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Guidelines for Extension Program Business Planning

Extension Economics Notes # 2011-1[1]

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

This *Note* describes ten guidelines for using the program business planning process to achieve a successful transition in a new regional delivery model. The process is simple, practical and feasible.

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.

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) ___.[2]

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.

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.

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.

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. (See discussion on page3.)

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)__.

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.

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.

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.[3]

Extension Economics Notes *may not reflect the views of the University of Minnesota or its units. I appreciate the feedback from several colleagues but any errors or omissions are my responsibility. From 1974 to 2002 I was a faculty member and Extension economist at South Dakota State University, Ohio State University, and University of Minnesota. From 2002 to 2007 I served as the Associate Dean and Director for the University of Minnesota Extension.* ***Notes are online at http://ageconsearch.umn.edu/***

Table 1: Elements of an Extension Program Business Plan

Primary Element	Description
Year I *(developed in first six months)*	
Executive Summary	Educational objectives & audience; Public and private value Delivery methods, locations and price; Why Extension? Key contacts and website
Program Team Members	Identify regional educators and campus-based state specialists on team
Target Audience	Clear identification of the program's target audience and size.
Market Research on Target Audience Needs	Identification of audience needs; availability of non-Extension programs to address these needs; feasibility of developing and delivering a program; and Extension's hedgehog concept for the program.
Logic model and Research-base	What is the educational theory that links inputs to outputs, outcomes, and impacts? What is the research-base for the logic model & curriculum?
Educational Goals	Expected changes in outputs, outcomes, and impacts from the program.
Implementation Plan	Who plays which roles, when and where? Types of events and delivery methods?
Promotional Plans	What tools will be used to encourage high participation?
Year II and Beyond *(developed as soon as feasible)*	
Public and Private Value	Private value, the value to the participants, is essential for participation. Public value, the value to non-participants, is essential for taxpayer support.
Evaluation Plans	Types of output, outcome and impact evaluations completed and planned
Financial Plan	Goal of this plan is to maximize participation in the short-run and to ensure high quality programs with long-term financial viability. Develop cost estimates & willingness to pay data. Selection of cost recovery options.

Source: Adapted from Klein and Morse, 2009. See footnote 4.

Discussion of Guidelines

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, create strong private and public value, and are financially sustainable.*

Benefits to field specialists: [4] In a 2007 survey of Minnesotan regional educators, over half of the 102 respondents reported doing the program business plans helped their team:

1. clarify our target audience (76%)[5],
2. identify who was on program team (73%),
3. prepare individual plans of work (71%),
4. work more closely as a team (63%),
5. identify our comparative advantage (63%),
6. learn more about our costs (62%), and
7. spell out our public value (59%).

In a 2009 survey of Minnesotan state specialists, over half of the respondents indicated that the business planning process helped:

1. identify who was on program team (78%),
2. work more closely as a team (56%),
3. learn more about our costs (56%),
4. clarify our target audience (54%), and
5. regional educators (i.e. field specialists) focus (51%).

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) ___.*

Teams make nearly all of the major decisions on their program plans because they know their audiences, program area issues, and capabilities best.

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? The public value of a program depends on scale as well as high quality. Programs done by a single field staff person are unlikely to reach the scale needed to be highly visible and to generate the public value needed to sustain public funding.

Why at least one state specialist? The quality of a program depends on a solid connection to research-based information. At least one campus-based state specialist on a team helps it apply the latest research. State specialists also are helpful on grant applications.

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? Won't an issue programming approach be better?
- Making decisions quickly is essential during a transition to reassure stakeholders of continuity.
- The process already involve3s a number of new elements (specialization by field educators, regional delivery across counties, and more cost recovery).
- New issue programming takes much longer to plan, develop and delivery.
- Hence, focus on improving the existing or new programs within Areas of Expertise during the transition and then explicitly move to more issue programming with hybrid teams of specialists.

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.*

Naturally, planning individual deliverables or events requires the direct involvement of target audience leaders as does the needs assessment phase. However, this is seldom feasible on the overall program plan. The smaller the team, the faster they can react, the easier to communicate fully, and the easier to build trust while providing both positive and negative feedback. However, the larger the team is, the more perspectives and skills at the table. Very early in the development of a plan, individuals should have to commit to specific roles in the development and/or delivery of some aspect of the program. This tends to narrow the size of the team quickly.

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.*

An Extension program would meet the ***hedgehog test*** if the program had all three of the following characteristics:
1. One that your team is passionate about because it contributes to the mission and core values of Extension;
2. One that your team can do better than anyone else can, given your audience;
3. One that is feasible given the available human, financial and brand resources.

To learn about the "hedgehog concept" read pages 17 to 23 in *Good to Great and the Social Sectors by* Jim Collins and/or see www.jimcollins.com. Most teams will find it feasible to only write one or maybe two plans.

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)___.*

Target Audience: Each program team knows which groups they will really focus on and this should be explicit in the plan. Focus on audiences for which your team can create the greatest impacts.

Needs Assessment: Programs use many approaches: 1. needs assessments done by trade groups, 2.surveys/ discussions with audiences, and 3. formal evaluations. Henry Ford said about his new car: "If I had asked people what they wanted, they would have said faster horses." So new research also should guide programs.

Date: This process works most best if completed within six months of transition to new delivery system.

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.*

Regardless of the type of cost recovery, the funds collected are part of an exchange relationship. Extension promises a quality program in exchange for the financial, political or logistic support. Hence, first focus on creating a program with high quality and high demand (topics for year 1 in Table 1). This gives your team time to study the best type of cost recovery.

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.* See *Extension Economics Notes # 2012-2 to # 2012-7* for details.

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.*

Teams are expected to post their plans on the internal, but not public, website to encourage high quality plans and implementation. Posting the plans speeds exchanging ideas between teams and speeds adoption of valuable ones.

Suggested Program Team Discussion Questions

> "A major benefit of the plans was the improved understanding among campus and field personnel…. Writing the program business plan focused the discussions and established urgency for reaching a broader team understanding. One educator describes the plans as "The conversation we should have had a long time ago" (*The Minnesota Response*, p. 156).

A few starter questions for the team discussion are:

1. What will be the primary target audiences for our program?
2. Does our program meet the "hedgehog concept test?" If not, how would we need to change it?
3. Who will be on our team and what role does each one play?

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[1] Revised June 4, 2012
[2] See guidelines 2 and 7 in the University of Minnesota Applied Economics Staff Paper P12-5 "FAQ on Guidelines for Extension Program Business Planning" for suggested deadlines. Available at http://ageconsearch.umn.edu/.

[4] References to Minnesota's experience are in Klein, Thomas K. & George Morse. 2009. "Extension Program Business Plans," in Morse, G. et. al., *The Minnesota Response: Cooperative Extension's Money and Mission Crisis.* iUinverse, Bloomington**.**
[5] Percent of respondents.