

BusinessEDGE

Growing business skills and financial literacy for grazing business managers

1 Is your business providing you with more than just a job?

Successful farm businesses are generating sufficient profit to reward their owners for both their hard work in running the business and the large amount of capital they have invested in it. This puts their business in a position to grow and meet the needs of their family now and in the future.

Growing the business skills and financial literacy of your management team is the starting point to improved financial performance.

2 What is BusinessEDGE?

BusinessEDGE is a comprehensive two-day workshop for owners and managers of farm businesses with grazing enterprises. It is specifically designed to improve business skills and financial literacy.

BusinessEDGE workshops have been run across northern Australia since 2010, with almost 500 producers completing the workshop since then. This workshop follows on from that experience and has been modified by Meat and Livestock Australia (MLA) to have specific relevance to mixed enterprise operations in southern Australia, while retaining all the key financial and business principles.

3 What will you take home from BusinessEDGE?

You will acquire the knowledge and skills to:

- Set up and use management accounts
- Interpret your financial statements and understand what they are telling you
- Understand the key profit drivers for your whole business, herd and flock
- Understand how to use the business to fund your family's needs and aspirations
- Allocate capital in a rationale manner for a better return on investment
- Assess and manage financial risk

Comprehensive course notes are provided, along with decision support spreadsheet tools to help you apply the material to your business. Follow up is available to all participants.

A detailed workshop outline is attached.

4 What participants have said . . .

Overall

- *“I found all areas really helpful and several pieces of information paid for the workshop.”*
- *“I’m only in the early stages of learning and becoming part of the business, so my confidence was definitely boosted.”*
- *“Go do it!”*

Presenters

- *“Very good and articulate presenters with a wealth of knowledge and experience”*
- *“Outstanding in knowledge and delivery.”*
- *“Exceptional! Delivered in a relatable terminology, whilst maintaining interest and time to interpret content fully.”*

Value for money

- *“At first I thought it was expensive and related it to how many cattle needed to be sold, but it was very valuable.”*
- *“A good investment.”*
- *“Money well spent – will get an ongoing return over my business life.”*

5 Who will deliver it?

Delivery

Adrian Kennelly, a Principal of RMCG, has been contracted by MLA to deliver BusinessEDGE in Victoria and Tasmania. Adrian has more than 25 years’ experience in agricultural business and natural resource management research, policy, education and extension. He is a specialist farm business management adviser, who consults to medium to large scale private farmers, agribusiness investors, agricultural industry groups and government agencies. Prior to joining RMCG, Adrian was the Director of Farm Business Management at Marcus Oldham College and Convenor of the Marcus Oldham Rural Leadership Program.

Development

BusinessEDGE was originally developed for MLA by well-known livestock industry consultant Phil Holmes and delivered across northern Australia by Phil and Ian McLean from Bush Agribusiness in Queensland. Following its success in the north, MLA engaged Phil and Ian to modify it for delivery in southern Australia. Adrian has worked with Phil and Ian to become the accredited deliver in Victoria and Tasmania.

6 Where will it be delivered?

It will be delivered wherever there are enough producers who want it delivered to them! It does not have to be a major regional centre. Your local hall, sporting club or other community facility may be just right. All we need is power, table and chairs (and heating if its winter!) and access to somewhere to get lunch from.

Adrian has deliberately not set dates in advance in regional centres. He wants to bring it to where you are. The ideal number of businesses for a workshop is between 10 and 15, but Adrian will deliver it to a minimum of eight. If there are only a few people interested between you, your neighbours, or your group, then let Adrian know, as he will join you with other nearby groups, select a date and venue suitable to all and advertise more broadly to get a good size group.

7 How much will it cost?

All prices exclude GST, are fully tax deductible and are fully guaranteed.

	Full fee	Early bird*
1 person	\$1,500	\$1,250
2+ from business	\$1,250	\$1,000

** Early bird applies if registered and paid 4 weeks prior to workshop start date*

Fully guaranteed – your workshop fees will be refunded in full, if you are not completely satisfied that the workshop has improved your business skills and financial literacy.

8 What next?

Register your interest by providing your name and contact details (including all those you know who are interested), along with the preferred timing and location of the workshop, to Adrian Kennelly via email adriank@rmcg.com.au or 0427 679 041.

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Session	Key topics covered
1. Taking an economic sustainability approach	<ul style="list-style-type: none">– A background to “sustainability” and its appropriate use– Eight definitional criteria for economic sustainability
2. Acquiring financial literacy – talking the language of money	<ul style="list-style-type: none">– The language of money– Some accounting basics– Compliance accounts versus management accounts– Setting up a financial system– The three pillars– Understanding the income statement– Understanding cashflow– Understanding the balance sheet– Tying it all together
3. Understanding and measuring whole business performance	<ul style="list-style-type: none">– Key performance indicators for the whole business– Secondary performance indicators for the whole business– Illusions caused by inflation– Assessing long-term business performance– Profitability and growth– The business life cycle and its implications– Business performance in practice– Key indicators of financial health– Key indicators of financial stress
4. Managing business risk	<ul style="list-style-type: none">– Business risk principles– Risk management– Agricultural business risk– Financial risk and its elements
5. Managing and allocating working capital	<ul style="list-style-type: none">– Understanding working capital and why it is needed– Short and long-term considerations– The principles of rational capital allocation– Unfunded future liabilities and provisioning– Determining the funding requirements of the business– Analysing capital expenditure options (cost-benefit analysis)
6. Using financial data and key performance indicators to assess enterprise performance	<ul style="list-style-type: none">– What is the fundamental unit of measurement?– Herd/flock financial performance– Herd/flock key performance indicators
7. Issues with a multi-enterprise grazing business	<ul style="list-style-type: none">– Passion, knowledge and skills– Operating scale– Resource competition– Diversification– Relative profitability
8. Looking at a business through a new set of eyes	<ul style="list-style-type: none">– Applying the knowledge: group case study exercise
9. Where to from here?	<ul style="list-style-type: none">– Some of the tasks you should begin immediately– Setting goals and developing budgets– Seeking independent help
