

## College of Agricultural, Consumer and Environmental Sciences

The Center of Excellence for Sustainable Food and Agricultural Systems  
New Mexico State University  
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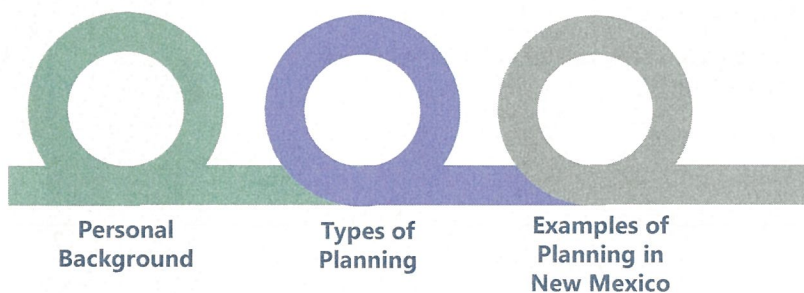
### **Proactive Planning for Agricultural Communities Outlining the Market Investment Analysis Required for Successful Value-Added Business Recruitment**

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Rural Economic Opportunities Task Force  
Fort Sumner, NM  
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The College of Agricultural, Consumer and Environmental Sciences is an engine for economic and community development in New Mexico, improving the lives of New Mexicans through academic, research, and Extension programs.

## Presentation Roadmap



## Introduction

### Background

- New Mexico State University Agricultural Economist (2002)
- Current Roles
  - Department Head  
Agricultural Economics & Agricultural Business / Extension Economics
  - Co-Director (Business/Social Science)  
Center of Excellence in Sustainable Food and Agricultural Systems
- Grew up on a farm in a rural farming community in Northern Utah



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## Planning

### What is “planning?”

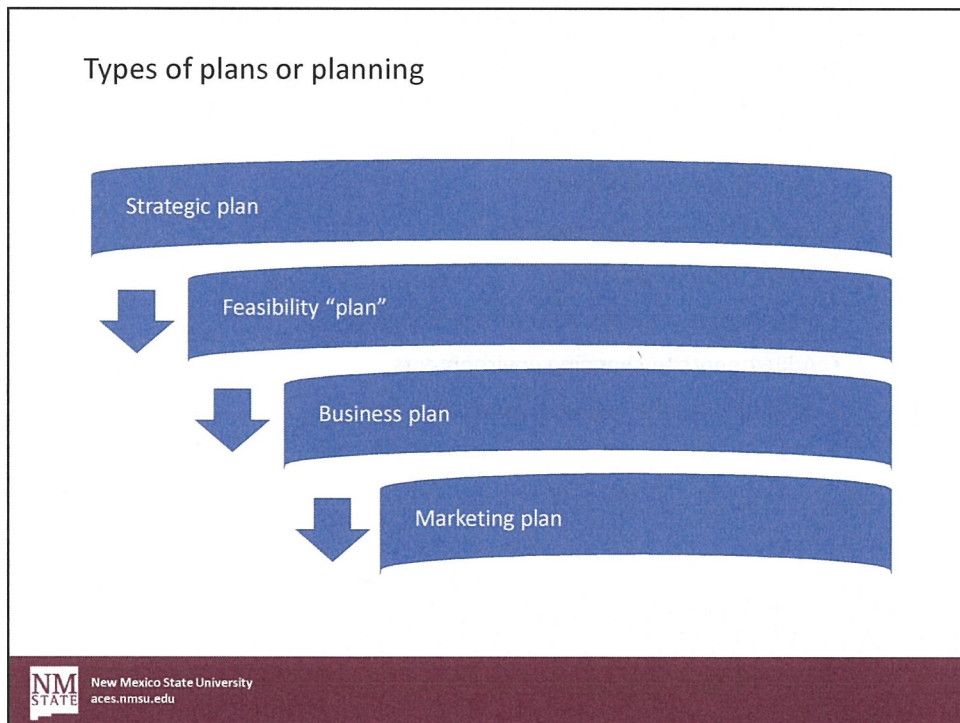
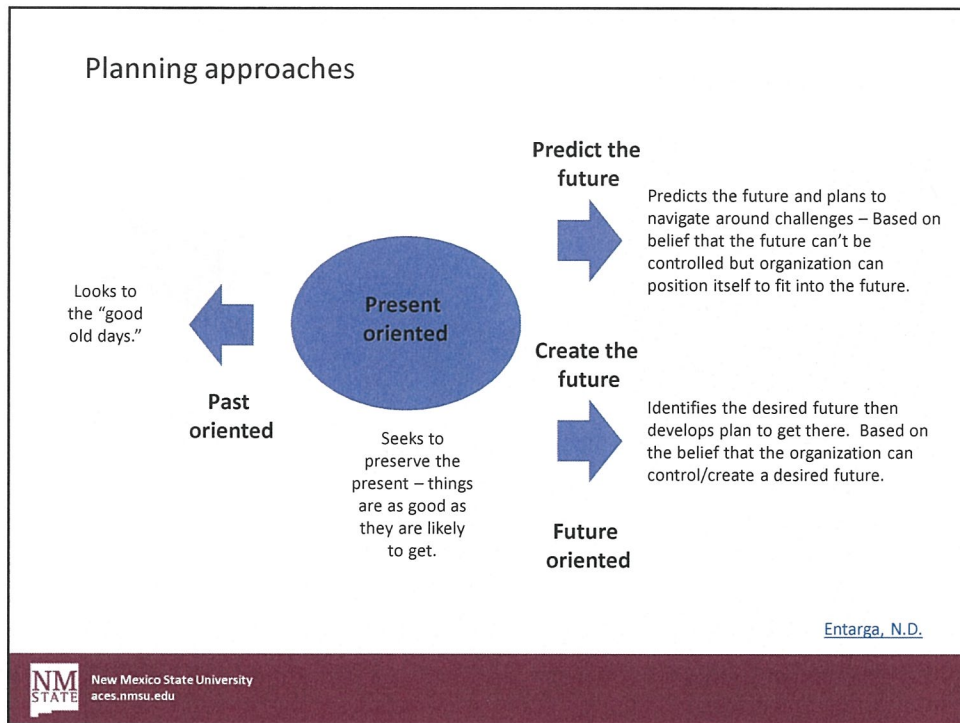
...the process of thinking about the activities required to achieve a desired goal.

