

AG 470 Agricultural Sales

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9. Write a Personal Resume.

10. Write a Cover Letter.

11. Complete an Employment Application Form for a position in Agribusiness Sales.

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16. Demonstrate Proper Methods for Answering Interview Questions.

17. Demonstrate Ways to Maintain an Interviewer's Interest.

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Objectives 12-19

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Student Activities

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A. Agricultural Careers: Employment Information

1. Match terms related to employment information with their correct definitions.
2. Describe the importance of agriculture/agribusiness to the nation's economy.
3. Match major occupational areas of agriculture/agribusiness with their subareas.
4. List factors to consider when choosing an occupation.
5. Describe steps to finding employment.
6. Compile a list of employment opportunities in agribusiness sales in your community.
7. Build a career portfolio.
8. Develop an employment data sheet.
9. Write a resume.
10. Write a cover letter for employment in agribusiness sales.
11. Complete an employment application form for a position in agribusiness sales.
12. Describe how to prepare for an interview.
13. Describe different types of interviews.
14. List personal qualities an employer looks for during a personal interview.
15. List positive ways to conduct yourself during an interview.
16. Demonstrate proper methods for answering interview questions.
17. Demonstrate ways to maintain an interviewer's interest.
18. Make an appointment by phone for an agribusiness sales employment interview.
19. Write a follow-up letter after an interview for an agribusiness sales position.

B. Entrepreneurship

1. Define entrepreneurship.
2. Describe the role of entrepreneurship in the U.S. economy.
3. Compare and contrast small and large businesses.
4. Identify reasons for the success and failure of an entrepreneurial business.
5. State the rules of brainstorming.
6. Identify the characteristics of a successful business.
7. Determine potential for success.
8. Identify the characteristics of a successful entrepreneur.

C. Customer Relations in Agricultural Sales

1. Define the term customer relations.
2. State the importance of customer relations.
3. Give examples of good customer relations.
4. List ways the salesperson can follow up to ensure customer satisfaction after a sale.
5. State techniques for handling customer complaints.
6. Distinguish between product features and product benefits statements.

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D. Communication Skills

1. Describe steps for effective idea presentation and communication.
2. Identify active listening skills.
3. Demonstrate how to effectively answer questions.
4. Demonstrate proper telephone communication skills in an agribusiness.
5. Explain the relationship of nonverbal communication to verbal communication.
6. Describe the basic elements of good written communication skills.
7. Compose a business letter.
8. Compose an office memorandum.

E. Human Relations

1. Define human relations.
2. Discuss the importance of human relation skills and positive personality traits of sales employees.
3. List the reasons why we study personality.
4. Describe characteristics of a desirable personality.
5. List undesirable personality traits.
6. Describe characteristics of a desirable worker.
7. Describe traits of employees that lead to either their success or failure.
8. List steps for changing personality.
9. List ways people are different.
10. List reasons why people work.
11. Contrast how a worker deals with “superiors,” “peers,” and “subordinates”.
12. Outline ways to get along with co-workers.
13. Provide constructive criticism to co-workers.
14. Provide positive reinforcement to co-workers.
15. Identify a basic hierarchy of needs which influences human actions and attitudes.
16. Describe the importance of professional appearance on the job.
17. Develop a professional self-improvement plan.
18. Outline the steps involved in systematic problem solving.

F. Goal Setting and Planning

1. Define terms associated with goal-setting and planning.
2. List the principles of goal-setting.
3. Distinguish between long- and short-range goals.
4. List short-term goals.
5. List long-term goals.
6. Discuss different types of goals.
7. Identify the areas in which a well-rounded person uses goal setting.

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F. Goal Setting and Planning

8. Set long- and short-range goals for the areas of a well-rounded life.
9. List the steps for accomplishing goals.
10. Apply the steps for accomplishing your long- and short-term professional goals.
11. Discuss the importance of organization in achieving goals.
12. Discuss the benefits of planning.
13. State easy-to-use planning and time-management strategies.
14. Formulate a plan for improving planning and time-management in your professional and personal life.

G. Sales and Marketing

1. Explain a product life cycle chart.
2. Develop short range marketing plans.
3. Develop long range marketing plans.
4. Define common marketing terms.
5. Develop a comprehensive marketing plan.
6. Make a classroom marketing plan presentation.
7. Identify agricultural sales skills.
8. Identify customer needs and wants.
9. Describe ways to approach the potential customer.
10. Give an agricultural sales presentation.
11. Describe the techniques of suggestive selling.
12. Effectively handle customer resistance.
13. Describe how to close a sale.
14. Develop a sales brochure.
15. List the components of a sales portfolio.

