors or lenders. It will also help clarify responsibilities and resources to management staff.
6.	AGREE — Forecasting start-up expenses, operating costs and sales helps you to make informed decisions based on expected impacts to your bottom line.
7.	AGREE — Maintaining accurate and up-to-date financial records allows you to keep abreast of the financial condition of your enterprise.
8.	AGREE — Developing and analyzing financial statements is key to evaluating financial goals and objectives.
9.	AGREE — A sound exit strategy will enable you to harvest the value of the business in a way that will meet your goals. Potential lenders will also be interested in your exit strategy.
10.	AGREE — Updating your business plan as your goals and objectives, financial situation, business concept, and market situation change is important in keeping the management team focused and in providing current information to lenders or investors.
Section 2: Marketing	
11.	AGREE — Although developing a marketing plan does not guarantee success, the potential for success is greatly enhanced when you define a target audience, identify methods to reach potential customers and entice them to visit your enterprise.
12.	AGREE — A marketing plan serves as a road map to help you meet your goals and reach your target audience.
13.	AGREE — Clearly understanding and defining your target audience will allow you to focus your marketing efforts on the portion of the population that is most likely to generate sales for your operation.
14.	AGREE — By designing your marketing activities to reach your specific target audience, you are effectively and efficiently investing your marketing efforts and budget.
15.	AGREE — Designing all marketing materials and activities to consistently portray the desired positioning/image of your enterprise will help build customer recognition.
16.	AGREE — The customers' abilities to find and access your operation easily and safely are critical to generating customer visits and revenue.
17.	AGREE — Setting prices for products and services is an important part of your marketing plan. It requires the consideration of several factors including operating (fixed) and variable costs, financial goals and objectives, product positioning, customers' willingness to pay, consumer preferences, and competitors.
18.	AGREE — Although marketing budgets will vary, a marketing budget of 5 to 10 percent of sales is sometimes described as a benchmark. In a 2003 survey of Tennessee agritourism operations, almost half of respondents indicated they spent between 5 and 10 percent of sales on marketing activities.
19.	AGREE — Tracking basic measures of business progress, such as number of customers who visit your enterprise and its sales volume, will allow you to monitor the status of your business compared to other time periods and to evaluate the effectiveness of your marketing plan.
20.	AGREE — Market conditions are dynamic. It is important to evaluate changes occurring in the marketplace and make appropriate adjustments to your business, including your marketing plan.
Section 3: Customer Service	
21.	AGREE — A written customer service plan helps you develop customer service policies that meet the needs and expectations of your customers and develop methods by which to effectively implement your policies.
22.	AGREE — By keeping your target audience's needs, desires and expectations, as well as your goals and objectives, in mind while developing your customer service policies, your customer service plan will help your business provide excellent customer service that will bring customers back again and again.
23.	AGREE — In order to implement your customer service plan, everyone on your staff needs to be educated about your policies and trained to enforce them.
24.	AGREE — Positively-motivated employees are more likely to provide excellent customer service.

25.	AGREE — Monitoring the effectiveness of your customer service plan in meeting the needs, desires and expectations of customers will help you to maintain an appropriate customer service plan and a high standard for customer service.
26.	AGREE — It is important to evaluate employee effectiveness in implementing your customer service plan in order to determine training needs, disciplinary action or positive reinforcement or rewards.
27.	AGREE — Customer problems and complaints can lead to negative word-of-mouth referrals and loss of sales. Having methods in place to resolve problems and complaints will help you and your employees find a mutually satisfactory solution.

Section 4: Risk Assessment and Management

28.	AGREE — Recognizing and understanding the types of risks faced by your enterprise is the first step in being able to assess and manage those risks to minimize negative impacts on your operation.
29.	AGREE — Assessing the likelihood that risks will occur as well as the magnitude of the potential loss will help you make decisions on which methods to use to effectively manage those risks.
30.	AGREE — A risk management method should be chosen and implemented for each identified risk faced by your operation in order to minimize negative impacts.
31.	AGREE — Knowledge of current laws and regulations pertinent to your enterprise will allow you to comply with requirements and reduce risk of legal implications.
32.	AGREE — Obtaining legal counsel for all legal matters is critical in the management of your operation and an important risk management strategy.
33.	AGREE — Employees can assist you in recognizing risks to your enterprise and are important in implementing your chosen risk management methods in the daily operation of your enterprise.
34.	AGREE — Your insurance agent will be able to help you decide which types and amounts of coverage are best for your situation. Your agent must be fully aware of the risks you face in order to provide accurate information.
35.	AGREE — As your personal situation and goals, enterprise activities, market conditions, and regulatory environment change, your risks may also change. It is important to constantly be aware of these changes and adjust your risk management plan to deal with these new challenges.

Section 5: Safety Considerations

36.	AGREE — By developing an appropriate written safety plan and successfully implementing it, you will minimize risks to your operation related to injury of customers and employees.
37.	AGREE — All personnel should be prepared to take appropriate action in case of an emergency, whether that emergency is caused by injury, illness, weather or fire.
38.	AGREE — Having first aid kits, ABC fire extinguishers and communication devices (such as phones, cell phones or radios) on hand will assist your personnel in responding to incidents or emergencies.
39.	AGREE — Customers may not be aware of the hazards of your operation. It is important that you inform them of these hazards and of the safety precautions they need to take.
40.	AGREE — Certain areas of your operation may pose extraordinary safety risks to your customers. Customers should be restricted from entering these areas by appropriate signage, locked doors and gates, fences, temporary barricades, or stationed employees.
41.	AGREE — Employees must be trained to use machinery and equipment properly and safely to protect your customers and employees from injury, thus mitigating your risk of financial losses.
42.	AGREE — An inspection form will help you in conducting regular, formal safety checks and in correcting hazards.
43.	AGREE — Many agritourism activities are conducted outside. Weather can change quickly, and your employees and customers need time to protect themselves from dangerous conditions.
44.	AGREE — Customers need to be able to access your operation safely and easily.

Section 6: Government Regulations

45.	AGREE — Business licenses are required by most cities and/or counties in Tennessee and must be renewed annually.
46.	AGREE — State sales tax laws may require operators to collect and remit sales tax as many agritourism activities are considered amusements or recreation.
47.	AGREE — All businesses must comply with the American's with Disabilities Act.
48.	AGREE — Enterprises violating zoning ordinances may be required to cease operations.
49.	AGREE — Employees must comply with many laws and regulations affecting wages, hours, payroll withholding and more.
50.	AGREE — Several types of activities that may be components of an agritourism enterprise require special licenses, permits or regulatory oversight. You may be operating illegally if you do not have the correct license or permit.

Chapter Review

Fundamental management concepts are critical factors for success in business, including agritourism. Evaluation of your progress in implementing these concepts is part of measuring your progress and identifying areas where you can become a more effective entrepreneur. The personal evaluation tool contained in this chapter was designed to help you in this process.

Use the previous chapters of this guide to assist you in implementing the concepts you still need to address. Remember that industries are dynamic. You must also make appropriate adjustments to your enterprise as changes occur in consumer needs and desires; competition; and local, state and federal regulations.

Chapter 10 Author

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