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## **FAQs on Guidelines for Extension Program Business Planning**

*(Companion Piece to Extension Economics Notes # 2011-1)*

By  
George W. Morse  
Professor Emeritus, Applied Economics

*"I have always found that plans are useless, but planning is indispensable."*  
Dwight. D. Eisenhower, 1962

This staff paper, written primarily for Extension administrators, addresses frequently asked questions about the business planning process and complements the four page *Guidelines for Extension Program Business Planning (Notes # 2011-1)*. The length (17 pages of text and 9 of glossary, appendices, references and notes) of this staff paper implies the guidelines are extremely prescriptive. On the contrary, as the FAQs explain, the guidelines provide broad parameters and follow the maxim that if you want something adopted, keep it as simple as possible. A key focus of the FAQs is to help administrators see the value of allowing program teams great flexibility in the specific components of their program business plan and their planning process.

*The analyses and views in this paper are those of the author. They are not necessarily endorsed by the Department of Applied Economics or by the University of Minnesota. Feedback from several colleagues was very helpful but any errors or omissions remain the author's.*

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College of Food, Agricultural  
and Natural Resource Sciences  
University of Minnesota

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## Introduction

This Staff Paper *FAQ on Guidelines for Extension Program Business Planning* provides greater detail on the ten guidelines in *Extension Economics Notes # 2011-1*. These *FAQs* were written to help Extension Administrators understand the background and rationale for each guideline and address questions that arose in Minnesota when we implemented a similar program business planning process. These guidelines were not written up in this format when Minnesota Extension used them in 2004 to 2007 to help on the transition from a county to a regional system, but they reflect the common practices. However, the lessons we learned are incorporated into the current guidelines.<sup>1</sup>

***Relevance for States with New Regional Delivery Systems:*** These guidelines are relevant in a new regional delivery system within the first few months if any of the following circumstances applies to the state.

1. there is a need for extension to become more entrepreneurial<sup>2</sup> than in the past and this will be a major cultural shift for many, if not most, staff;
2. field specialists (term used hereafter for field educators or regional educators) are located around the state in either county or regional center offices, work over many counties or even statewide on programs, and are much more specialized than in the past;
3. field specialists in the new regional system work in statewide teams which include field specialists and state specialist on campus; or
4. some stakeholders are skeptical and fearful about a move to a regional delivery system which is more entrepreneurial and has greater specialization.

***Relevance for States with Established Regional Delivery Systems:*** If a state already has an established regional delivery system, these guidelines will work well for statewide program teams composed of field and state specialists, especially when all the field specialists are supervised by the same individual. They might work on a system-wide basis for an established regional system after the initial six month window, as used in Minnesota in 2004. However, no state has tested this.

***Relevance for States with County Delivery System:*** If a state has a county-cluster or county delivery program, there is some evidence that these guidelines are unlikely to work on a system-wide basis.<sup>3</sup> However, they will be useful to statewide program teams composed of field specialists and state specialists, especially if the field specialists are all supervised by the same individual.

***Self-Governing Program Teams:*** To encourage greater entrepreneurship, program teams need to be willing to take some risk. This is only likely if they are inspired and trusted to work in self-governing teams within the mission and values of Extension. Hence, program teams make most of the key decisions on the program business plans, while administration uses training and transparency to encourage new approaches and initiatives rather than a large number of rules and regulations on the details of the plans.

***System-wide Framework:*** While small program teams make the vast majority of decisions, Extension administration sets the system-wide framework as outlined in these ten guidelines.

These guidelines speed up the transition to a regional system, encourage entrepreneurship on the part of program teams, and minimize the disruptions in program delivery during the transition from a county to a regional system.

***Champions for Program Business Planning Process:*** Administration's role is describing the importance of the process to Extension's values and mission, providing in-service training, and facilitating the process of the teams. The Director and the Assistant Director need to be champions for this process. See guideline 1 on page 6 and 7.

***Deadline for Completing the Plans:*** There is a short window of opportunity for this process to positively impact the shift from a county to a regional delivery system, the six months immediately after educators start their new regional responsibilities. Guideline 7 on page 12 explains this.

### ***Frequently Asked Questions About Program Business Planning***

For each guideline, the questions which are addressed in *Extension Economics Notes # 2011-1* are listed but the responses are not repeated here. Then additional questions are listed and answers provided. Some of these answers are based on research findings. Others are subjective recommendations based on my observations of this process in over 56 program teams under the leadership of five program leaders. Others are a blend of these two. Naturally, any Extension Service will need to use these responses simply as a starting point for discussions on what the policies and practices should be in their state. Care should be taken, however, not to expand the requirements to more than a dozen. Collins and Hansen describe in *Great by Choice* why the number of specific practices should be limited.<sup>4</sup>

#### ***Guideline 1***

***The purpose for preparing program business plans is to facilitate the development and delivery of Extension programs which are available to people throughout the state, have strong private and public value, and are financially sustainable.***

#### ***Questions on Benefits of Process:***

***What are the primary benefits to field specialists of doing program business plans?***

Seven benefits are listed in *Extension Economics Notes # 2011-1*.

***What are the primary benefits to state specialists of doing the program business plans?***<sup>5</sup>

Five benefits are reported in *Extension Economics Notes # 2011-1*. The following paragraph adds more detail.