H. Sales Forecasting

1. List three factors affecting prices.
2. Apply formulas used in pricing merchandise
3. Distinguish between categories of operating expenses for a business.
4. Define forecasting profits.
5. List why forecasting profits is essential to business success.
6. Describe a pro forma profit and loss statement.
7. Complete a profit and loss statement.
8. List options to be considered if a loss is forecasted.
9. Discuss break-even analysis.
10. Calculate break-even point in terms of sales dollars.
11. Calculate break-even point in units to be sold.

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I. Promotional Techniques

1. Describe the various methods of agricultural sales promotion.
2. List agribusiness advertising methods.
3. Describe the different types of advertising media used by agribusiness.
4. Design an agribusiness display.
5. Construct an agribusiness display.
6. List the elements of a promotional campaign.
7. Devise a promotional campaign.

J. Business Procedures and Records

1. Describe why different business procedures and records are needed in an agribusiness.
2. Identify how to make customer transactions.
3. Prepare a sales receipt.
4. Identify the proper procedures for handling credit in an agribusiness.
5. Describe the basic elements of recordkeeping.
6. Identify types of insurance needed by agribusinesses.
7. Demonstrate the use of business technology such as a cash register, adding machine, electronic calculator, EDC machine, UPC input and scanners.

K. Storage and Movement of Goods

1. Define storage and shipment terms
2. Describe different types of transportation methods.
3. List factors to consider when selecting transportation.
4. Describe inventory management methods.
5. Complete a purchase order.
6. Describe steps for receiving incoming shipment.
7. Complete a worksheet for receiving merchandise.
8. Describe proper handling and storage of product inventory.
9. Describe safe handling and storage of hazardous materials.
10. List different types of materials-handling equipment with their uses.
11. Describe procedures for loading and securing merchandise.
12. Describe procedures for handling customer deliveries.
13. List the different types of shipping documents.
14. Describe the components of different shipping documents.
15. Describe the purpose of different shipping documents.
16. List reasons for filing claims against suppliers or shippers.
17. Fill out a claim form.

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L. Using Microcomputers and Telecommunications in Agricultural Sales

1. Identify specific applications of microcomputers in agricultural sales.
2. Identify major components of the microcomputer and their functions.
3. Prepare a computerized spreadsheet.
4. Develop a computerized product database.
5. Prepare a sales flyer using a computer presentation program.
6. Demonstrate the use of a word processing program.
7. Understand the use of telecommunication technologies: Email, Facsimile (FAX) the Internet, wireless devices and Voice mail.

Agricultural Careers: Employment Information AG 470 - A

Unit Objective

After completing this unit, students will become aware of career opportunities available; skills required for different occupations; the importance of work to the individual and society; be able to produce a resume and cover letter for the purpose of obtaining a job interview.

Specific Objectives and Competencies

After completing this unit, students should be able to:

1. Match terms related to employment information with their correct definitions.
2. Describe the importance of agriculture/agribusiness to the nation's economy.
3. Match major occupational areas of agriculture/agribusiness with their subareas.
4. List factors to consider when choosing an occupation.
5. Describe steps to finding employment.
6. Compile a list of employment opportunities in agribusiness sales in your community.
7. Build a career portfolio.
8. Develop an employment data sheet.
9. Write a resume.
10. Write a cover letter for employment in agribusiness sales.
11. Complete an employment application form for a position in agribusiness sales.
12. Describe how to prepare for an interview.
13. Describe different types of interviews.
14. List personal qualities an employer looks for during a personal interview.
15. List positive ways to conduct yourself during an interview.
16. Demonstrate proper methods for answering interview questions.

17. Demonstrate ways to maintain an interviewer's interest.
18. Make an appointment by phone for an agribusiness sales employment interview.
19. Write a follow-up letter after an interview for an agribusiness sales position.

Agricultural Careers: Employment Information

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2. DESCRIBE THE IMPORTANCE OF AGRICULTURE/AGRIBUSINESS TO THE NATION'S ECONOMY

Terms and Definitions

Food and Fiber Industry

Consists of business entities that are involved in one way or another with the supply of food and fiber products to consumers.

- ✓ Is one of the largest sectors in the U.S. economy.
- ✓ Produces 16% of the nation's output
- ✓ Employs more than 20 million full-time workers (one-fifth of all workers in the United States)

Main Components (U.S. Food and Fiber Industry)

- ✓ Producing
- ✓ Processing
- ✓ Distribution

Agribusiness

Businesses that sell items to farmers for production; provide services to the agricultural sector of the economy; and businesses engaged in marketing, transportation, processing, and distribution of agricultural products.

Free Enterprise System

An economic system that is based on individual incentive and markets. Individuals can freely invest and handle their money as they see fit.

Competition

Businesses simultaneous effort to provide the same or similar products or services to reach the same or similar objective.

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Questions for Discussion

1. How many of United States worker's are employed in the Food and Fiber Industry? Give some examples of types of jobs in this industry?
2. How many dollars did United States farmers spend for supplies and services?
3. What are the types of expenditures involved in farm production?
4. What economic system is the U.S. economy based upon, what is its main objective?
5. What is meant by free enterprise?
6. Identify the main components of the agricultural industry. Give an example of an agribusiness as it relates to each component
7. What is competition, and how does it affect the free enterprise system?

