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## AGRIBUSINESS MANAGEMENT DEVELOPMENT PROGRAM

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**ABSTRACT.** *In 1998, an Agribusiness Management Development Program was jointly developed by the Agriculture Institute of Management in Saskatchewan, Inc. (AIMS) and the Department of Agriculture Economics at the University of Saskatchewan. The program was offered in January 1999 to March 1999. This paper is a case study of the process of visioning, planning, developing and delivering this executive training program for the first time. The Agribusiness Management Development Program was unique in several ways: it was the first agribusiness executive style program developed and offered in Western Canada; it was conceived and developed through the collaborative efforts of AIMS and the University of Saskatchewan; and it targeted the entire agribusiness system. The program was aimed at progressive farmers, agribusiness executives, managers, entrepreneurs and service providers who were keen to succeed and profit in their ventures. This paper looks at the process of developing an agribusiness executive program and highlights some of its unique features.*

The Agribusiness Management Development Program was conceived by Professor Tom Allen from the Department of Agricultural Economics, University of Saskatchewan, and Laurie Dmytryshyn, Executive Director of The Agriculture Institute of Management in Saskatchewan, Inc. (AIMS).

The Agriculture Institute of Management in Saskatchewan, Inc. is a not-for-profit corporation committed to developing and delivering programs to enhance farm business management skills and knowledge for farm managers, agribusiness and service providers. Since 1989, AIMS programming has been accessed more than 33,000 times by Saskatchewan farmers that have taken a course, attended a workshop or otherwise participated in farm business management activities offered through AIMS-supported activities.

The University of Saskatchewan is central to the development of Canada's most vibrant agriculture research and development community. The University's annual investment in the local research and development community is approximately \$200



million. The university's College of Agriculture is renowned for its leading edge instruction and research in agriculture economics and agriculture sciences.

Key to the Agribusiness Management Development Program's success was the partnership formed by AIMS and the University of Saskatchewan. The contributions by and dedication of the steering committee, the working committee and faculty were also instrumental to its success. Special mention needs to be made to Professor Tom Allen for his vision of and contributions to the program.

This paper will describe some of the key highlights in the conception, collaboration, development and delivery of the Agribusiness Management Development Program.

### **VISIONING**

Production, processing, transportation and information technologies are revolutionizing the agriculture and agribusiness industries around the world. Some major trends in agribusiness can be observed 1) the food industry is guided and driven by consumers who are more informed on nutrition, environmental and food safety issues and who are becoming more discriminating and demanding of their food supply; 2) national governments, consumer groups, supply chains and individual firms are working to improve the integrity of the food supply chain; 3) producers and processors are working to increase market share in domestic and global markets; and 4) there are international changes in policy and trade which are changing the nature of agribusiness. The dynamic nature of these changes requires agribusiness professionals receive ongoing training in both production and business.

In Saskatchewan, numerous opportunities exist for acquiring introductory level training in agriculture and business. Excellent training is available at the University of Saskatchewan at the diploma, degree and graduate level programs. However, no executive business programs exist in Western Canada for agribusiness professionals. Many of these individuals have progressed past the point where they can benefit from introductory level training, but are unable to commit the time or resources to a



university education. There are also a significant number who have completed their university education and are in need of a rigorous refresher program. Therefore, there was a need for a program which provided progressive farmers and agribusiness professionals with the tools and training to update and refresh business skills coupled with a strong understanding of the changing agribusiness environment. It was also recognized that the training program needed to introduce participants to the modern theories of agribusiness management in a way that enabled them to apply this theory to their own operations.

#### **TARGET AUDIENCE**

The program was aimed at the entire agribusiness industry which included executives, managers, entrepreneurs and service providers who are creative, plan long term and are keen to succeed and profit in their ventures. Specifically, this approach targeted progressive farmers (the top 20% of farm managers who produce 80% of total crop production), manufacturers, food processors, suppliers, agricultural consultants, venture capitalists, lenders, researchers, public sector employees, executive directors, accountants, lawyers and economic development professionals.

This broad range of managers was chosen because it was recognized that with the trend to vertical alliances in a changing global and domestic market place, there was a need for all sectors within the industry to not only form alliances but to understand all aspects of agribusiness management to make the best possible business decisions.

#### **OBJECTIVES**

The objectives of this program were to:

- enhance the conceptual and analytical skills of progressive farmers and agribusiness professionals;
- provide leading-edge instruction in agribusiness management; and
- provide participants with networking opportunities.