Another benefit of the planning process is that over three quarters (76%) of state specialists reported the field specialists had more opportunities to work with state specialists, compared to 10% who reported less.<sup>6</sup> Two thirds (67%) of the state specialists felt the regional system was advantageous while 15% felt it was not.<sup>7</sup> Cost recovery efforts became more productive after 2004 in Minnesota.<sup>8</sup> For additional discussion of benefits of the planning process see the case study results from personal interviews with six teams.<sup>9</sup>

***Is the program planning process beneficial enough that field specialists and state specialists feel it ought to be repeated frequently?***

**Yes.** In the Minnesota surveys, 91 percent of the field specialists and 71 percent of the state specialists felt that the plans should be formally updated every three years or even more often.<sup>10</sup>

***What are the primary benefits to the Extension system of developing program business plans?***

Program business plans can be a powerful tool for helping a Cooperative Extension Services to:

1. identify the primary communities of interest and target audiences on a statewide basis;
2. evaluate how many programs each team can handle, encouraging them to focus on those where it has a comparative advantage;
3. improve collaboration and build trust between regional field specialists and state specialists from relevant disciplines;
4. identify and document the private and public value of programs;<sup>11</sup> and
5. explore ways to ensure the financial sustainability of programs.<sup>12</sup>

### **Questions of Clarification in Guideline 1:**

***What does “financially sustainable” mean? Do programs have to be self-supporting?***

"Financially sustainable" means that it will be financially possible to continue the program as long as there is a major unmet educational need. Very few programs are likely to be completely self-supporting. More programs are likely to be continued and at the level which is desirable if cost recovery efforts are successful. See guidelines 8 and 9 for more on cost recovery.

***Why call it a “program business plan” rather than simply a program plan?***

The reason to call these “program business plans” is that it signals some major differences from the traditional program planning models. The major differences are:

1. While secondary, the financial component is given more importance than it is in the traditional model, which assumes that funding will be provided by Extension Administration with no responsibility on the part of the team.
2. There are major differences in the approach used in needs assessment. See the questions under guideline 7, page 13.
3. A complete plan requires not only a detailed logic model but a literature review that identifies the research-base for the outreach education.

4. The public value of a program is identified in addition to the private value. While most programs have articulated their private value well in order to attract participants, many very successful programs cannot communicate their public value easily.
5. A completed program business plan must have a solid evaluation plan, both to improve the program over time and to help in promoting it.

A second reason to include the term “business” is that it signals to taxpayers that Extension is working toward sustainability with balanced public and private funding.

### **Questions on Process related to Guideline 1:**

#### ***Who should be the organizational champion(s) for program business planning?***

The Extension Dean and Director, backed by the Assistant Dean for Programs and by Program Leaders are the primary champions.<sup>13</sup> These champions should emphasize the core values of Extension and how the program business plans help to implement and reinforce Extension’s values rather than focus on the specifics of doing the program business plans. Extension employees are motivated much more by seeing how this activity contributes to Extension’s mission and values than by rules to complete a plan (Example in Appendix A). In fact, rules alone can create disincentives to do the plans in a way that encourages innovation.<sup>14</sup>

#### ***When should the benefits of doing the program business plans be presented?<sup>15</sup>***

#### ***Discuss Benefits Early and Often<sup>16</sup>.***

**Early:** Slightly before announcing the requirements and deadlines for program business plans give all staff a picture of why they are beneficial to both Extension and their work.

**Often:** Communications about the benefits of the program business planning process and plans need to be delivered in multiple ways and repeated frequently in different formats and with different groups, starting with the Extension administrative leadership, statewide extension staff advisory councils, and academic department heads in which state specialists are located. As a colleague put it: “If you want everyone in Extension to get the message, you have to repeat it so many times and in so many formats, that you are sick of it.”<sup>17</sup>

#### ***Why stress the benefits before giving the requirements?***

Individuals who have preferred to work completely individually rather than in teams have often had this liberty in traditional Extension delivery systems. Now, Extension will be asking each individual, both those in the field and those on campus, to do a major portion of their work as a statewide team. While many appreciate this change, others do not. Hence it is necessary to explain the benefits of the statewide programs and the program business planning. Without a clear discussion of the benefits some individuals only see the costs (loss of independence to a group decision and time for group planning).<sup>18</sup>

Extension historically has had very decentralized decision-making. State specialists, particularly in states where they report to department heads rather than to Extension administration, often

simply ignore Extension mandates they do not see as having net benefits to their work. Others will go along in a minimal way but not in the spirit of the expected change. Some field specialists have a similar attitude. Hence, it is essential to explain the benefits early and often.

***What incentives can be used to encourage program business planning?***

Extension staff will see the program business plans as important if the entire system learns that the Director and Associate Director sees them as important enough to read and they provide positive feedback on their importance and usefulness. Seidman points out that worker's satisfaction with work is due less to monetary incentives than "recognition, praise, and the opportunity to do what they do best each day."<sup>19</sup> If this is done with the earliest plans submitted, the other plans will be done better and there will be less resistance to the process.<sup>20</sup>

***Guideline 2***

***The major decisions in the plans will be done by small self-governing program teams within the system-wide framework outlined here. Orientation on the specifics of policy and practices for business plans will be provided to teams by \_\_\_\_ (date) \_\_\_\_.***

***What types of decisions will the self-governing program teams make?***

See the short answer in *Extension Economics Notes # 2011-1*. The decisions program teams should be allowed to make are the following:

- ✓ *how many programs and program deliverables will be developed and delivered-with the only constraint that the team must develop a written plan for each one and will be held accountable to implement the plan*
- ✓ *who within an area of expertise will be part of each program team- with the guideline that each program team have at least one state specialists and two field specialists*
- ✓ *how often the program team will meet face to face or on-line to discuss the plan*
- ✓ *how the target audience for each program will be defined*
- ✓ *how the needs assessment and/or marketing research will be implemented*
- ✓ *what the educational objectives will be and how they will be evaluated*
- ✓ *what the logic model and research base will be for the program*
- ✓ *which type of cost recovery option(s) will be used*
- ✓ *what level of fees will be charged if user fees are charged*
- ✓ *who will provide feedback on their plan*
- ✓ *who will be responsible for the implementation of each aspect of the plan*
- ✓ *what items in addition to the required basic items will be covered, if any in the first year*
- ✓ *the format and length of their program business plan*

***How soon should the orientation for Extension staff be held?***

It is best to hold this within 4 to 6 weeks of the time field specialists start in their new regional roles. This is necessary to allow teams time to complete it in six months. However, the program leaders and supervisors for field specialists need to have the program business philosophy and



practices introduced before the staff so the supervisors can be supportive. For suggestions on elements to include in the leader's orientation see Appendix B.