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Student Activities

Group assignment: Form into groups of not more than four members per group and conduct a survey of local farmers or ranchers. Make a chart from the information gathered and present the findings to the class.

- ⇒ List the type of farming or ranching that they are involved in.
- ⇒ Make a list of the types of expenditures they make annually.
- ⇒ Supply a dollar amount that corresponds with each expenditure.

Individual assignment: Survey local agribusinesses and write a report of your findings. The report is to include the following information:

- ⇒ Identify the number of agribusinesses in the local area
- ⇒ The type of product(s) they sell
- ⇒ The type(s) of services they render
- ⇒ The number of people they employ
- ⇒ How are these people employed? What to they do?
- ⇒ Whom do they do business with?

Other Activities

Invite a local agribusiness person or a county extension agent to come to the classroom and discuss the business of the food and fiber industry and the free enterprise system

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Teacher Information Sheet

Farm Production Expenditures Summary

(United States Dept. of Agriculture, 1996)

U.S. farm production expenditures totaled \$168.5 billion in 1995.

The average expenditures per U.S. farm in 1995 were \$81,480

The Farm Production Region contributing most to the total 1995 U.S. farm production expenditures was the Corn Belt with expenses of \$32.6 billion, 19.3 percent of the U.S. total.

Followed by the Pacific Region at \$26.9 billion; Northern Plains \$19.4 billion; Lake States \$17.1 billion; and the Southern Plains at \$16.4 billion.

United States Farm Production Expenditures: by Value and Percent of Total 1995

Expenditure Farm Share	Dollars (Million)	Percent
Total Farm Production	168,500	100
Livestock, Poultry & Related Expenses	15,000	8.9
Feed	24,500	14.5
Farm Services	23,800	14.1
Rent	16,000	9.5
Agricultural Chemicals	7,700	4.6
Fertilizer, lime & Soil Conditioners	10,000	5.9
Interest	10,300	6.1
Taxes (Real Estate & Property)	6,400	3.8
Labor	16,000	9.5
Fuels	5,500	3.3
Farm Supplies & Repairs	11,500	6.8
Farm Improvements & Construction	5,200	3.1
Tractors and Self-Propelled Farm Machinery	4,750	2.8
Other Farm Machinery	3,100	1.8
Seeds & Plants	5,450	3.2
Trucks & Autos	2,800	1.7

Teacher Answer Sheet

Answers to Questions for Discussion

1. More than 20 million full-time workers

- Seed Salesman
- Aerial Crop Duster
- Chemical Dealer
- Ag. Equipment Dealer
- Animal Groomer
- Farm Appraiser
- Biostatistician
- Florist
- Vegetable Grower
- Horticulturist
- Food Chemist
- Ag. Equipment Designer
- Land Surveyor
- Veterinarian
- Ground Water Geologist
- Soil Engineer
- Market Analyst

2. Expenditures totaled \$168.5 billion

3. Livestock, poultry and related expenses

Feed	Rent
Farm services	Agricultural chemicals
Fertilizers	Interest
Taxes	Labor
Fuels	Farm Supplies & repairs
Farm improvements	Farm machinery
Seeds & plants	Trucks & Autos

4. Free enterprise system

To obtain a profit

5. People can invest or handle their money however they choose.

6. Production: vegetable grower, cotton producer, fruit grower
Processing: meat cutter, food chemist
Distribution: citrus grower fruit distributor, grain broker,

7. Businesses striving to capture the same markets to reach similar economic goals.

Competition allows businesses to supply goods and services desired by the consumer. This gives consumers choices and better prices for goods and services.

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3. MAJOR OCCUPATIONAL AREAS OF AGRICULTURE/ AGRIBUSINESS

Terms and Definitions

Agricultural Education

Involves research, extension, teaching, consulting, communication

Agricultural Production

Involves actually raising field crops, poultry, fruit, vegetables, or livestock

Agricultural Mechanics

Involves planning and constructing buildings, machinery maintenance, welding, electrical work and plumbing

Agricultural Sales and Services

Involves occupations such as veterinarian, furrier, agricultural equipment dealers, feed dealers, aerial applicators

Agriculture Processing

Involves processing and distributing food

For example: butchers, egg processing, plant workers, cheese processing workers

Forestry

Involves producing and harvesting timber, managing forests and reforestation

Horticulture

Involves landscaping, floriculture, turf management, and nursery management

Rural Recreation and Natural Resources

Involves working with renewable resources such as wildlife, water and soil

Agricultural Marketing and Business Management

Involves business economics related to agriculture, developing markets for agricultural markets and successful marketing of those products

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Student Activities

Compile a list of agricultural businesses, their occupations, and the products and services that are offered. Include business and employment trends on this list. Do a library or Internet search to gather your information.

