

AGEC-244

Goal setting for farm and ranch families

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Many would not leave home on a trip to an unfamiliar destination without a road map. They would want to know where food, gas and lodging were available. An arrival time would be estimated to inform family and friends. What about business? A well-developed "road map" for a farm or ranch is needed. Steps for generating goals to guide farm/ranch decision making follow.

What are goals?

A goal is what an individual or family wants to achieve. Through goals, each person, family or business identifies their aspirations for the future. Goals change with circumstances and time, and they must be re-evaluated and updated periodically.

How to use goal setting

Goals provide focus and direction for management. Attaining high-priority goals takes precedence in management decisions. They serve as reference points to monitor how well a business is doing and as motivation when deadlines are specified. Goals help aid decision making in the face of uncertainty. Finally, achieving goals can serve as a rallying point for the family or farm management team.

Steps in goal setting

Goal setting requires creative thinking. Goals can be tangible and intangible, short-term and long-term, monetary and non-monetary. Goals are personal and unique to the family since they reflect values and beliefs, the resources available and the opportunities and limitations faced. Because achieving goals often requires the cooperation of family, the goal-setting process should involve discussion and compromise among family members. Seven steps for setting goals follow.

- Assess where operation was in the past
- Assess family and farm resources (including self) and planning restrictions
- Develop a general management plan
- Identify and establish specific goals or objectives
- · Prioritize goals
- Develop plans for action and implementing goals
- Measure progress and reassess goals

Developing SMART goals

A way of remembering tips for goal setting is to make them SMART: Specific, Measurable, Action-oriented, Reasonable and established in a Time frame. Write goals down to make them visible and increase commitment. Goals should be measurable, such as increasing profit by \$12,000 per year or reducing input costs by 5% next year. Goals should be challenging but achievable. To be most effective, set family and business goals jointly, i.e., set goals with family members rather than for them. Using realistic deadlines, specify when the goal is to be reached.

Prioritizing goals

Priorities can provide clear guidelines for management decisions and make possible a level of consistency that otherwise is difficult to maintain. To help establish goal priorities, ask these questions:

- Which goals are most important for family well-being? Farm well-being?
- Which short-term goals, if attained, would help achieve long-term goals?
- Which short-term goals conflict with or impede long-term goals?
- Which short-term goals do not support any long-term goals?
- Which goals are so important that they should be attained even if it prevents reaching other goals?

High priority goals should not receive all the attention and resources while other goals are ignored. Priorities and decisions should also not be completely ignored, and priority decisions need not be permanent. In prioritizing goals, weigh the importance of each task for long-term and short-term goals. Consider personal life goals as well as business aims. Group similar activities when possible and identify links between goals.

Implementing goals

To effectively set and implement goals, the farm manager must invest time and energy in mapping out goals. A thorough job of planning with a commitment to the goal-setting process will help ensure positive results. Make the goal known to others. Relate individual or team goals to family. Try to anticipate problems and plan strategies for overcoming them. Do not ignore potential conflicts or restrictions that might prevent reaching goals. Identifying possible problems in the planning stage will allow time to resolve conflicts or channel efforts to feasible objectives. Beware of the following potential pitfalls:

- Making goals too lofty
- Trying to do too many things at once
- Overemphasizing quantitative aspects
- Vulnerability to unexpected events
- Failing to use all information or include all decision makers
- Ignoring good plans

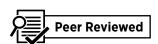
Using the goal-setting worksheet

Provide each family member or person involved in farm management with a copy of this worksheet. Ask each person to complete it without input from others initially. When everyone has completed the worksheet, discuss it with family and/or business associates as appropriate. Use additional copies of the worksheet to document your family or farm management team's best thinking and mark it as such. Short-term goals should include those that will allow you to attain your long-term goals. An additional sheet detailing activities necessary to achieve a goal may be needed, along with an associated timeline.

Summary

Goal setting, although important for all individuals and families, is especially important for farm families because of family and farm business interrelationships. The development of individual goals, discussion and negotiation of family goals and farm and family priority setting gives structure to the management process. Setting goals as a family at least annually (or whenever circumstances change significantly) should become part of the farm management routine. By helping individuals and families work smarter, goal-directed management can improve farm efficiency. Achievement of goals should result in a feeling of accomplishment and pride. Use the following worksheet to begin specifying goals for the family and business.

Goal setting worksheet						
☐ Short-term ☐ Intermediate-term ☐ Long-term					☐ Farm/Business	☐ Family/Personal
Goals	Priority (High, med., low)	Potential conflicts or restrictions	Ways to resolve conflict	Resources needed	Assigned person(s)	Deadline
Most important goal?						
Second most important goal?						
Other goals?						



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