***What resources are available for training the leaders and staff?*** See *Extension Economics Notes # 2012-7*. Available at <http://ageconsearch.umn.edu/>

### ***Guideline 3***

***Since Extension promises to provide unbiased research-based programming, most programs should be developed by a team of at least one state specialist as well as at least two field specialists.***

***Why at least two field specialists and one state specialist?***

See *Extension Economics Notes # 2011-1*.

***How long should the field staff and state specialists expect to work in the same team and on the same program?***

Three to five years or longer. If you are thinking of only a year or less, you are probably thinking of events within a program rather than an overall program such as Master Gardener, Trade Area Analysis, and Dairy Programs and so on.

Some Extension Services have attempted to revise program plans on an annual basis. This is a mistake because of the following reasons.

- Building a brand and public visibility in any product or service takes at least three years, according to marketing specialists. A strong brand is important to public value.
- Building trust between the members of a new team takes a considerable period of working together.
- Building expertise in an area of expertise requires up to five years.<sup>21</sup>

***This does not mean, however, that a program remains static for 3 to 5 years.*** The annual reviews provide an opportunity to make intentional changes when conditions change and teachable moments occur within the broad educational objectives. While the program is likely to stay the same for many years, the specific events will need to change from year to year in order to attract participants and serve their needs.

### ***Guideline 4***

***During the first two years of a new regional system, the program teams should include field and campus specialists from within an area of expertise, expanding membership in later years for broader issues.***

***Why the same area of expertise?*** See *Extension Economics Notes # 2011-1*.

***Does this mean that individuals from a different area of expertise or program area should not be invited to participate in a program?***

**No.** Once an area of expertise identifies a target audience and the program which will be developed, they might invite a few individuals from other areas of expertise to assist. However, if the initial planning is completely open-ended on audiences, areas of expertise, and team membership, the time required to do the needs assessment and reach a consensus on plans is so great that it is counterproductive.

***Can the program business plans be done at the program area level (e.g. agriculture, natural resources, families, youth, and community)?***

**Maybe.** It all depends on the size of these program areas. Typically, they are too large to have everyone in the program area actually specializing in each program and delivering the programs. For example, in the agricultural program area field specialists in livestock are unlikely to work much with fruit and vegetable growers because both the content and the audiences are different.

The process will get bogged down as the number of people increases, making it harder to help educators who have worked primarily at the county level shift to regional or statewide delivery. Likewise, the time put into very broad based program planning has an opportunity cost in terms of field educators becoming specialized, damaging the long term ability of Extension to do high quality issue programming with hybrid teams of specialists. Long and contentious discussions on program priorities will also slow down the move to greater entrepreneurship and cost recovery. The most damaging part of a long planning process is that it slows down programming, resulting in less public confidence that a move to a regional system is a wise move.

***If the plans are done at the area of expertise level, should everyone in the area of expertise be involved?***

It depends on the size and breath of the area of expertise. Consider a state with a livestock area of expertise with 8 field specialists and 14 state specialists and where the dairy programming will be delivered primarily by three field specialists and three state specialists. In this case, the transactions costs of including everyone in the area of expertise to develop a dairy plan are likely to be too high.

***If educators have been working in “agriculture,” aren’t they already specialized?***

**No,** this is not the same as specializing in livestock and dairy, or specializing in fruits and vegetables. The specialization in a sub-field has two parts: 1) knowing the content in depth and 2) building relationships. These relationships need to be built with multiple groups, including: local participants, networks with the best extension educators and specialists in your sub-field nationally, campus faculty in disciplines which impact your work, and regional and state leaders in the industries or communities of interest in which you are working. Building these networks and specialization depth works well as a team effort in an area of expertise during the first few years.

***What is the recommended approach for balancing the need for greater focus and the need for issue programming?***

***Recommended Approach for Years 1 to 3:***

Ask for a program business plan that covers the first three years by team members from within an area of expertise level in order to build the statewide team between field specialists and campus specialists, enhance field specialist specialization, and reduce the disruption of a long planning process during the shift from county to regional delivery.

***Recommended Approach for Year 3 and Beyond:***

Encourage issue programming and program business plans that include field specialists and or state specialists from other areas of expertise. Often this is an expansion of the existing team but it could be a completely new one

***Once again, the solution is to not set a standard policy on this aspect centrally but to leave this to the area program area leaders or program leaders.***

***Guideline 5***

***Planning teams for the overall program, not individual deliverables or events, should include only those who will be involved in the development and delivery of the program.***

See *Extension Economics Notes # 2011-1* for an overview. Also see reasons in guideline 4 and 8 related to helping teams move teams along quickly to avoid disruptions in service to skeptical stakeholders.

***What are the competing factors for setting the size of a team?***

There are six major factors:

1. Larger teams bring more skills to each program and avoid the costs of overlooking some important aspects to the programming.
2. Larger teams bring more resources to the delivery of the program.
3. Smaller teams require less time to respond to new opportunities and to reach conclusions on the approach to be used.
4. Smaller teams often determine specific responsibilities better than larger teams, ensuring that these are completed.
5. Smaller teams may be a necessity in smaller states.
6. Smaller teams foster a better environment for building trust between team members, especially the campus specialists and field specialists.

## **Guideline 6**

***After each program team determines their unique “hedgehog concept” they are encouraged to develop as many programs for which they can write and implement a full plan.***

***What is the “hedgehog concept?”***

See *Extension Economics Notes # 2011-1*. I encourage Extension administration to buy each program team copies of Jim Collins’ 35 page monograph ***Good to Great and the Social Sectors*** (<http://www.jimcollins.com/>) and to encourage system wide discussion of the hedgehog concept early in the planning process. This is particularly useful for those educators who resist the idea of doing a program “business” plan.