Agricultural Businesses and Occupations

Agricultural/Agribusiness	Description of Occupation	Products and Services
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

Agricultural Businesses and Occupational Trends

Agricultural/Agribusiness	Description of Occupation	Products and Services
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

Other Activities

Have students make up a bulletin board displaying different careers in either the local area or nationwide.

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Teacher Information Sheet

Agricultural/Agribusiness Career Options

Local Careers. The availability of local careers in agriculture depend upon different factors:

- ✓ Population
 - Rural areas - more production agriculture
 - Urban areas - more processing and horticulture
- ✓ Climate and rainfall
 - Influences crops and livestock produced in the area
 - Then may affect availability of certain supplies and services
- ✓ Consumer demand
 - May influence the types of crops grown
 - May influence the types of ag employment available

Agriculture/Agribusiness Career Trends

Economic trends in Agriculture affect agricultural careers:

- ✓ Consumer preferences
 - Poultry production and processing careers have expanded
 - Health conscious consumer choosing poultry over beef and pork
- ✓ Imports
 - Sheep and lamb production has declined in the U.S.
 - Cheaper imports from other countries (Australia and New Zealand)
- ✓ Surpluses
 - Overproduction of raw materials often leads to new uses for a product
 - To utilize surplus grains, gasohol was partially developed
- ✓ Government Support
 - Given to some crops and livestock - may create an interest for them

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4. FACTORS TO CONSIDER WHEN CHOOSING AN OCCUPATION

Terms

Advancement Opportunities:	Training provisions Equal opportunity
Company Stability:	Financial position Growth potential Potential markets, products, services Size of organization
Financial Rewards:	Salary or wages salary increases Bonuses Benefits
Geographic Location:	Location of facilities Relocation provisions
Job Security:	Turnover rate Grievance process
Work Environment:	Company culture Interpersonal relationships
Working Conditions:	Safety Noise level Condition of furnishings, equipment and machinery Lighting, climate control

Student Activities

Complete the career and self assessment form then make a list of the factors to consider when choosing an occupation and rate in order of importance to you.

Career and Self Assessment

- 1. What types of jobs would you want to do?

- 2. Describe you personality.

- 3. Identify your strengths. What abilities and skills do you possess?

- 4. List the duties you enjoyed most in previous jobs (volunteer work, etc.) List duties you did not enjoy and that you do not want to do.

- 5. List your desired job locations.

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Student Activities

Career and Self Assessment

1. What type of lifestyle are you seeking? What are your values?

2. Are there any personal restrictions you need to consider (physical challenges, family, etc.)?

3. What type of work environment would be most comfortable to you?

4. What are your short and long-term career goals?

Other Activities

Collect clips of job announcements/help-wanted advertisements and locate job descriptions of interest to you utilizing sources such as the *Dictionary of Occupational Titles* and the *Occupational Outlook Handbook*. Develop a portfolio of occupations that interest you and include the following:

- ⇒ Job announcement clips and write-up of job descriptions
- ⇒ A list of why you chose the careers/jobs (think about how you answered the career assessment form)
- ⇒ The job outlook
- ⇒ Match your interest, abilities, educational plans, etc. to the jobs you have chosen

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5. STEPS TO FINDING EMPLOYMENT

(Objectives 6 through 11 are steps to finding employment)

**6. COMPILE A LIST OF EMPLOYMENT OPPORTUNITIES IN
AGRIBUSINESS SALES.**

7. BUILD A CAREER PORTFOLIO.

8. DEVELOP AN EMPLOYMENT DATA SHEET.

9. WRITE A PERSONAL RESUME.

10. WRITE A COVER LETTER.

**11. COMPLETE AN EMPLOYMENT APPLICATION FORM FOR A
POSITION IN AGRIBUSINESS SALES.**

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Student Activities

6. COMPILE A LIST OF EMPLOYMENT OPPORTUNITIES IN AGRIBUSINESS SALES

Students are to list jobs in agribusiness sales, select one job opening, research the company and follow the steps to finding employment as applicable.

Questions to consider when researching a company:

Company history? What does the company do: product line or service, types of clients? Company demographics: size of organization, organizational structure, location of facilities. Social responsibility? Current company news? Key people (and company acquaintances)? Advancement opportunities: training and development, relocation provisions?

7. BUILD A CAREER PORTFOLIO

Review the information sheet on the components of career portfolios, be prepared to discuss in class: the components listed, your ideas and suggestions for your personal portfolio, etc.

Place portfolios in three-ring binders; components indexed; documents not hole punched are to be placed in pocket folders within the notebooks; and remember to include a table of contents.

