

Business Management Curriculum

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Teaching Notes:

The overall objective of the business management curriculum is to help prospective entrepreneurs develop their ideas, find markets for them, generate financial statements and budgets, and navigate the tax issues that arise from being self-employed. There are seven modules in the business management curriculum, each of which addresses a topic that will help entrepreneurs gain traction in developing their idea.

The modules can be presented as an eight-week teaching series, or each module can be a stand-alone presentation (if you don't take into account the overlying objective of creating a financial plan). The presentation of the modules will take 1–2 hours each, depending on how much you interact with your audience and the number of examples that you incorporate.

The information gathered in the slides can be targeted toward anyone with a business venture idea that they would like to pursue. The content could be used at the college level or for adult education.

Module Five covers the content of the American Indian Land Tenure Act. Understanding the history is essential in starting a business on a reservation. Several examples are presented throughout the modules; we recommend creating additional examples that reflect actual participants.

Below is a brief outline of the modules. Modules include PowerPoint presentations with notes, teaching notes, and other materials.

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Experts:

The following Cooperative Extension faculty can provide further information on marketing and marketing plans or direct you to relevant resources:

State	Name	Contact Information	Area of Expertise
Arizona	Russel Tronstad	tronstad@ag.arizona.edu 520-621-2425	
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California	Shermain Hardesty	shermain@primal.ucdavis.edu 530-752-0467	
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Wyoming	Cole Ehmke	cehmke@uwyo.edu 307-766-3782	
	Bridger Feuz	bmfeuz@uwyo.edu 307-783-0570	

Additionally, nearly every county has a Small Business Development Center (SBDC), which is managed at the state level. SBDC staff provide assistance in developing marketing and business plans—as well as

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grant and loan applications—all at no charge. For SBDC contact information see <https://www.sba.gov/tools/local-assistance/sbdc>.

Module 1: Early Development of a New Idea

Module 1 uses a mini assessment tool to help a prospective entrepreneur determine whether they are financially and personally capable of starting a new venture. Once the mini assessment is complete, another set of questions goes into more detail about the product, cost structure, and market. The more detail that a prospective entrepreneur can put into the answers, the better prepared to start a business he or she is. The business planning questions are meant to give participants a comprehensive look at the steps to starting a business.

Topics Covered:

1. Am I ready to start a business?
2. Introduction to finances and budgeting
3. Developing a market strategy
4. Can I make money?

Module 2: Market Assessment – Estimating Market Size and Price

Module 2 is a comprehensive look at defining a customer base, estimating the size of the market, and determining a price point. This module uses worksheets to guide participants through the process of determining market size and price points for their products. Each worksheet covers a different topic, including customer segmentation, potential volume, competition, pricing strategy, and promotion strategy. Additional resources are listed in the PowerPoint presentation to help participants find information on potential customer demographics, average food consumption, and pricing. Completing a market assessment is an important and cost-effective step in starting a business: Investing time into completing one now can save money in the future.

Topics Covered:

1. Market assessment process
2. Estimating product price
3. Competitive analysis
4. External factors in pricing

Module 3: Introduction to Budgets and Financial Statements

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Module 3 is meant to be an introduction to (not a comprehensive understanding of) different types of financial statements and budgets (budgets will be covered in greater detail in module 4). Understanding financial statements can benefit business owners by helping them determine whether or not the business or enterprise is performing as expected. When discussing budgets, help participants understand that budgets are a way of managing resources to maximize profits. The budgeting worksheets used in this module are meant to guide participants through the steps of building their own enterprise budgets and incorporating all production costs. Ask them to be as accurate as possible with their revenue and expenses, and remind them that it is easier to make adjustments on paper now, rather than when their businesses are operational. The cash flow worksheets help visualize when expenses are incurred and when revenue is generated. The excel version of the worksheet can be a helpful tool to use as an in-class example, and the long-term cash flow worksheet can help your participants compare different cash flow scenarios and see whether they will run a deficit or a surplus.

Topics Covered:

1. Types of budgets
2. Cash flows
3. Types of financial statements
4. Important ratios
5. Why it is important to keep records

Module 4: Financial Analysis

Module 4 builds on the previous module's financial overview of budgets and statements. Using examples, module 4 explains in greater detail how to create and analyze a partial budget and an enterprise budget using tools like sensitivity analysis and break-even analyses. MyFi Assist is also re-introduced. This tool can be used to find monthly payments to be used in a partial budget or an enterprise budget, which will allow participants to find break-even points or complete sensitivity analyses. This module can be supplemented with outside examples and an open-ended discussion between you and the participants. The impression that you want to make on your participants is that all financial options should be considered on paper to determine the outcomes that are good, bad, and ugly. Once these are known, it becomes possible to plan for future financial success.

Topics Covered:

1. Sensitivity analysis

2. Break-even analysis
3. Partial budgeting

Module 5: Introduction to American Indian Land Tenure Act

Module 5 is divided into two PowerPoint presentations, which can either be presented together or separately depending on the depth desired. The first section of the module covers how American Indian reservations were established, beginning with the Doctrine of Discovery, to Manifest Destiny and the creation of the Office of Indian Affairs, through the evolution of federal policies that have created the reservations that we know today.

The second section of the module covers the difficulties of navigating the uniqueness of each reservation. How the reservation was established and whether or not it was impacted by the Dawes Act of 1887 will determine land tenure on a given reservation. American Indian trust land is held in a "trust status" by the US government; in the case of allotments, fractionation occurs, resulting in hundreds of owners on a single parcel of land. Water rights are also brought up as a contentious issue on reservations, and the use of Indian trust land as collateral is difficult.

Module 5 shines light on the laws and legislation that have created social economic hardship for reservations and Native Americans.

Topics Covered:

1. Federal policy eras
2. Tribal governance and the federal relationship
3. Tribal sovereignty
4. General Allotment Act, 1887
5. Fractionation
6. Trust to fee conversion
7. Water rights on reservations

Module 6: Ownership, Liability, and Risk

Module 6 covers different business structures and the advantages and disadvantages of each. For example, a sole proprietorship (the most common type of business structure) is owned and

operated by a single individual. Sole proprietorship has the most flexibility of the business structures, but this flexibility comes with a price—unlimited liability.

Module 6 also covers risk and risk management. Areas of risk can include production, financial, price, institutional, or human. This module will teach participants how to evaluate the level of risk in their businesses or farms and create plans for corrective measures to avoid or minimize risk. Identifying and managing risk in the early stages of the planning phase is important.

Topics Covered:

1. Business structures and the pros and cons of each
2. Risk management
3. Tools for managing risk
4. Analyzing on farm risk
5. Food safety issues
6. Disaster preparedness

Module 7: Tax Issues for Farmers and Ranchers

Module 7 introduces common tax filing issues for owners of small businesses or farms. The information presented in this module comes from the Ruraltax.org website, which contains a variety of small farm tax examples that could be used to supplement the presentation. This module briefly touches of individual tribal tax and deferred tax issues. This module is not meant to be a comprehensive look at taxes and tax issues; rather, it is meant to help your participants become more aware of the types of tax issues that exist.

Topics Covered:

1. Basic tax forms
2. Schedule F
3. Self-employment taxes
4. Hobby loss rules
5. Form 1099
6. Individual tribal taxes
7. Section 179
8. Depreciation and estate taxes