***How many program business plans should each field specialist work on? Is it one or two or many more?***

Each program team should discuss the hedgehog concept in the monograph ***Good to Great and the Social Sectors*** in their attempt to answer how many the programs they can tackle. The question they will be asking themselves is how many truly outstanding programs can they develop and deliver throughout the state. Each team’s answer will vary depending on many factors, e.g. whether the program is an established one or a new effort, the number of field specialist on the program team, the method of delivery, and the size of demand. Generally, one or two outstanding programs are preferable to large numbers of programs with low public value.

***Why encourage teams “to develop as many programs for which they can write and implement a full plan” rather than ask for only one or two program business plans that can be done very well?***

Educators who have worked as generalists tend to want to continue working on many programs. While field specialists are likely to spend some time on several programs, the thrust of the program business planning process is to help Extension staff learn the discipline necessary to focus. This focus is necessary for them to invest their time in fewer outstanding programs with high private and public value.

Notice that guideline 6 says they must prepare a full plan for each one. If each program team is allowed to develop as many programs as they can develop written program business plans, our experience in Minnesota was that they discovered themselves that they needed to focus. In fact, several Minnesota teams decided on their own that they would eliminate some past programs.<sup>22</sup> Naturally, they had some nudging from their area program leaders and program leaders but there were no guidelines from central Extension administration.

Often the resistance to program business plans comes from differences in the understanding of the definition of “program.” See the Glossary for clarification.

***Is a program business plan required for each educational event?***

**No.** Each program event should contribute to the plan, however. Naturally, each event needs to be carefully planned but does not need an overall business plan.

***How do program teams track the progress on their program?***

The best of plans is pointless if there is no or inadequate implementation. If there is implementation but it is not tracked and reported publicly, there is no public value to the program. While the participants in the program will see value in the program, non-participants will see no value to publicly fund the programs via taxes if the outcomes and impacts are not reported. While each state might have a different approach to this, a system is needed that it makes it quick, easy, and low cost for Extension administrators to identify what Extension has done for different audiences in real time and in different locations.

***Guideline 7***

***Program teams should work closely with their primary target audiences to identify ongoing and unmet program needs and then write a plan for high quality programs available statewide by \_\_ (date)\_\_.***

***What approach should be used to determine if there is an ongoing and/or unmet educational need, i.e. needs assessment?*** See *Extension Economics Notes # 2011-1*.

***What is the recommended deadline for completing the program business plans?***

Six months after the start of the new regional system with it being announced almost immediately after the start of the new system.

***Why is the deadline six months after the start of the new system?***

When a state has restructured and field staff have new job descriptions, and in some cases new office locations, one or two months is often consumed in making adjustments, possibly including moving. Further, if teams are to include both state specialist and field specialists, it takes a little time to schedule and hold face to face meetings – which are essential at the very beginning. Finally, there is a need to provide ***orientation to Extension Program Leaders and field staff supervisors*** on what the expectations for program business plans are. If this step is not taken it will be difficult to implement the requirement. All this means that a requirement of completing them in one, two or even three months is unrealistic.

On the other hand, if you allow a full year to complete the plans in a system that has changed from a county delivery model to a regional one, many of the new regional educators or field specialists will try to deliver programs regionally using the same methods they used at the county level by simply doing this over several counties. Delivering programs regionally with county delivery methods does not work and staff will be very unhappy or shift back to only working at the county level.<sup>23</sup> Hence, you want the field specialist to actively start to think about new ways of doing things on a regional level and the program business planning encourages this.

A six month deadline is a reasonable balance between the two forces described above. In Minnesota, 54 of the 56 programs successfully developed written plans within the six month deadline.<sup>24</sup>

***How does the needs assessment process in this program business planning differ from the traditional approach?***

1. Many traditional planning models<sup>25</sup> assume the starting point for needs assessment is a broad cross section of all the people within a county or a multi-county region and then conduct the needs assessment. In this approach a statewide target audience is identified first and then an in-depth needs assessment of this group is done. The approach used here is much more consistent with the way most market research is done both in the nonprofit and profit sectors.
2. The approach recommended here is to start by discussing these questions with organized groups that represent the target audience. This often builds partnerships even if they have no formal data. Sometimes starting with these organizations is quicker, cheaper and provides more depth. It can always be followed by more detailed surveys, doing it either alone or assisted by the partnering groups.
3. A part of the needs assessment in this business planning approach is evaluating the attitudes of the target audience about the quality and availability of non-Extension programs. After all, generally those of us in Extension feel our programs are more accessible and higher quality than any other agency could provide. However, it is not Extension staff's view that counts on this but the target audience's view.
4. Often, there are occasions when the development of new programs cannot be done by asking target audiences. Henry Ford pointed this out when he developed the model-T, saying: "If I had asked people what they wanted, they would have said faster horses." The same can be said for many new innovations that stem from research, going back to hybrid corn and moving forward to programs on lake water quality or business retention.<sup>26</sup>

***Guideline 8***

***Cost recovery is very important for the sustainability of programs but it should be secondary to the development of high quality programs on important educational needs.***

***Why make cost recovery secondary to program development and mission?***

Regardless of the type of cost recovery (user fees, sponsorships by third party organizations, grants, or gifts), the funds collected are part of an ***exchange relationship***. Extension promises a high quality program in exchange for the financial support, political support, or assistance in delivering the program. This means that before focusing on the cost recovery, it is essential to have a program with high quality and high demand.

There are four reasons to limit the plans in year one.<sup>27</sup> These are as follows:

- The most important goal of the planning exercise is to create statewide teams and to empower the teams to think about how they will work differently as specialists with regional delivery responsibilities.
- During the transition to a new regional delivery system, there will be many doubts among both the staff and stakeholders on whether regional delivery is feasible and on whether they will lose too much. Hence it is essential to develop the plans and move into programming as quickly as possible.
- Without new plans in place, old responsive modes of programming often fill the vacuum. It is better to have imperfect and incomplete plans than to demand perfection and experience delays or slowdowns in programming.
- The more detailed the planning process, the more resistance there will be from some staff, with some simply not doing the work.

***Should the same elements be required for all programs in year two?***

There are three points of view.

**Yes.** By asking all teams to work on one or two aspects, you can plan in-service training around those aspects more easily.