8. DEVELOP AN EMPLOYMENT DATA SHEET

Group assignment: Create a model of an employment data sheet. Form into groups and spend not more than ten minutes brainstorming items to be included on an employment data sheet. A recorder from each group will write the ideas on the board. The class will then assess each item for relevancy and importance (items that are pertinent when filling out a job application or writing a resume). Type a personal employment data sheet, complete it (in full), and place it in your career portfolio in the appropriate section (see sample handout).

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Student Activities

9. WRITE A PERSONAL RESUME

Refer to the list of sources on resume writing, review the information sheet on resume writing and write a resume (typed).

Class assignment: Critique resume of fellow classmate. Bring your resume to class, pass it to the person on your right, individuals are to critique the resumes. Make any needed changes then hand in revised resume (retyped).

10. WRITE A COVER LETTER

Refer to the information sheet “Writing Cover Letters” as a guide. Create and type a cover letter for at least four different types of jobs of your choosing.

11. COMPLETE AN EMPLOYMENT APPLICATION FORM FOR A POSITION IN AGRIBUSINESS SALES.

Visit at least four agribusinesses, pick up an employment application from each business, complete them using your employment data sheet.

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Teacher Information Sheet

Careers in agricultural sales involve the selling and service of tangible and intangible products and services. Salespeople sell supplies and services to farmers and for farmers. The following lists some of the careers in the agricultural sales and service field by categories.

Agricultural Supplies and Services

Products

Tangible

Ag. chemicals

Seed sales

Fertilizer

Lawn and garden supplies

Livestock feed

Informational literature

Intangible

Ag. Insurance

(e.g. crop insurance)

Information: pricing

information reports, weather

reports, product loans

Services

Aerial spraying

(e.g., crop pests)

Custom fertilizer application

Feed mixing

financial management

services

Agricultural Education

Products

Textbooks, lab manuals

Computer technology programs

Instructional videos, filmstrips, slides

Services

Ag extension service

Technical support

Agricultural Equipment

Products

Equipment dealers:

lawn tractors, farm equipment
and replacement parts

Services

Bulldozer service

Custom operator

Machinery setup and service

Agricultural Production

Products

Grains

Produce (produce brokers)

Cattle, hogs

Services

Grain inspectors

Custom wheat harvesting

Meat inspectors

Information Sheet

Writing Resumes

What is a resume?

A resume is an individually designed document that summarizes your skills, accomplishments, experiences, education most relevant to your current career objective. The purpose of a resume is to secure an interview.

Bear in mind that presentation is **important** it is a written representation of your qualifications. Neatly type and format using black ink on white or neutral colored resume bond (8½” by 11” paper) and enclose in a matching envelope.

The content area most acceptable by employers include the following:

Identifying Information. Full name (avoid nicknames), address - give a permanent address if possible, telephone number with area codes, email (if applicable).

Objective. An objective briefly describes your professional goal(s). It should be brief, clearly stated, and consistent with information documented on the resume. If you are pursuing various career options, you might consider developing more than one resume stating a different objective, or omit it from your resume and highlight the objective in a cover letter.

Education. List educational experience in reverse chronological order, your most recent experience should be listed first. Include dates attended and date of graduation. Any academic information such as major and minor areas of study; scholarships and honors; and special projects should be mentioned. Relevant non-academic activities supportive of your objective should be included. State the percent of college expenses you earned while attending college.

Experience. The content of this topic should include all significant experience such as paid positions, significant volunteer work, internships and extracurricular activities. Stress skills and knowledge that you can do on the job. Highlight your accomplishments and any unique contributions you have made.

Write your work responsibilities using positive language and action words (see handout listing action verbs) to get and keep the attention of the reader. Include the title of the position; name of the organization, location or address; dates (e.g., summer, academic year, etc.).

Interests. This information is sometimes required of applicants with little or no actual work experience. List hobbies, activities or interests most relevant to the job you are seeking.

Personal. Include personal information only if it relates to your job qualifications.

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Information Sheet

Writing Resumes

References. References should be typed on a separate page and offered only if requested by the prospective employer(s). Include business professionals, teachers, community leaders, and past employers. Follow the same formatting as used in your resume, title the page “references” and head personal and professional references separately.

Action Words

Use action words to convey **active** rather than passive information. Write in the first person this too conveys active behavior. Use the simple past tense to describe completed activities, and use the simple present tense when describing activity occurring now. You may want to incorporate some of these words in your resume:

accelerated	confronted	expedited	negotiated	reorganized
achieved	constructed	explained	observed	repaired
acquired	controlled	forecasted	obtained	reported
activated	contracted	formed	operated	represented
adapted	converted	founded	organized	researched
addressed	coordinated	generated	originated	resolved
administered	created	guided	oversaw	reviewed
advised	cultivated	hired	participated	selected
analyzed	demonstrated	identified	performed	separated
anticipated	designed	implemented	planned	serviced
appointed	developed	improved	prevented	set up
arranged	devised	informed	printed	sketched
assembled	discovered	insured	produced	simplified
assisted	dispensed	interpreted	programmed	solved
audited	displayed	interviewed	promoted	spoke
budgeted	distributed	launched	proposed	staffed
calculated	doubled	lead	protected	streamlined
centralized	drafted	lectured	proved	structured
changed	dramatized	listened	provided	supervised
chose	edited	located	publicized	supported
circulated	eliminated	maintained	published	surveyed
classified	enforced	managed	questioned	taught
coached	entertained	marketed	read	tested
collaborated	established	measured	recommended	trained
completed	estimated	mediated	recruited	translated
composed	evaluated	mentored	reduced	transported
conceived	examined	minimized	referred	updated
condensed	exhibited	monitored	rehabilitated	utilized
conducted	expanded	motivated	reinforced	wrote

Information Sheet

Writing Cover Letters

A cover letter should **always** accompany a resume that you are sending to a potential employer. Why send a cover letter? To draw the attention of the employer to your resume. Think of it as a customized sales letter marketing your skills and experience to fit their needs and desires. How should cover letters be written? There are various styles and formats to writing cover letters, the following is commonly accepted by most businesses:

- Written in business letter style (neatly typed)
 - Use black ink on 8½” by 11” white or neutral colored bond (the same that you used for your resume and envelope)
 - Keep margins an inch or more: 1¼” or even 1½”
 - A suggested typeface: Times Roman at 11 or 12 point size
 - Place date, full name, address, area code/phone number, (similar to your resume)
 - Addressee’s name should be preceded by a gender title, such as “Mr.” or “Ms.”
Don’t guess their gender instead use their full name preceded by the salutation, “Dear”.

- Organized in three main parts
 - The introduction:
 - Must grab the reader’s attention.
 - Briefly explains why you are submitting a resume
 - Some ways to begin: drop a name from a personal referral
 - use a quotation or a saying - keep it relevant
 - state your job objective - how it will benefit them
 - state what you can offer them in the position (best opener)
 - The body:
 - Keep to one or two paragraphs
 - Keep paragraphs short not more than five to seven lines long.
 - Stress skills and qualifications that are relevant and would be useful in the position
 - Write in a conversational tone, professional but not stuffy
 - Appeal to **their** needs and wants not yours!
 - Keep adjectives or adverbs to a minimum, “puffery” adds nothing
 - Be specific not vague
 - The Closing:
 - Clearly state what action you will take next
 - Request an interview and mention a specific period of time that you will call them
 - The last sentence should end with a “thank you”.

**Agricultural Careers: Employment Information
AG 470-A**

12. PREPARING FOR AN INTERVIEW.

(Objectives 13 through 17 are ways to prepare for an interview)

- 13. DESCRIBE DIFFERENT TYPES OF INTERVIEWS.**

- 14. LIST PERSONAL QUALITIES AN EMPLOYER LOOKS FOR DURING A PERSONAL INTERVIEW.**

- 15. LIST POSITIVE WAYS TO CONDUCT YOURSELF DURING AN INTERVIEW.**

- 16. DEMONSTRATE PROPER METHODS FOR ANSWERING INTERVIEW QUESTIONS.**

- 17. DEMONSTRATE WAYS TO MAINTAIN AN INTERVIEWER'S INTEREST.**

- 18. MAKE AN APPOINTMENT BY PHONE FOR AN AGRIBUSINESS SALES EMPLOYMENT INTERVIEW.**

- 19. WRITE A FOLLOW-UP LETTER AFTER AN INTERVIEW FOR AN AGRIBUSINESS SALES POSITION.**

AG 470-A

Student Activities

Video

Show videos featuring live interviews such as: “Job Interviewing”, The Media Guild, 11722 Sorrento Valley Road, San Diego, CA.

Guest Speaker

Invite a human resource person or an agribusiness employer to discuss with the class what they are looking for in an employee. Have the students prepare questions in advance that they can ask the speaker. Have the students write a paper summarizing key points mentioned in the discussion and include answers to the questions they prepared for the guest speaker.

Mock Interviews

Have class discussion on the Do’s and Don’ts of interviewing.

Students are to select an interview type, write questions respective of their selection in preparation for in-class mock interviews. Use the handout on interview questions as a guide when formulating your questions. Identify the problem questions and practice answering them in class.

Students are to come to class prepared for and attired as though they were on an actual job interview. Have each student practice roleplaying the part of the interviewer as well as the part of the interviewee. Allow time for critique of the interviews. If possible, videotape them then critique the playback.

Informational Interview

Make an appointment for an informational interview with one of the agribusiness employers that you researched. Refer to the information sheet on job interview questions as a guide when preparing your list of questions.

Follow up with a thank you letter (this will create a favorable impression if done properly). Try to send the letter no later than a week after the interview. You can type or hand write the letter on white or neutral colored paper using a business letter format. Be sure to use the person’s correct name and title. (If you spoke with others, you can send them a note as well.)