### What is a “plan?”

...a detailed proposal for doing or achieving something



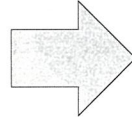
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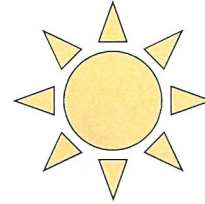
## Strategic planning



- Who are we?
- Who do we serve?
- What do we do?
- Why do we do it?



- How are we going to get there?
- How will we know we succeeded?



Where do we want to be?



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## Strategic planning

An inclusive process of strategic planning results in

- Organizational priorities
- Focused energy and resources
- Strengthened operations
- Stakeholders working toward common goals
- Adjustments to changing environments
- Guidance for the organization moving forward

[Balanced Scorecard Institute](#)



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## Feasibility study

A feasibility study is an important preliminary step in business development that ensures that whether or not the project is worth pursuing.

A comprehensive feasibility study considers

- Economic feasibility,
- Technical feasibility,
- Legal feasibility,
- Operational feasibility, and
- Scheduling feasibility.

In order for a project to be economically feasible it must be feasible from these other aspects.



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## Business plan

A business plan is a complement to strategic plans and feasibility studies. A business plan details the how the business will start and operate through various stages of business operations. Business plans are important tools in

- Identifying potential pitfalls
- Ensuring sufficient resources are available
- Securing outside funding (equity or debt)
- Obtaining qualified employees

[Small Business Administration](#)



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## Types of plans commonly used – Marketing plan

A marketing plan is focused on customers and how to market products or services to customers. A good plan includes:

- Product/service description
- Description of the firm's current market position
- Marketing and advertising goals
- Identification of target markets
- Marketing strategies
- Timeline
- Key performance indicators (KPIs)



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## Planning tools – Competitor analysis

Poor firms ignore their competitors;  
average firms copy their competitors;  
winning firms lead their competitors.

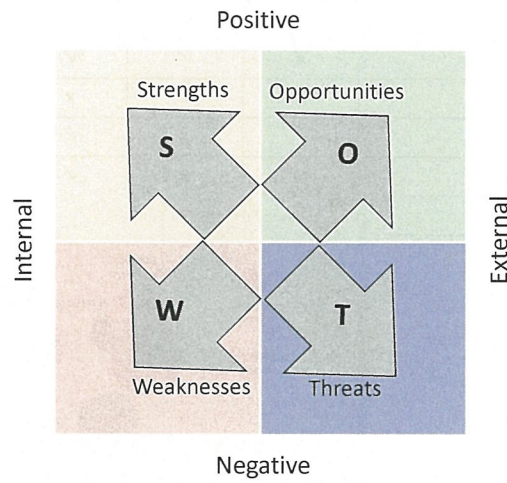
Philip Kotler  
Northwestern University  
Kellogg School of Management



