



**RURAL SOLUTIONS  
QUEENSLAND**

# Business and personal goals and risks

Examples and prompts to assist you with the  
completion of your Farm Business Resilience Plan



Australian Government



Future  
Drought  
Fund



Drought  
and Climate  
Adaptation  
Program



Queensland  
Government

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## Section 3 — Our goals

### 3.3 — Business goals (including Financial and market goals)

1. Turn a profit of \$\_\_\_\_\_/annum across a 5-year average, including dry periods.
2. Increase scale of the business to run and additional \_\_\_\_\_AE.
3. Continually improve the business through investment in plant, equipment and infrastructure that improves efficiency, safety and profitability.
4. Develop a workplace health and safety plan by xx date.
5. Diversify our income streams to better manage income shortfalls and market risk by year xx.
6. Investigate new markets – organics, grassfed, EU, grainfed, etc. to increase gross margin by \$100/beast by year xx.

### How our business goals will be achieved

#### Monitor and analyse our financial position

- Maintain a 5 year rolling cash flow, updated as changes occur in the business.
- Compare our projected cash flow against actuals at the end of each quarter.
- Participate in benchmarking against other agricultural businesses to gauge our position in the industry.
- Regular and open communication with our bank manager and accountant.
- Analyse each investment opportunity to assess where our funds will generate the best “Value for Money” annually.

#### Increase Gross Margin

- Implement production and NRM goals, as mentioned in other parts of our plan.
- Analyse the following for suitability and integration into our existing business.
  - Review current livestock lines and possible transition to alternative stock to better suit land type.
  - Assess the most appropriate livestock split for your property between sheep, cattle and goats.
  - Utilise existing cultivation for cropping enterprise.
  - Purchase off farm investments – shares, real estate etc.
  - Take on consulting work.
  - Contract to other businesses.
  - Lease a portion of the property out.
  - Dry hire equipment to other industries.

#### Decrease overheads

- Annual review of plant and equipment to assess maintenance costs /consider replacement.
- Annual review of finance arrangements.
- Fence laneways to reduce labour required for mustering.
- Establish a dedicated, organised and comfortable office space to increase the efficiency of time spent in the office.
- Rent or lease plant and equipment to reduce R&M and capital spending.
- Employ people with a diverse skill set/train existing staff in different disciplines.
- Outsource tasks that could be completed more efficiently by someone else.

### Increase turnover

- Focus development towards improving carrying capacity by increasing pasture utilisation – ie reducing distance to water, increasing the ability to spell country.
- Develop water infrastructure across the property to better utilise the land asset available to us.
- Investigate agistment or lease potential in our local area.
- Purchase additional land.

### How we measure success

- ✓ Our income provides for our family's needs.
- ✓ We no longer rely on off farm work to supplement our income.
- ✓ We work in a safe environment with plant, equipment and infrastructure that is fit for purpose.
- ✓ We have enough scale to afford for both partners in the business to work in the business.
- ✓ We have confidence in presenting our financial information to our lender.
- ✓ We conduct regular meetings to work on the business from a strategic perspective.
- ✓ We have diverse income streams which assists with cashflow at different times of the year.
- ✓ We have a documented and implemented workplace health and safety plan.
- ✓ Our business is capable of withstanding market and seasonal fluctuations.
- ✓ Our staff share our vision and contribute to operational planning and work activities.

### 3.4 — Personal goals

1. Improve our knowledge about different aspects of our business through external training and sharing our knowledge with others.
2. Go on holidays with the family every \_\_\_\_\_.
3. Develop an exit plan that enables us to retire comfortably by age \_\_\_ and gives our children the opportunity to work in agriculture if they wish.
4. Update our wills and enduring power of attorneys.
5. Renovate the kitchen or bathroom.
6. Create an education fund for our children.