Thank you notes not only serve as a thank you, but also reaffirms your interest in the organization, is an opportunity to offer your phone number, and/or add any other information not discussed in the interview that may be valuable to the position.

Write a reflection paper to include: your overall impression of the company and the person you met with; if you found this to be a valuable experience and why; identify areas for improvement.

Teacher Information Sheet

Employment Interviewing

The interview offers the opportunity for the employer and the applicant to meet, exchange information, form impressions of one another and make decisions to hire or to be available for hire.

- In preparation for an interview the applicant needs to follow a course of action for example:
 - ⇒ Do a self assessment (know yourself)
 - ⇒ Consider what and how you are going to communicate
 - ⇒ Practice answering commonly asked interview questions
 - ⇒ Research the employer
- During the interview:
 - ⇒ Keep the “Do’s and Don’ts of Interviewing” in mind
 - ⇒ Be aware of your verbal and nonverbal behavior
 - Attitude: should be positive, open, enthusiastic
 - Body language: posture should be relaxed but not slouched, straight on; make eye contact; keep gestures to a minimum
 - Verbal: ability to use action words, be concise and complete, make transitions, be honest and positive, use correct English, use appropriate voice level, speak clearly
 - ⇒ Questions posed by interviewer:
 - anticipate questions that might be asked
 - give a direct answer
 - explain yes and no answers
 - ⇒ Ask questions, this indicates to the employer that you are interested but not desperate.
 - when requested to do so during structured interviews
 - when you sense that you can inject a question
- Types of Interviews:
 - ⇒ Directed: Typically conducted by an experienced interviewer from the human resource department who screen candidates for further consideration. Detailed questions are prepared in advance and are structured to gather facts about the interviewee’s experience and qualifications.

AG 470-A
Teacher Information Sheet

Employment Interviewing

- Types of Interviews:

Nondirective: In a large company the interview may be conducted by a department head. In a small business the interview may be conducted by the person doing the hiring, and they can choose to use either formal or informal style of interviewing. Questions are loosely structured and partially designed to encourage participation by the applicant. Emphasis is on analysis of impressions, not facts, which is used mainly to form an overall impression of the applicant.

Stress: Is a less favorable method of interviewing, used mainly when hiring people for positions where they deal with considerable amounts of stress, pressure or danger. Questions are designed to induce stress and to place applicants on the defensive. The purpose of this method is to see how applicants react to pressure, and in determining their personality traits and sharpness of mind.

Informational: This type of interview is usually initiated by the job seeker to gather information from an employer about the nature of a job and the company. The job seeker controls the conversation using a list of questions they prepared in advance. The format is less structured and more interactive.

DO'S AND DON'TS OF INTERVIEWING

DO

Be appropriately groomed

Be well groomed and neat

Take an extra copy of your resume

Research the business before the interview

Find out facts about the interviewer: name, correct pronunciation, title

Be punctual

Go alone

Introduce yourself to the interviewer

Act natural

Smile and establish eye contact with the interviewer

Give a firm handshake

Introduce yourself

Be seated only if invited to do so by the interviewer

Be pleasant and friendly but businesslike

Try to control signs of nervousness

Listen attentively

Look alert, enthusiastic and interested

Let the employer control the interview

Speak positively about your skills

Give specific examples of what you can do

Relate your own experiences to the job requirements

Ask questions

Be alert to clues the interview is ending

Thank the interviewer for his/her time

DO'S AND DON'TS OF INTERVIEWING

DON'T

Place personal things on interviewer's desk

Chew gum or tobacco

Gossip or speak badly about former employers or fellow workers

Talk about personal, domestic or financial problems

Play with your hair or rings

Use slang words such as "yep" and "nope"

Act overly confident

Slouch

Day dream or be distracted

Interrupt

Information Sheet

Practice Interview Questions

Be prepared for questions that may be asked during the interview. The kind of questions generally asked include questions about yourself, about your career goals or plans, your education, previous experience and questions specific to the company or the position, for example:

Q:

Tell me about yourself

Where do you want to work and live?

What special skills and abilities can you bring to this position?

Can you take criticism without personalizing it?

How do you handle stress

Have you ever had any problems with coworkers or fellow students?

What personality types are you most compatible with?

What do you consider to be one of your major weaknesses? Strengths?

Describe major accomplishments during the past few years.

Do you prefer to work alone or with others?

Are you self-motivated, an initiator?

How have others described you?

What are your outside interests or hobbies?

Do you have personal goals. What are they?

What are your short- and long-term career goals?

What is your educational background?

Where you involved in extracurricular activities? If so, give some examples/

What were your favorite classes? Your least favorite classes?

Do you think that your academic background help to prepare your for this line of work? How?

Describe your academic strengths and weaknesses.

Are you seeking permanent employment?

How you available to work overtime or on weekends if needed?

