

## Chapter 2

# Preliminary Evaluation

## A Snapshot of Your Potential



### Chapter Overview

When considering whether to start and operate an agritourism enterprise, you should evaluate many factors. These include personal characteristics and skills, target markets, market potential, land and property resources and characteristics, individual and family goals, time and labor considerations, and financial needs and resources. This chapter serves as a preliminary evaluation tool designed to give you a better understanding of factors to consider. Completing the exercises will help you understand your potential for success. In this chapter, you will

- Evaluate your personality traits compared to traits of typical entrepreneurs
- Identify and analyze your goals
- Evaluate the characteristics of your land and property
- Evaluate time considerations and labor needs
- Assess preliminary market information
- Brainstorm and develop ideas for agritourism activities
- Identify financial needs and resources

After completing the exercises, you may decide agritourism is not for you. If after completing this evaluation you believe agritourism is still a possibility for you, your next step should be to develop thorough business and marketing plans to evaluate your potential for success in greater detail.

The entire set of exercises should be completed to achieve a comprehensive evaluation. It is recommended that everyone who will be involved with the agritourism enterprise participate in completing these exercises.

### Personal Evaluation: Are You Ready to be an Agritourism Entrepreneur?<sup>1</sup>

One of the keys to a successful agritourism enterprise is your ability to manage the multiple components of the business. These include financial management, accounting, personnel management, operations, marketing, safety, customer service and legal considerations. Several personality traits are common among successful entrepreneurs. Successful entrepreneurs tend to be risk takers, lifetime learners, independent, responsible, patient, efficient, resourceful, determined, goal-oriented, self-confident, creative, perseverant, objective, proactive, strong leaders and effective communicators. The following personal evaluation exercise was developed to help you analyze your potential to be an agritourism entrepreneur.

<sup>1</sup>Adapted from the following sources:

- Small Business Administration. *Checklist for Going into Business*. Small Marketers Aids #71. 1977 Revision, pp. 4-5.
- Holland, Rob. Evaluating the Potential of Value-Added Agricultural Ideas: A Series of Worksheets to Assess Feasibility. ADC Info #16. October 1998.

Chapter Overview .....	5
Personal Evaluation: Are You Ready to be an Agritourism Entrepreneur? .....	5
Goal Identification .....	7
Land and Property Evaluation .....	9
Time and Labor Resource Evaluation .....	12
Preliminary Market Analysis .....	13
Agritourism Activity Options .....	14
Financial Situation Evaluation .....	16
Summary Analysis .....	17
Chapter Review .....	18
Additional Activity .....	18
Additional Resource .....	18

## Personal Evaluation Exercise

For each of the following 25 statements, circle the letter corresponding to the response that describes you best. Circle **A** if you **agree** with the statement, **SA** if you **somewhat agree** with the statement, **SD** if you **somewhat disagree** with the statement and **D** if you **disagree** with the statement.

Statement	Agree	Somewhat Agree	Somewhat Disagree	Disagree
1. I am a self-starter.	A	SA	SD	D
2. I relate well with others.	A	SA	SD	D
3. I enjoy being around and responsible for a large number of people, including children.	A	SA	SD	D
4. I look forward to meeting people and opening my farm up to the public.	A	SA	SD	D
5. I am an effective leader.	A	SA	SD	D
6. I am responsible and enjoy being responsible.	A	SA	SD	D
7. I have effective organizational skills and abilities.	A	SA	SD	D
8. I have a strong work ethic.	A	SA	SD	D
9. I am comfortable making important decisions.	A	SA	SD	D
10. I am honest even if the truth is not what people want to hear.	A	SA	SD	D
11. If I make up my mind to do something, I do not let anything stop me.	A	SA	SD	D
12. I am in good health, have plenty of energy and rarely get sick.	A	SA	SD	D
13. I am patient.	A	SA	SD	D
14. My family is 100 percent committed to starting and operating an agritourism venture.	A	SA	SD	D
15. I am courteous and understanding.	A	SA	SD	D
16. I have a strong desire to succeed.	A	SA	SD	D
17. I have experience in managing and operating a business.	A	SA	SD	D
18. I am an effective communicator.	A	SA	SD	D
19. I enjoy learning new things.	A	SA	SD	D
20. I am competitive in nature.	A	SA	SD	D
21. I am effective at setting and meeting deadlines to accomplish tasks.	A	SA	SD	D
22. I adapt well to change.	A	SA	SD	D
23. I am willing to risk losing an investment.	A	SA	SD	D
24. I will be able to survive financially if a new enterprise does not generate a profit for a few years.	A	SA	SD	D
25. I am prepared to invest substantial time in planning and operating a new enterprise.	A	SA	SD	D