**No.** Let the teams determine which aspect of their programming or plans needs the most work so they own the new efforts.

**Yes and No.** In Minnesota we asked every team to do one improvement related to their educational mission (market research or needs assessment, curriculum development, pedagogy, logic model, research base, evaluation, public value definitions and measurement) and one improvement project related to cost recovery options. These were called “Mission and Money” projects. However, within these broad categories, the teams could select any specific topic. We did these projects in the spirit of the flywheel concept outlined by Jim Collins in ***Good to Great and the Social Sectors*** (pp. 23-29). That is, we wanted the teams to formally work together as a statewide team to evaluate their own work and plan for the incremental steps to improve it. As outlined by Collins, this repeated emphasis on a practice is essential for developing a new culture.

***How long should teams be given to do these improvements in year two?***

Six weeks to provide a short (two to three sentences) description of each of the elements. Two additional months should be allowed to submit a one page description of their plan for each improvement, and eight months to complete the improvements. The first two steps encourage teams to start the discussions early and result in better quality projects. The first step also provides feedback for planning in-service training.

***How many years should these improvement projects continue?***

**Forever.** Well, at least as long as the program continues. After the first “Mission and Money” the team can be allowed to do one new improvement and to continue to work on one or both of their previous “Mission and Money” projects. This forced “20 mile march” every year is

essential to building a culture of high expectations and high program quality and is much like the flywheel concept discussed above.<sup>28</sup>

### ***Did Minnesota do these improvement projects after 2004?***

In 2004, the program teams wrote their original program business plans. In 2005, all program teams did updates on their plans in two aspects, one related to the educational mission and one related to the financial sustainability, i.e. the “Mission and Money” projects. In 2006, the programs reviewed their plans and updated where necessary and put special attention on public value statements and a one page Executive Summary.

After 2007 some programs did updates after three years, while others have not. I was surprised at this given the survey results that 91% of the regional educators and 71% of the state specialists indicated that they would recommend a formal review and update every three years or more often.<sup>29</sup> A colleague said: “Naturally, we have made changes but no formal updates because we have never been asked by Extension Administration to do it.” Initially I was surprised by this since I assumed the teams would do it on their own initiative. However, I have learned that it is necessary to explicitly ask for the updates.

Teams which were the most involved in the development of the original plans were the most likely to continue using this approach, reinforcing Eisenhower’s observation that “plans are useless, but planning is indispensable.”<sup>30</sup> Note that without the written plans there really is no substantial planning process in many cases. Hence, this distinction might be pedantic.

### ***Guideline 9***

***During the first year the program teams should track costs per participant of programs, estimate participants’ willingness to pay and participate in cost recovery training for a strong foundation for cost recovery.***

Without the above cost data on a program, Extension teams have no basis on which to establish and defend reasonable user fees or sponsorship fees. The alternative to doing the above is trial and error. However, this can be controversial, especially in established programs. In new programs, it works if the initial fees are low. However, the long process of reaching a sustainable level of fees might result in losing the program or being able to reach fewer people.

*Extension Economics Notes # 2012-3* outlines the major concepts and provides examples.

***Is it feasible to estimate Extension participants’ willingness to pay estimates?***

**Yes.** This is covered in *Extension Economics Notes # 2012-4* and *2012-5*.

***What other resources are available for estimating the costs and orientation?***

*Extension Economics Notes # 2012-7* outlines potential resources. This note explores six types of resources, ranging from peers who are already charging fees, to economists to help on WTP estimates, to readings. All are available at <http://ageconsearch.umn.edu/>.



## ***Guideline 10***

***The plans will be posted on the internal web for the program area in year one and for all Extension staff and related university partners in year two.***

***What is the most important reason to do this?***

Sustaining “outstanding educational programs,” requires continual learning about delivery methods, sources of efficiency, and cost recovery. Extension peers are one of the best sources for ideas on what actually works in the Extension context. To speed the learning across program teams and across program areas, it is essential to share the alternative approaches in a low-cost manner that is available at the “teachable moment.” While sharing ideas at conferences and meetings is effective, it is also costly and often not timely. Sharing the program business plans on the web speeds the one to one communications essential to rapid adoption of good ideas.

***Will the plans have to be approved by central Extension administration before being posted?***

**No.** Each team will be responsible for deciding when their plan is adequate to share with the team. Some teams will wish to ask 2 or 3 colleagues outside their team to review the plan and offer constructive criticism and suggestions.

Program leaders might be asked to decide when they feel a plan is good enough to have posted on the web.<sup>31</sup>

***How will quality be maintained if there is no approval process?***

Naturally, some aspects of the plans will not be perfect, even in the eyes of the teams, on the first try. However, program teams in Minnesota did better than I expected in the first year and improved in the following years.

Just having the Dean and Director and other key leaders read the plans and comment on them publicly encourages higher quality, even without any formal approval process by central administration.

An additional factor leading to high quality plans and program implementation is the transparency achieved by posting the plans on the internal web. The transparency provides a much faster and richer type of approval process. Program teams will improve the quality of their plans and their implementation as they gain experience and learn from other teams.

This decentralized approach is used to speed implementation and because the expertise lies within the program teams.

***How soon should the plans be posted on line?***

It is recommended that this be the same date as in guideline 7 for the same reasons.

### ***What if some teams simply do not do a serious job on their plans?***

In this case, the supervisor for that Area of Expertise should work with that individual team to understand and correct the problem. However, be careful not to try correcting the problems from one or two teams by imposing new rules on the entire system. The adoption of more rules imposes costs on the entire system because of a minority of teams. These higher costs can discourage creativity and dedicated implementation by the majority of teams. Rather, use positive reinforcement with those doing it well to inspire the rest to do their job well. The case for being careful about excessive rules is made best by Dov Seidman in *How: Why How We Do Anything Means Everything*.<sup>32</sup>

### ***Should the program business plans be shared with the public?***

**No.** These are planning tools and not marketing ones. They might be shared with a few representatives of the target audience but this should be a program team decision.

