

SKILLS DEVELOPMENT FOR ENTREPRENEURS IN AGRICULTURE

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Within the agricultural industry, entrepreneurs need to come to grips with the fact that, regardless of whether they are farming, selling fertiliser, building dams, or cultivating crops, grasping how a business works is essential to success.

Entrepreneurs are often exceptional at devising excellent business ideas, but a lack of real business management knowledge results in a lack of funding. Without a sound business plan, the business fails before it has made it past infancy. Business leaders must understand the differences between a business account and a personal account, a loan and an overdraft, the principles of Human Resources, salaries, or the value of maintaining a good reputation as an employer. Every company requires structure, even if it comprises only one employee – and creating structure requires skill and knowledge.

As visionaries, entrepreneurs occasionally struggle to see the gap in their own skillset, gaps that go deeper and wider than agricultural knowledge. These entrepreneurs require training, mentoring and coaching from a business point of view. This ensures that their businesses can continue in a sustainable fashion and flourish. Sustainability is key.

Part of an entrepreneur's power is their personality, so rather than trying to change them, training should focus on adding on to their skills – or learning how to partner with the right people that already have the needed skills. Entrepreneurs have a unique purpose. Training is absolutely necessary, but the focus of training is not to turn them into something else. This is rather to empower them to bring in the right experts in the right fields, without losing control of the business operations.

In instances where entrepreneurs are able to acquire funding, without the skills to manage these funds effectively, the business will still fail – and lose a lot of money in the process. An agricultural entrepreneur may know how to make organic compost, but can they market and sell it? Can they manage the staff required to manufacture the compost, and do they know how to deal with the bank? These crucial business concepts must be understood; often failure is not an indication of a bad business concept.

However, simply teaching them the skills is not enough. It may not be in their nature to utilise these skills, even once they have them. As such, it's essential to help them to apply these

concepts, so that when they have someone providing the service in these areas (an employee, a consultant, or a mentor) the wool cannot be pulled over their eyes. Grasping financial management principles, for example, won't make a business owner an accountant, but it will help them to oversee their accountant's work and make better decisions.

The Institute of People Development (IPD), for example, has worked with many entrepreneurs as they strive to start training companies, and assisting entrepreneurs across the agricultural sector in honing their skills. This learning journey must be considered as a holistic process.

Often, a farmhand that has worked on farms for his/her entire life will think s/he knows everything about the industry, and can easily start their own farming business. Yet, while they will have excellent skillsets in certain areas, they will not have in-depth knowledge of the entire sphere of work.

The key is to do some reconnaissance, to observe other businesses and look at what makes an agricultural business successful. Businesses fall flat because their founders don't know how to sell their skills and produce. From sales to financial management, every business management skill is critical to growing a fruitful business. The business can manufacture the best organic compost on the planet, but if no one is selling it, who's going to know?

Entrepreneurs must put time and effort into creating a business plan before launching their enterprise. This process allows them to identify skills gaps, and areas where expert assistance will be required. It gives the entrepreneur a core understanding of what they need – grasping that they may not need to do everything themselves, but they must always understand the bigger picture.

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Boilerplate:

Founded in 1999, Workplace Skills Solutions t/a The Institute of People Development (IPD) strives to equip, prepare and certify practitioners to serve South Africa's skills development strategy and facilitate the transformation of education and training. Over the years, IPD has become the preferred people development partner to most state owned and private enterprises in Southern Africa. IPD has assisted over 500 public and private training providers across most sectors of the economy to achieve or maintain accreditation through consulting, training and providing published guidelines. For more

information, please contact IPD at trainingenquiries@peopledev.co.za on (011) 315 2913 or visit www.peopledevelopment.co.za.