## Goal Identification Exercise

1. What are your ultimate lifetime goals?


2. What are your goals for the next three to five years?


3. What are your goals for the coming year?

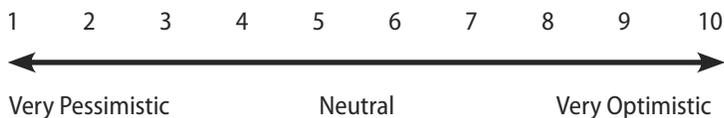

4. How might an agritourism enterprise fit into these goals?


5. If you were to develop an agritourism enterprise, would it be profit driven or is profit not a main consideration?

Profit Driven     Not Profit Driven

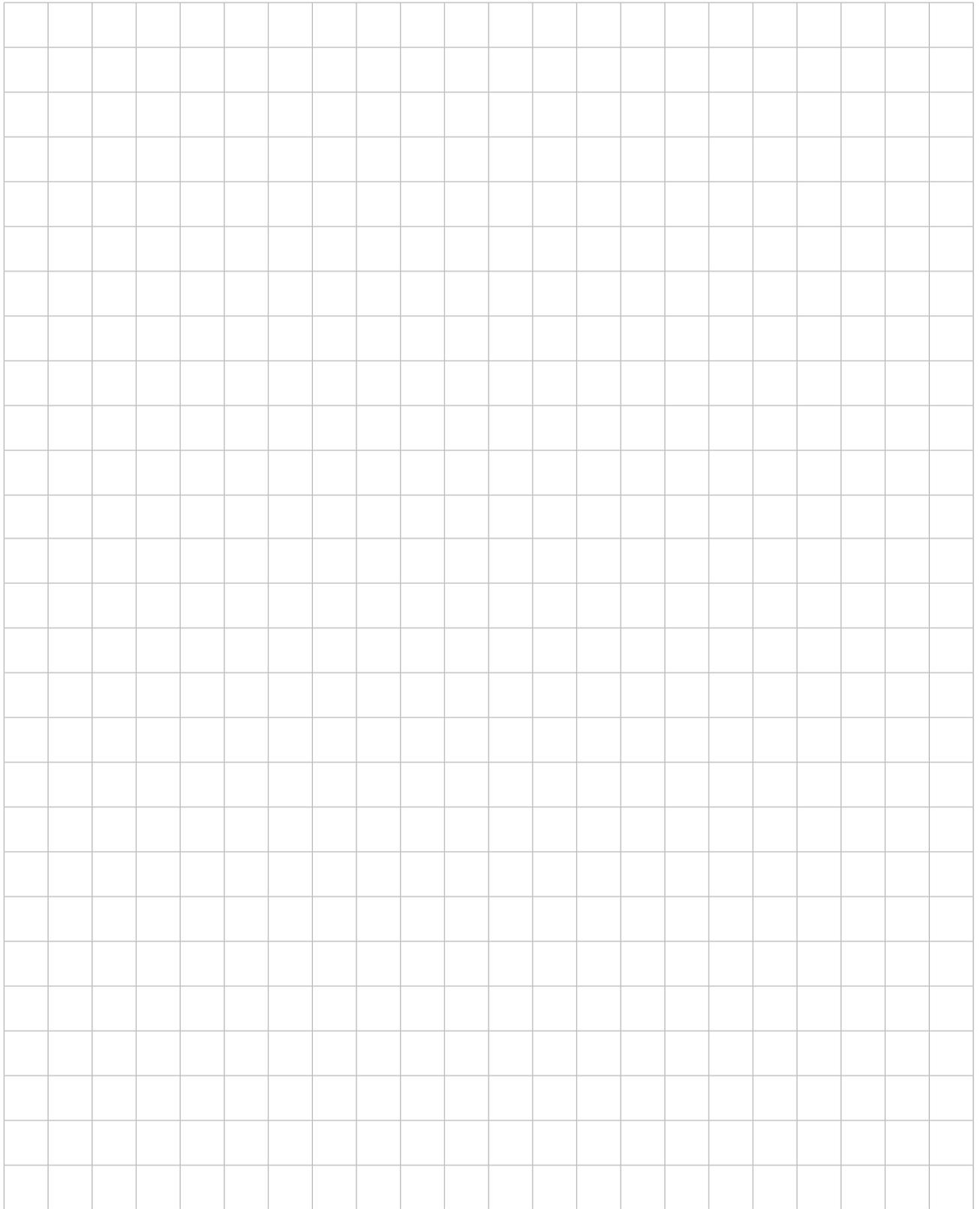
If not profit driven, what factors would drive your enterprise?


After identifying and analyzing your goals, how do you feel about the overall potential of your agritourism enterprise idea? Circle the corresponding number below on a scale of 1 (very pessimistic) to 10 (very optimistic).









Be sure to return to the previous page to complete the Land and Property Evaluation Exercise.







