## Chapter 2

# **Preliminary Evaluation** A Snapshot of Your Potential

#### **Chapter Overview**

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

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

After completing the exercises, you may decide agritourism is not for you. If after completing

this evaluation you believe agritourism is still a possibility for you, your next step should be to develop thorough business and marketing plans to evaluate your potential for success in greater detail.

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



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

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

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

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

Chapter Overview5
Personal Evaluation: Are You Ready to be an Agritourism Entrepreneur?
Goal Identification7
Land and Property Evaluation9
Time and Labor Resource Evaluation12
Preliminary Market Analysis13
Agritourism Activity Options14
Financial Situation Evaluation
Summary Analysis
Chapter Review
Additional Activity
Additional Resource

#### Personal Evaluation Exercise

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

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

Once you have circled answers to all of these statements, follow the directions below to score your responses.

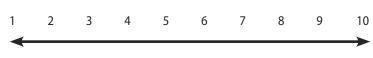
- 1. Count the number of times you circled each response (A, SA, SD, D) and write the number in the table below under **Number of Responses.**
- 2. Multiply the **Number of Responses** times the given **Points per Response** and write the product in the table under **Points**.
- 3. Add the points for each of the four categories of responses and write the sum in the table next to **Total Score**.

	Number of Responses	Points per Response	Points
Agree (A)		x 4 =	
Somewhat Agree (SA)		x 3 =	
Somewhat Disagree (SD)		x 2 =	
Disagree (D)		x 1 =	
Total Score			

4. Compare your total score to the ranges below.

- **90-100** Your personality and skills are similar to individuals who have succeeded as entrepreneurs.
- **75-89** You have some characteristics similar to individuals who have succeeded as entrepreneurs. You should consider whether others involved in the operation are strong in areas challenging to you.
- **0-74** You do not have characteristics similar to individuals who have succeeded as entrepreneurs, and you should reconsider your entrepreneurial project.

After evaluating your personal characteristics, how do you feel about your overall potential to operate and manage an agritourism venture? Circle the corresponding number below on a scale of 1 (very pessimistic) to 10 (very optimistic).



Very Pessimistic



Very Optimistic

### **Goal Identification<sup>2</sup>**

f you don't know where you are going, how will you know when you get there? This is the essence of goal setting, and it has a direct relationship to evaluating a new agritourism venture. Starting and operating a successful enterprise is often only a means to a much larger end. Therefore, identifying your ultimate ambition is critical to properly assessing the true merit of the agritourism enterprise idea.

Identifying your goals focuses your attention and provides a basis for making decisions. Setting and achieving goals keeps an enterprise going in the right direction. Without goals, an idea's ultimate feasibility cannot be evaluated.

You should develop goals, but not just once. Goals, personal and business, change over time. Therefore, goals should be developed early in the life of a business and then evaluated and adjusted to address changing times and changing desires.

Your agritourism enterprise goals should meet the S.M.A.R.T. criteria. That is, each goal should be *Specific, Measurable, Attainable, Rewarding* and *Timed* in order to be effective. Use the following exercise to assist in the identification and development of the goals for your agritourism enterprise idea. Make sure that each of your goals is S.M.A.R.T.

<sup>2</sup>Adapted from Holland, Rob. *Evaluating the* Potential of Value-Added Agricultural Ideas: A Series of Worksheets to Assess Feasibility. Preliminary Worksheet #2. Center for Profitable Agriculture publication. ADC Info #16. October 1998.