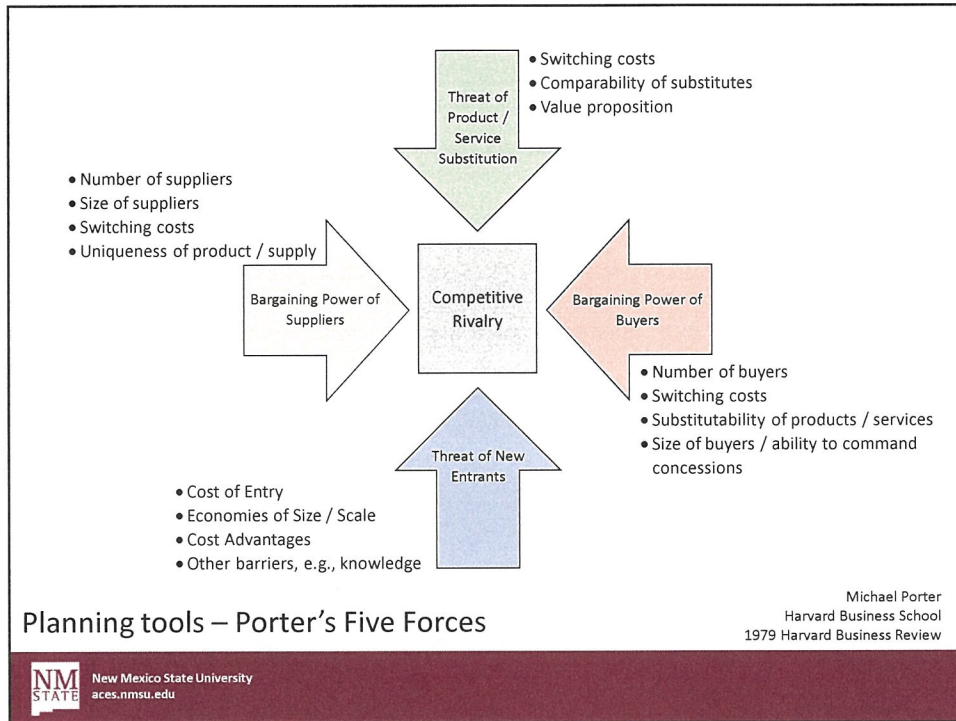
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### Planning analysis tools

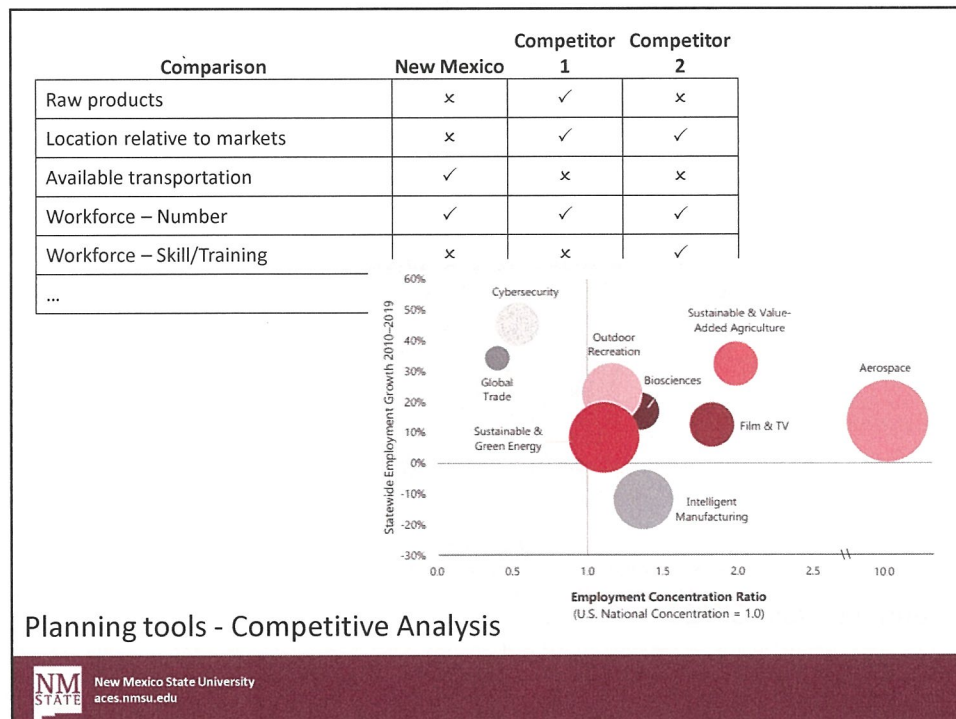
- SWOT
- Porter's Five Forces
- Competitor Analysis