## Attraction Brainstorming Exercise

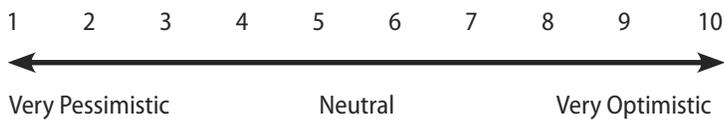
---

A list of some possible agritourism activities and operations follows. Read through the list and mark activities that best fit the strengths of your resources.

- Bed and breakfast
- Bicycle trails and rentals
- Bird watching
- Boating, canoeing, kayaking, tubing or rafting
- Camping
- Catering services
- Cave tours
- Children's camps
- Classes, clinics or demonstrations (farming, ranch skills, cooking, planting, harvesting, fishing, hunting, wildlife viewing)
- Community supported agriculture (CSA)
- Corn cannon
- Corn maze (educational, haunted)
- Cut your own Christmas trees
- Dairy shares
- Display gardens (flowers, greenery, herbs)
- Educational or technical tours
- Event hosting (birthday parties, family reunions, corporate retreats, receptions, weddings)
- Farm or ranch work experience
- Farm stays
- Fee fishing
- Fee hunting (dove, duck, goose, pheasant, turkey, deer, small game)
- Festivals (seasonal, harvest, food, holiday)
- Game preserve or guided hunts
- Goat walk
- Go-carting
- Guided crop tours
- Guiding and outfitting
- Habitat improvement projects
- Hay bale maze
- Hay rides
- Hiking Trails
- Historical museums and displays
- Haunted barn or house
- Horseback trail riding
- Hunting dog training and competitions
- Laser tag
- Living history events
- Mountain biking
- Off-road vehicle driving areas
- On-farm retailing
- Pack trips
- Paint ball
- Petting zoo
- Photography/painting
- Picnic area
- Playground
- Pony rides
- Pumpkin painting
- Refreshment sales
- Rent a cow or tree
- Roadside markets
- Rock climbing or rappelling
- Rodeos
- School tours or activities
- Self-guided driving tours
- Shooting range (firearm or moving-target skeet)
- Sorghum maze
- Swimming area
- Pick-your-own operations
- Wagon trains
- Wilderness experiences
- Wildlife viewing
- Winery tour or wine tasting
- Working farm stays

What other types of activities or services could be considered for your operation? Remember to consider your unique personality and skills, land and property characteristics, and defined goals. Are there activities other than those listed on the previous page that you might offer at your agritourism operation? List them here.


After evaluating your agritourism activity options, how do you feel about your potential agritourism venture. Circle the corresponding number below on a scale of 1 (very pessimistic to 10 (very optimistic).



### Financial Situation Evaluation

Adequate financial resources for start-up and operations are critical to the potential success of any business. Often, starting a new enterprise is not an effective way to save an operation already experiencing financial difficulty. The following exercise will help you evaluate your financial situation.

#### Financial Evaluation Exercise

In the following table, list any liabilities and debts you currently owe and calculate your total debt.

Description of Liability/Debt	Amount of Liability/Debt
	\$
	\$
	\$
	\$
	\$
	\$
	\$
<b>Total Debt</b>	\$



**Consider all the information learned through the evaluation exercises included in this chapter. Do you feel agritourism is right for you?**

Yes       No

If yes, this analysis is only the beginning of evaluating your potential and planning for an agritourism enterprise. More in-depth analysis of your potential through business planning, market planning, risk assessment and management, and consideration of government regulations is needed.

## **Chapter Review**

---

The exercises contained in this chapter were designed to help you determine whether agritourism might be right for you and your family. Here are some key points to remember.

- Everyone in your family should be involved in completing evaluation exercises
- Factors that should be considered in a preliminary evaluation include
  - Personal skills and traits
  - Goals
  - Land and property characteristics
  - Time considerations and labor resources
  - Potential target market and competition information
  - Financial needs and resources
- If you are still interested in pursuing an agritourism enterprise, you should complete thorough business and marketing plans including a complete consideration of risk and government regulations

## **Additional Activity**

---

Visit several agritourism operations as a customer and observe the enterprise in action. Talk with the owners and employees to get a feel for how the business works and how you would feel about being responsible for a similar operation.

## **Additional Resource**

---

***Taking the First Step: Farm and Ranch Alternative Enterprise and Agritourism Resource Evaluation Guide*** is a document published by the Southern Maryland Resource Conservation and Development Board with similar evaluation exercises. The document focuses more heavily on evaluating your natural resources. The guide is available online at <http://nracs.usda.gov/technical/RESS/altenterprise> or by calling (202) 720-2307.

### **Chapter 2 Authors**

Megan L. Bruch, Extension Specialist, *Center for Profitable Agriculture*  
Russ J. Bragg, former Extension Specialist, *Center for Profitable Agriculture*