### How our personal goals will be achieved

- Attend training as it becomes available in our local area. Topics/courses we are interested in attending/learning more about:
  - Business Edge
  - Nutrition Edge
  - GLM Edge
  - Breeding Edge
  - Grazing for Profit
  - Phosphorus training
  - Goat management
  - Excel training
  - Ag tech
  - Leucaena establishment
  - Pimelea management

- Financial record keeping/bookkeeping
- Production workshops
- Pasture management workshops
- Contact our local DAF/NRM providers to register our interest in hosting events on our property.
- Have a discussion with the family about our next holiday destination, decide on what time of year we can get off farm and book a farm sitter.
- Maintain open communication as a family and stay connect as a family – enjoy mini breaks.
- Maintain good workforce that can keep the operation running successfully when we are away.
- Undertake staff development plans for each staff member.
- Involve the kids in the business, give them responsibilities and goals to work towards
- Develop our succession plan.
  - Discuss our desires to succeed the business on to the next generation.
  - Seek professional advice.
  - Develop a formal plan.
  - Discuss the plan with family members.
  - Revise the plan every 3-5 years.
- Establish a budget for the renovation of the kitchen that fits within our cash flow. Determine our wants vs needs and implement.

#### How we measure success

- ✓ We regularly attend training that increases our knowledge and benefits the business.
- ✓ We can go on a holiday without worrying about what is going on at home.
- ✓ We live in a comfortable home.
- ✓ Our children are involved in the business if they desire to be.
- ✓ Our children receive a sound education that matches their goals.
- ✓ We have a documented and implemented succession plan.

## Section 4 — Managing our risks

4.2 Business risks	Strategies for mitigating high level risks
<b>Financial Risk</b>	<ul style="list-style-type: none"> <li>● Monitor and review interest rates, interest rate risk margins and loan term arrangements.</li> <li>● Maintain an honest and open communication with our bank manager.</li> <li>● Ensure equity is funded through profit and not just inflation.</li> <li>● We analyse the profitability of our enterprise and monitor the change in our net worth over time.</li> <li>● We maintain a projected cash flow and analyse it against actuals on a quarterly basis.</li> <li>● We maintain a minimum equity level of ____%</li> <li>● Ongoing off farm work.</li> </ul>

<b>Market Risk</b>	<ul style="list-style-type: none"> <li>• We run multiple enterprises with a variety of saleable items to spread our market risks i.e. wool, fat lambs, feeder cattle, weaners, cull cows, goats, cropping etc.</li> <li>• We sell through paddock sales with repeat buyers to reduce cost of sale (transport cost is buyers responsibility, no agent fees, ongoing strong relationship etc.).</li> <li>• By conducting pasture budgeting we can make proactive decisions to offload cattle earlier than the majority, reducing market fluctuations.</li> <li>• We have invested in assets outside the primary production business to sure up our income.</li> </ul>
<b>4.3 Personal risks</b>	<b>Strategies for mitigating high level risks</b>
<b>Workplace Health and Safety</b>	<p>Workplace health and Safety (WHS) is a priority for our business which is why we have:</p> <ul style="list-style-type: none"> <li>• Completed a WHS risk assessment.</li> <li>• Implemented standard operating procedures for staff.</li> <li>• Staff are trained in safe working procedures.</li> <li>• All staff and family members know how to report the risks they encounter.</li> <li>• Safe handling and storage of chemicals maintained, Material Safety Data Sheet (MSDS) register maintained for all chemicals.</li> <li>• Anyone who uses agricultural and veterinary chemicals on site holds the relevant accreditation or is supervised by someone who holds the necessary accreditation.</li> <li>• Any new infrastructure is designed with safety at front of mind.</li> <li>• Vehicles and machinery are regularly maintained to reduce risk of failure.</li> <li>• Workcover policy is up to date.</li> </ul>
<b>Key Person/People</b>	<ul style="list-style-type: none"> <li>• We have trusted contractors that could take over should the worst happen to one of us.</li> <li>• We have relevant Total Permanent Disability (TPD) and life insurances that would look after our needs should the worst happen.</li> <li>• Sale of one property would pay off all debt to form a base for succession.</li> </ul>
<b>Family</b>	<ul style="list-style-type: none"> <li>• We have a current Succession Plan that is documented, discussed with family members and reviewed regularly.</li> <li>• Our wills and Enduring Power of Attorney are up to date.</li> <li>• An education fund has been established to meet future boarding school expenses.</li> <li>• Any dealings with family members outside of the business (ie agistment arrangements) are treated as a formal business transaction and are documented as such.</li> <li>• All family members involved in the business are paid a fair and equitable wage.</li> </ul>