## ***Glossary***

This glossary is included because the same position is often labeled differently in various states. In addition, the same positions within a state sometimes take on different names.<sup>33</sup>

***Area of Expertise (or AoE):*** In Extension, an AoE refers to subset of a program area which is somewhat analogous to an academic discipline. In both there is a common body of knowledge, a common administration and common target audiences. However, the AoE is typically much broader in subject matter content than most academic disciplines and often is focused as much on a shared community of interest or target audience as on an academic discipline. For example, the Crops AoE in Minnesota includes people from five academic departments and one center as well as field specialist. However, all of the work for this Crops AoE focuses on one of the commodity crops or forages.<sup>34</sup>

***Area Program Leader (or APL):*** APLs are the direct supervisors of specialized extension educators in a given area of expertise and who are located anywhere in the state.<sup>35</sup> For example, the seven extension educators in agribusiness management located around Minnesota are supervised by one individual. The APLs report to a program leader. (Note that in Minnesota this is one of the positions that changed titles and is now called a program leader (one of 16) and reports to an Associate Dean. Both positions kept their original roles and responsibilities). See “Supervisors of Field Specialists” for alternatives.

***Community of Interest:*** This term is sometimes used instead of target audience or learning community. It refers to a statewide group or groups with similar interests who are identified as the audience for a given program. For example, all dairy farmers could be a community of interest. Or this could be broader, including milk processors, veterinarians, and others serving farmers and milk processors.<sup>36</sup> South Dakota uses the term “learning community” to reflect this group.

**Extension Entrepreneurship:** Extension Entrepreneurships the process through which individuals and teams create value by bringing together resources to develop and deliver educational programs while simultaneously pursuing financial sustainability of the programs.”<sup>37</sup>

**Field Specialist:** The term “field specialist<sup>38</sup>” is used for the “specialized extension educators” (see below) or “regional extension educators”<sup>39</sup> terms used in some states. These field specialists are M.S. level specialists who focus on one area of expertise and do much the same type of work that M.S. level state specialists have done since the 1960s. The major difference is that the field specialists are located in either regional centers or county offices around the state and not on campus. Also, typically, the field specialist report to area program leaders while the “state specialists” report to academic department heads.

**Issue-Programming:** Issue-programming is defined as programming that pulls on the expertise of people from several different areas of expertise. It often involves several different communities of interest as well. Most controversial public policy issues require issue-programming to be effective because different communities of interest are interested in different types of impacts and concerns. Hence, odor problems from pig farms located close to residential properties can require educators form livestock, crops, agribusiness management, leadership, and community economics.<sup>40</sup>

**Learning Community:** South Dakota State University Extension recently defined a learning community as: “A learning community is a group of people who share common values, and are actively engaged in learning together from each other. Quite simply, learning communities allow the university to better engage interested individuals and connect motivated learners with evidence-based experts. This is a particularly well-suited model for Extension because it recognizes the common motivation and capacity of each learner. A learning community has the capacity to exponentially expand educational outreach of the university, because learners have a sense of loyalty that drives their desire to achieve a common goal.”<sup>41</sup>

**Programs, Program Events, and Program Deliverables:** A *program* is defined as a set of educational events and activities which all have the same overall objective and the same target audience. However, it is common for Extension staff to say: “Last night I did a program in Green County on “XYZ.” A *program event, or a program deliverable*, in a program would be the specific meeting or activity on a specific date and at a specific place.”<sup>42</sup>

**Program Area:** “Program area” refers to one of the major subdivisions of work within Extension which are analogous to departments within a college. Typically these are: agriculture, natural resources, family development, youth development and community development. In some state, several of these are combined in terms of leadership by a program leader (as defined here). Agriculture and natural resources is often combined and youth and family development are sometimes combined. In different states, program areas carry different names. In Minnesota, they are called “capacity areas” from 2004 to 2008 and now are “Extension Centers for .....” In South Dakota they are called “capstone programs.” New Hampshire calls them “program teams.”

**Program Leader:** In this paper, the program leader is the primary administrative position for a program area. While many states use this title, some larger states call these positions either

Assistant Director for “the relevant program area” or an Associate Director for “the relevant program area.”

**Program Team:** See “Statewide Program Team.”

**Public (vs. Private) Value:** Public value is the value of an Extension program which accrues indirectly to non-participants of a program. For example, when lake water quality programs improve the quality of the lake all users of the lake benefit, even if they did not directly participate in the program. Even all local taxpayers benefit because the property values of lakeshore properties go up, cutting the taxes for people in other parts of the town. Private value is the value to those that directly participate in the program.<sup>43</sup>

**Regional Extension Educator:** This was the term used in Minnesota for “field specialists” when their regional system established specialized extension educators in 2004. This term was changed to “Extension Educator in “name of area of expertise” in 2008. For example, Extension Educators in Community Economics or Extension Educators in Crops. However, the roles remain the same as the original regional educators. Since nearly all of the research on the consequences of program business plans was done in the spring of 2007, when the regional extension educator term was used, that term is used in *The Minnesota Response*.

**Specialized Extension Educator:** This is the same as the “field specialists” term used in this paper. In *The Minnesota Response*, it is defined as follows: “A specialized Extension Educator concentrates on an area of expertise, provides leadership on a statewide program team that develops and delivers outreach educational programs for a community of interest, and contributes to the scholarship related to outreach education.”<sup>44</sup> This is the same as “field specialists (South Dakota, New Hampshire), regional extension educators (Minnesota 2004-2008), program specialists (Iowa), and extension educators in “name of area of expertise” (Minnesota, 2008 to present).

**Statewide Program Team:** In traditional county delivery systems, often “statewide program teams” only design the program and suggest what ought to be delivered in counties by county educators. In a regional delivery system, the statewide team both develops the curriculum and delivers it throughout the state. While the work is often divided up to minimize travel, the team is responsible for the delivery rather than solely an individual. Hence, if there is an unexpected reason that a field specialist cannot deliver a planned event, someone else from the team covers it rather than rescheduling it.<sup>45</sup>

**State Specialist in Non-Tenured Positions:** Some state specialists have M.S. degrees and have 100 percent Extension appointments. Most of these state specialists have roles which are hybrids between the roles of the field specialists and the tenure track state specialists.