## PLANNING

The collaboration between AIMS and the University of Saskatchewan resulted from the recognition that a unique alliance needed to be formed to produce and promote a top quality program of agribusiness management training which was not offered by any other institution or organization in Western Canada. From the alliance of these two credible institutions, an eight person steering committee was formed to oversee the project. It was comprised of AIMS board members, University of Saskatchewan professors from the colleges of Agriculture and Commerce and a program coordinator.

The steering committee's main responsibilities included identifying potential participants, the development of marketing strategies, securing funding, administrative issues on the administration of the program (registration fees, cancellation policy, dates of delivery etc.). There was discussion on the general nature of the curriculum in that it was not to be conference style, but had to be delivered in a format which encouraged participation. The steering committee also decided on a program name and logo which would visually convey the scope and professionalism of the program. The oval global logo with the epicenter of waves converging on the Canadian prairies was chosen to illustrate that not only does leading-edge scientific and agribusiness information come from Saskatchewan to affect the global economy, but also that the global economy converges back to us. This signified the dynamic interchange of agribusiness information and commerce throughout the world.

A working committee was stuck to develop the curriculum. It included professors in marketing and finance from the College of Commerce, agribusiness marketing and finance/operations from the College of Agriculture, a Human Resource professional from Extension Division and the program coordinator.

The steering committee felt it was important to produce professional, top quality and brochures and posters for the pilot project so there would not be any doubt as to the caliber of the program. Press releases regarding the program were sent throughout



Saskatchewan to newspapers, agriculture newsletters, professional personal contacts, radio stations and television stations. Brochures were also distributed to agricultural trade shows, to lending institutions and to government and non-government agriculture organizations. There were numerous telephone inquiries from prospective participants and organizations wishing to send employees. To reach the target audience, both the steering committee and working committee members worked hard to promote the program.

Additional funding was received from The Canadian Adaptation and Rural Development Program in Saskatchewan (CARDS). CARDS was designed to provide the province's agriculture and agri-food sector with tools to acquire and use knowledge, skills and ideas to take advantage of changes affecting the sector. CARDS funding was received under the Industry and Rural Resource Development program which supports the development of entrepreneurial skills and attitudes.

### **DEVELOPING**

The working committee determined that the best format for the program was the modular approach of delivery. The program was to be delivered in four weekend modules during the first three months of the year. Each module would begin on a Thursday night at 7:00 pm, run all day Friday and Saturday from 8:30 am to 9:00 pm and on Sunday run from 8:30 am to 12:00 pm. This intensive format was chosen for several reasons: there was minimal overlap with regular university teaching duties for the instructors, it minimized the time away from business for the managers, it allowed participants to become fully immersed in the content of each module, and it promoted group work, group discussions and networking. To facilitate this process, the steering committee approved that accommodations should be included in the registration fee. Participants not using the accommodations did not receive a discount on their fees.

The working committee recognized that their audience would consist of adult learners primarily who likely had not been in intensive learning situations recently, who had lots of practical experience in their professions and were looking for information in a



format which would allow them to apply their newly acquired skills and knowledge. Therefore, they chose to create a case-based program whereby the instructors would not only provide core material applicable to the cases, but would also act as facilitators to encourage information sharing amongst participants. The modules would be seminar style with a combination of lectures and workshops from guest lecturers on special topics. The level of instruction for agribusiness professionals was to be at the Masters of Business Administration level.

In constructing and delivering the program, the working committee demonstrated great flexibility to understand and meet the target audience's information needs. With their application, participants were required to provide the following information: 1) describe your management position and responsibilities; 2) the challenges/issues you'd like to have this program address; 3) your objectives in taking this program; and 4) other training and management courses previously taken. The responses to these questions not only allowed the faculty to fine tune the curriculum but it aided in determining acceptance into the program. The faculty relied on the feed back from each module to determine if the information presented was too advanced, too easy or appropriate.

It was decided that seating arrangements would not be lecture/conference style. A U-shaped seating arrangement was chosen to facilitate discussion amongst participants and lecturers. This seating arrangement minimized problems with students not being able to see projected materials and allowed for visual contact between participants and lecturers. This, we learned, was critical for successful learning because some participants were hard of hearing and could not understand as well unless they were able to see the lecturer's face.

The four program modules were designed so that each consecutive module would build on information provided in the first. Each module was divided into four



components: Marketing, Finance/Accounting, Human Resource Management and Special Topics relevant to agribusiness. The four modules were:

### **Module 1: The New Era in Agribusiness Management**

This module provided an in-depth look into the trends and challenges facing agribusiness today. It provided background information which updated and refreshed business management information such as the role of marketing in the agribusiness system when moving from agricultural commodities to value added products, investment analysis and assessing working capital needs and management plans, leadership and change management. Special topics were: Supply Chain Management, Saskatchewan Aboriginal People in the 21<sup>st</sup> Century and Economic and Demographic Urban-Rural Transition.