### Planning tools - SWOT



Planning tools – Porter’s Five Forces



Planning tools - Competitive Analysis



## Planning Examples

Two recent planning processes that were initiated by NMSU's Extension Economics focused on rural economies include:



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## Planning Examples - SET

The Strengthening Economies Together (SET) program was launched by USDA Rural Development in 2009. The national program that includes 94 different rural regions in 32 states. New Mexico's effort was a joint initiative that includes:

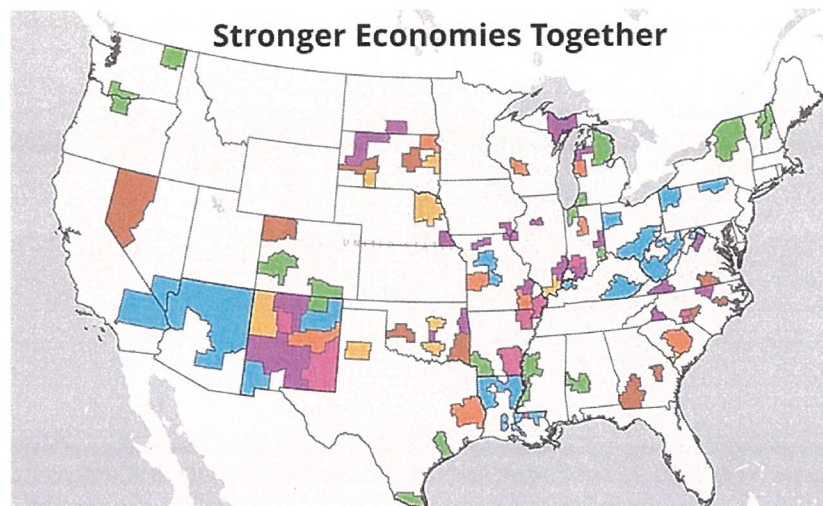
- New Mexico State University's College of Agricultural, Consumer and Environmental Sciences,
- USDA Rural Development, and
- the Western Regional Rural Development Center at Utah State University.

New Mexico SET program began in 2010 and ended 2018.



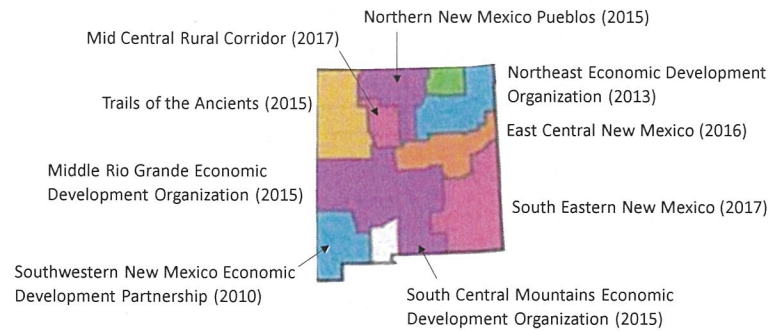
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## Planning Examples - SET



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## Planning Examples - SET

### New Mexico SET planning details

- New Mexico SET program began in 2010 and ended 2018.
- 32 out of 33 counties included in nine SET regions.
- More than 800 stakeholders participated in the planning process.
- 45 training sessions held across the nine regions representing more than 1,800 hours of training.
- Training session
  - 20 and 25 stakeholders per session.
  - Participants included wide range of stakeholders, e.g., education, health, business, economic development professionals.
- NMSU received \$20,000 per SET region covering expenses (coordinator travel, food for participants, ...).



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## Planning Examples - SET

SET regions created strategic plans (approved by the national consortium). While the plans varied in format and content to reflect the uniqueness of the region, plans generally

- included strategies,
- identified responsible individuals,
- identified resources, and
- outlined a timeline.



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## Planning Example - SET

Goal: "Increase the production and processing of agribusiness products, included forest and wood products, for consumption in the region and for export."