**State Specialist in Tenured Positions:** Some state specialists have Ph.D. degrees. Most of these have joint extension, research and teaching positions on campus. These state specialists tend to specialize on a much narrower aspect of work than the M.S. state specialists or the field specialists. For example, a state specialist in the community economics area of expertise might focus on either public finance, economic development strategies, or economic impact analysis

while the field specialist is likely to do programs in all three. On the other hand, field specialists are unlikely to do as much research on any of these issues as the tenure-track state specialists.

**Supervisor of Field Specialists:** In most county delivery systems, the supervisors of county educators cover educators from all program areas and areas of expertise within a given geographic area, often in several counties. In a regional delivery system, the supervisors of field specialists cover all of the educators in a given area of expertise throughout the entire state. In smaller states, the supervisor sometimes is an associate or assistant director while in larger states the supervisors of an area of expertise is sometimes called an area program leader or program leader. The key difference is that the supervisors in the regional delivery system have about the same expertise as those they supervise. In larger states, the supervisor of record might be an Associate Dean to whom the supervisors of field specialists report.

**Target Audience:** This is another term for communities of interest or learning communities. In regional delivery models this refers to the statewide groups for which the program is relevant.

**Transaction Costs:** In the Extension context, transaction costs are generally the time spent in reaching agreement on a course of action, sometimes called bargaining costs. Once agreement is reached, there can also be time spent to ensure that all parties live up to their original commitments. The more people involved in any decision, the higher the transaction costs. If supervisory lines are unclear or split between two or more people, the enforcement type of transaction costs increase. Naturally, there are benefits also from having more people involved and sometimes benefits to dual supervision. The question is whether the benefits exceed the transaction costs.

## **Appendix A**

### **Core Values and Program Business Plans**

This appendix gives an example of how the program business planning process and the plans can help achieve the core values of a Cooperative Extension Service. While the values outlined below are for Minnesota, many states have very similar ones.<sup>46</sup> However, each state should examine their core values and the ways that the program business plans relate to them.

Helping educators and specialists see the way that the business planning process enriches the core values is the primary way to motivate participation in program business planning.

<b>Core Value</b>	<b>How the Program Business Planning Process (PBPP) Advances the Core Values</b>
Extension's highest value is to serve Minnesotans by helping them learn to address critical issues to improve their lives.	PBPP encourages team discussions with target audiences on their ongoing and unmet educational needs and the development of high quality programs to address these.
Scholarship and research guide Extension educational programs.	PBPP includes campus specialists, many of whom have joint research and extension appointments, facilitating the development of practical and useful educational programs which

	are based on the best research available.
Extension upholds the land-grant mission of the University of Minnesota, providing people throughout the state access to University research and scholarship, and brings their wisdom and insights to the University.	PBPP includes those field specialists who will be delivering statewide programs. This statewide delivery enhances both the public value of the programs and facilitates promotional efforts.
Extension values personnel development of our staff and organizational learning.	PBPP can be used to help focus in-service training, personnel development and organizational learning efforts.
Extension honors the strength that comes from diversity of staff and audiences.	PBP provide a picture of the diversity of audiences and a basis for measuring progress.
Extension works in teams, with each participant contributing unique and specialized skills to achieve common ends.	PBPP aids the self-governing program teams in successfully developing and delivering high quality programs throughout the state on a sustainable basis.
Extension holds itself accountable for making a difference in the lives of Minnesotans.	PBPP supports in-depth evaluations of the major statewide programs to ensure that Extension programs are effective and efficient.

## *Appendix B*

### **Points to Stress in the Leaders Orientation**

- Collin's hedgehog principle should be stressed, with each member of the leadership team asked to read *Good to Great and the Social Sectors* before the orientation and then it should be discussed at the session.
- The content of the program business plans should be discussed simply by using Table 1 (in *Extension Economics Notes # 2011-1*) rather than more detail. Prescribing too much detail is difficult due to the difference in the context for programs and it dampens initiative.
- One of the most important points to stress is that direct participation in the planning process by field specialists and state specialists is far more important than the final document. Here is another example of Ike's comment about the process being "indispensable."
- The exact format, content and style of the program business plans are not very important but it must be written with the knowledge it will be posted on the internal web. Program leaders and/or area program leaders can use the plans to identify topics for future in-service training. Expect some pushback about posting the plans on the web.
- Completing the planning process without it consuming excessive time and delaying programming is essential during the transition. The entire process cannot become so burdensome that it is not seen as useful to the program team itself.
- Program leaders and supervisors need to read the plans as soon as they come in and provide encouragement and constructive criticism.

- Initial resistance to doing the program business plans is likely, particularly from state specialists who report to department heads in academic departments. However, after the fact, many will feel it was worthwhile.<sup>47</sup>
- It is desirable to have all elements of the program business plan completed within the first six months.
- Cost recovery is very important but in the first year should be encouraged but not central to the planning effort. Mission always must come before money. This also allows time to develop the cost recovery policies and the system discussions and training necessary for successful buy-in and implementation.
- Before focusing on major changes in fees or sponsorships, the program teams should estimate the cost of events and of the overall program and base their cost recovery on their best estimates.
- When charging user fees, the amount per participant should vary widely between programs because of difference in the programs, difference in the ability to pay, and difference in the history of user fees in that program.

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### Notes

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<sup>1</sup> For a detailed discussion of the approach used in Minnesota from 2004 to 2007, see KLEIN AND MORSE, 2009.

<sup>2</sup> "Extension entrepreneurship is the process through which individuals and teams create value by bringing together resources to develop and deliver educational programs while simultaneously pursuing financial sustainability of their programs." Morse and Smith, 1999.