### **Module 2: Achieving Goals and Growth Through Effective Agribusiness Planning Strategies**

The purpose of Module 2 was to teach participants to successfully develop and manage all components of the strategic business plan to maximize opportunities in expanding domestic and global. Lectures on the four components of the business plan were given (marketing, human resource management, operations and finance). To apply this knowledge, participants were divided into groups, given a specific case and were asked to devise a business plan which would be presented on the last day of the module. Special topics for this module were Trends in Primary Production and Building Brands.

### **Module 3: Integrated Agribusiness Management**

In this module, all components of the agribusiness plan were operationalized in a hands-on agribusiness simulation in a competitive environment. Participants were divided into groups and provided with the same agribusinesses and opportunities. Each group competed to become the most successful agribusiness based on their management decisions. Some of the decisions to be made included: marketing,



product and pricing strategies, capital structure decisions (debt or equity financing), dividend policy considerations and human resource management investment. The groups then reported on their strategies and explained their decisions and the consequences. Special topics were Creating and Strengthening Strategic Alliances, Developing New Industries, and Demographic Trends.

#### **Module 4: The Globalization of Agribusiness**

Module 4 focused on the issues facing entrants in the international market place. Some of the topics covered were: The World Economy and the International Agricultural Situation; Agricultural Policy Around the World, International Currency Markets; Food Safety and International Competitiveness; Ethics in the International Business Place and Cross Cultural Communication.

#### **DELIVERING**

Maximum enrollment for the program was 40 participants. That target was met and a waiting list compiled. Many sectors of the agriculture industry were present, progressive farmers, agricultural lenders, food processing, manufacturing, commodity organizations, educators, and private and public consultants.

The modules were held at hotels where both meeting facilities and accommodations could be provided at one location. The setting was important to the program's success. Rooms with windows were chosen and the meal room was separate from the lecture room. The schedule was closely adhered to ensuring that allotted times to specific topics were met.

The lecturers from the working committee attended the modules even when not presenting. This allowed participants to approach them with questions from lectures or to discuss issues unique to their business.

In delivering materials, lecturers provided the participants with hand-outs prior to the lectures. If reading was required, participants received the information ahead of time.



It was critical for participants to have copies of the materials, especially the overhead presentations, as many were not used to note taking and would not be able to keep up with the volume of information provided. The printed materials allowed them to clarify points on the paper, to absorb the information given and to ask specific questions on the context.

One important factor in the delivery of the program was that all participants were viewed as agribusiness professionals. There were some farmers who did not initially view themselves as business professionals. There were also service providers, such as lenders, who viewed themselves as providing a service to some segment of the agriculture system but did not fully understand they were a part of a larger food supply network. From the first evening's introductory remarks and throughout the entire program, everyone's role as professional agribusiness people in the food production and delivery chain was emphasized. To facilitate everyone's awareness of their role in a larger system, a business card exchange was held and service was provided for those needing to obtain business cards.

Feed back on the modules was received from participants. AIMS has independent third party auditing on all of the programs they fund. The auditor phoned some participants with specific questions throughout the course. The working committee developed questionnaires for the marketing, human resource management and finance/accounting lectures which were filled in at the end of each module. A simplified evaluation form was developed for guest lecturers and these were used after each guest presentation. Care was taken to ensure that the questions asked by the independent auditor and the working committee were not the same.

Two changes were made to the program during its delivery. During the first module, it was recognized that computer skills were too varied to have a session on doing business on the Internet. Some participants were very adept at computer usage while others had very poor skills. The second change was that there was not enough time



allowed for networking. The intense nature of the program did not allow enough time for the informal exchange of ideas. Therefore, the Friday evening session was shortened to allow for this.

#### **PLANS FOR THE FUTURE**

Feedback on the program was very positive. The students were very vocal in their desire for an alumni weekend where they could discuss changes in their businesses and get updated management information. There was also discussion on developing a newsletter.

The participants, funders and faculty were very pleased with the success of this pilot program. Plans are underway to deliver it again in January 2000 to March 2000. Marketing plans include advertizing in other western Canadian provinces and in the United States. The faculty are also willing to deliver or to train trainers in other countries.

Immediately after the pilot project was completed, the Agribusiness Management Development Program expanded to provide an additional five day course *The Business and the Science*. This training program is designed for agribusiness professionals with little or no knowledge about the primary and value-added sectors or who do not have an agriculture science background.

#### **MORE INFORMATION**

Information on the *Agribusiness Management Development Program* or on *The Business and the Science* can be obtained by contacting:

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