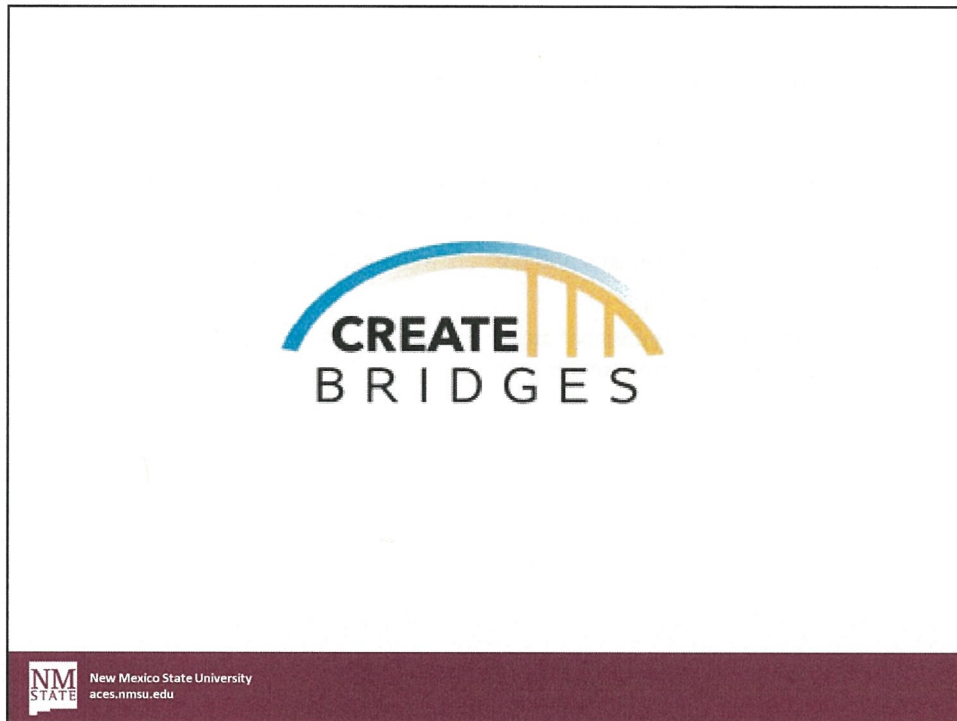
Strategies: 1. Gather information on the current supply and demand for agribusiness products,  
2. Develop education/training programs, and  
3. Study the feasibility of establishing one or more agribusiness processing facilities.

Outcomes: 1. Determine the current supply and demand and marketing/distribution channels for agribusiness products. Identify opportunities and requirements for expanding and improving the channels;  
2. Develop two education/training programs to increase producer profitability and to increase consumption/utilization of agribusiness products; and  
3. Determine the feasibility of establishing one or more agribusiness processing facilities and/or certified commercial kitchens in the region.

Source: North East Economic Development Organization, Inc. 2016.



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### Planning Examples – Creating Bridges

The **Celebrating REtail, Accommodations, Tourism, and Entertainment** by **Building Rural Innovations and Developing Growth Economics** (CREATE BRIDGES) program is a consortium that includes:

- The Southern Rural Development Center (SRDC),
- The University of Kentucky's Community Development Initiative of Kentucky (CEDIK),
- The University of Arkansas Cooperative Extension Service's Community, Professional, and Economic Development (UACES-CPED), and
- Oklahoma State University Cooperative Extension Service.

The program, initiated in New Mexico in 2020, is sponsored/funded by Walmart.



## Planning Examples – Creating Bridges

The program has been designed to

- raise awareness of the role that retail, accommodations, tourism, and entertainment play in the local economy,
- determine challenges and barriers that negatively impact these businesses, and
- develop and implement strategies to strengthen these industries within a particular region.



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### Diversify New Mexico's Economy Priorities

1. Aerospace
2. Biosciences
3. Cybersecurity
4. Film & Television
- 5. Outdoor Recreation**
- 6. Sustainable & Value-Added Agriculture**
7. Intelligent Manufacturing.
8. Global Trade.
9. Sustainable & Green Energy.



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## Planning Examples – Creating Bridges

### New Mexico

- Seven NEEDO-NM counties
  - Union
  - Colfax
  - Harding
  - Mora
  - San Miguel
  - Qual
  - De Baca
- Program comes with modest funding to support plans developed by participants
  - Examples include restaurant place mats
  - Pocket maps



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## Why planning today?

Too often we plan, and plan, and plan but ... most organizations are not good at creating and executing plans.

Why don't plans work?

- Not Focused
- Stakeholder "buy-in"
- Communications
- Lack of resources
- Lack of accountability
- No follow up
- Distractions
- ...



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Next steps

Where would you like the conversation to go?



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