<sup>3</sup> The Morse and Smith (1999) paper was part of a system wide conference to encourage greater entrepreneurship. While sponsored by the Dean and Director of Extension and attended only by teams who applied to participate, there was inconsistent follow-up in large part because the county system made it impossible for field staff to play active roles in the development and delivery of statewide programs and this discouraged state specialists from building teams which could not implement the plans. Evidence that this 1999 effort was not very successful is reaction of the county educators who became regional educators in 2004. See Klein and Morse, 2009 and Morse and Ahmed, 2009 for details.

<sup>4</sup> Collins and Hansen, 2011, pp. 125-149.

<sup>5</sup> Klein and Morse, 2009. pp.155-164.

<sup>6</sup> Morse, 2009. p.262, with results averaged over both types of state specialists.

<sup>7</sup> Ibid., p. 263

<sup>8</sup> Ibid. pp. 286-290.

<sup>9</sup> Klein and Morse, 2009, pp. 155-157.

<sup>10</sup> Ibid. pp. 160-164.

<sup>11</sup> See Glossary for definitions of private value and public value.

<sup>12</sup> Ibid. pp. 145 -146.

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- <sup>13</sup> Rogers quotes Schon as stating: “The new idea either finds a champion or dies.”<sup>13</sup> While at least one champion is needed, several are even better.
- <sup>14</sup> Seidman, 2011. pp. 81 – 103.
- <sup>15</sup> Rogers summarizes research on adoption of innovations related to benefits of the proposed innovation as follows: “The relative advantage of an innovation, as perceived by members of a social system, is positively related to its rate of adoption.”<sup>15</sup> He defines relative advantage as “the degree to which an innovation is perceived as being better than the idea it supersedes.”<sup>15</sup> Greater relative advantage is the same as greater net benefits.
- <sup>16</sup> Bryson and Crosby. 1992
- <sup>17</sup> For the power of repetition on a very controversial public policy, see the recent story about Rhode Island’s treasurer, Gina Raimondo’s successful attempt to reform the state’s pension plan. As a young rookie politician, no one expected she could change a system with so many vested interests. Before she proposed a solution she held hundreds of meetings around the state. Ultimately, her plan passed the legislature by overwhelming margins, even gathering support from union supporting legislators. See Drehle. 2011. pp. 30-36.
- <sup>18</sup> For a discussion of the initial dislike of the business planning process, see Klein and Morse, 2009. pp. 155-156.
- <sup>19</sup> Seidman, 2011. p. 49.
- <sup>20</sup> See Klein and Morse, 2009 (pp. 153-154) for how this played out in Minnesota.
- <sup>21</sup> Gladwell, Malcolm. 2008. Chapter 2.
- <sup>22</sup> Try mandating sun setting a program from the top down! It is much easier to approve a request by a team than to mandate it.
- <sup>23</sup> Ahmed and Morse, 2010.
- <sup>24</sup> The need for speed in implementation for any new organizational innovation is described well by Bryson and Crosby (pp. 299-302).
- <sup>25</sup> Taylor-Powell and Richardson. 1990
- <sup>26</sup> Morse, 1990. When business retention and expansion programs were initiated in the mid-1980s there was very little demand for them. However, now this is one of the major strategies used by community leaders.
- <sup>27</sup> In Minnesota we asked for all of the elements in the first six months and nearly all of the programs did this. However, the program leaders steered teams to pay much more attention to the mission aspects of the program and this was accepted by central administration. In retrospect, requiring all of the aspects at once created some resistance that might not have happened if we had proceeded as outlined here. See Chapter 7 of Morse, 2009 for the Minnesota experience.
- <sup>28</sup> For a more detailed discussion of the benefits of this type of “20 mile march,” see the book “Great by Choice,” Chapter 3.
- <sup>29</sup> Klein and Morse, 2009. p. 161.
- <sup>30</sup> Nixon, R. M. 1962. p. 235
- <sup>31</sup> In Minnesota, the program leaders decided when the plans were good enough to submit to central administration. We accepted any submitted. The program leaders knew that the plans would be shared with other program leaders and that the Dean and Director was reading them all so they had incentives to have teams do a good job. On the other hand, the program leaders could not collect some program investment funding which was allocated on a per program basis until the program submitted a plan. These two incentives seemed to balance out. However, as discussed later, transparency is the most important.
- <sup>32</sup> Seidman, 2011. Chapter 5.
- <sup>33</sup> For example, in 2008 Minnesota Extension changed the titles for four positions and the labels for three institutional structures to make them easier for the public to understand. Morse, 2009., pp. 310-312.
- <sup>34</sup> Morse, 2009. pp. 97-118 and p. 363.
- <sup>35</sup> Ibid., pp. 111 – 116, and p. 363.
- <sup>36</sup> Ibid, p. 364.
- <sup>37</sup> Morse and Smith, 1999.
- <sup>38</sup> Term used in South Dakota (2011) and also in New Hampshire (2011).
- <sup>39</sup> In Minnesota, the term “regional extension educator” was used at the beginning of the regional system (2004) and then changed in 2008 to “extension educator in “area of expertise.” County funded educators in Minnesota are called “extension educators in “XYZ County.” See Morse, 2009. pp. 310-312.
- <sup>40</sup> The definition used in this paper differs slightly from that used by some earlier writers but all stress the interdisciplinary nature of issue programming. See Taylor-Powell and Richardson. 1990, and Guion. 2010 for earlier definitions of issue programming.

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<sup>41</sup> South Dakota State University Extension, 2011. p. 6.

<sup>42</sup> Morse, 2009., p. 368.

<sup>43</sup> Markell, 2009. p. 81. For the original work on public value in Extension, see Kalambokidis, 2004. Also see valuable articles by Nancy Franz, 2011 and by Brown, Otto, and Quart. 2006

<sup>44</sup> Ibid., p. 99

<sup>45</sup> Ibid., p.98

<sup>46</sup> Morse, et. al. 2009. pp. 193-194.

<sup>47</sup> Klein and Morse, 2009. (pp. 155-164) for views of state/field specialists on business plans.