What did you most enjoy doing in your last job? What was your least favorite activity?

How would you describe your work and leadership style?

How would you use skills and knowledge from past jobs in this position?

How do you define success?

Why did you leave your last job?

Was you last job highly pressured? If so, how did you handle the pressure?

Tell me why you chose to interview with this company?

Explain why we should hire you rather than another qualified candidate?

What type of supervisors/managers do you prefer to work with?

If hired, what would be your greatest contribution to our organization?

Are you willing to relocate?

When will you be available for employment? May we contact your present employer?

Information Sheet

Practice Interview Questions

Generally the kinds of questions you may ask an employer during an interview include questions about the duties of the position, the company's success criteria and expectations, the decision process, the employer's decision criteria, the employer's current situation and previous experiences.

Ask questions that lead to a complete answer, avoid asking questions that begin with "is", "are", and "do" instead begin questions with what, who, where, when, how, why, etc. Leave questions about salary until later in the selection process or if/when you receive a job offer.

The sample questions listed below need to be customized to suit your situation. These questions are simply offered as a guide when creating questions more applicable to your search needs.

Q:

What are some of the challenges you see this organization facing now and in the future?

What is senior management's vision for this company in the future?

What new products or services have you recently introduced? What are you working on now?

Why is this position open? Is this a newly created job?

Has there been much turnover? Why?

Will there be a training period? How extensive? How long will the training period be?

What training opportunities are available?

Are performance reviews given? How often?

Who is the supervisor for this position?

Who is the manager of this department? What is the management style?

How large is the department I will be working in?

What departments will I work closely with?

What customers (clients, etc.) would I be working with?

Would you say this company is customer focused? How?

What are the objectives for this position and this department?

What are some of the qualities or abilities you are looking for in the person who fills this position?

What specific skills are most important in doing this job?

How much evening or weekend work is expected?

How many people are you interviewing for this position?

What is your decision-making process?

When can I expect to hear back from you?

If an offer of employment is extended to me, when would you want me to begin?

Personal Qualities Sought by Employers

-  **Alertness**
-  **Dedication**
-  **Dependability**
-  **Enthusiasm**
-  **Honesty**
-  **Integrity**
-  **Motivation**
-  **Improvement of skills**
-  **Team player**



References

Resources Used in Developing Unit A-2

Capps, O., Jr., Penson, J. B., Jr. & Rosson, C.P., III. (1996). *Introduction to Agricultural Economics*. New Jersey: Prentice Hall.

Newman, M.E., & Wills, W.J. (1994). *Agribusiness Management and Entrepreneurship*. (3rd edition.). Illinois: Interstate Publishers

Internet Resources

Mann Library, Cornell University
Agriculture, USDA Reports
<http://www.mannlib.cornell.edu/reports/nassr/price/zpe-bb/>

Resources Used in Developing Unit A-3

Internet Resources

AltaVista Search Word: Agricultural Sales Careers
Website Link: (810) Agricultural Career Options
<http://caticsuf.csufresno.edu:70/1/atinet/agteach/core/core800/core810>

Transparencies

From Agricultural Science and Technology 460

- Careers in Agricultural Mechanics
- Careers in Agricultural Processing
- Careers in Agricultural Production
- Careers in Agricultural Supplies and Services
- Careers in Natural Resource and Rural Recreation
- Careers in Ornamental Horticulture

References

Resources Used in Developing Unit A-4

Internet Resources

Website Link: Conducting an Independent Job Search
<http://www.cdp.wharton.upenn.edu/ijsho96.htm>

Other Resources to Supplement Unit A-4

Dictionary of Occupational Titles. (1991). (Rev.ed.). U.S. Department of Labor, Employment and Training Administration.

Do What You Are, by Paul Teiger and Barbara Barron-Teiger.

Occupational Outlook Handbook. (1996-1997). Minnesota: Hobar .

Resources Used in Developing Unit A 5-11

Miller, L. E. & Lee, J. S. (Ed.). (1979). *Selling in Agribusiness* . Missouri: McGraw-Hill.

Curriculum Guide for Agricultural Science and Technology, 460- Agricultural Management and Economics. (1991). Idaho State Division of Vocational Education.

Internet Resources

- Website Links: Writing Resumes
<http://minerva.acc.virginia.edu/~career/handouts/writing.html>
- Conducting an Independent Job Search
<http://www.cdp.wharton.upenn.edu/ijsho96.htm>
- How to Write a Persuasive Cover Letter
<http://www.golden.net/%7Earcheus/covlet1.htm>

AG 470-A

References

Other Resources to Supplement Unit A 5-11

Corwen, L. (1993). *Your Resume: Key to a better job.* (5th ed.). New York: Prentice Hall.

Eyler, D.R. (1993). *Resumes that Mean Business.* New York: Random House.

Rogers, R.S. (1996). *Get a Job You Love.* Chicago: Dearborn Financial Publishing.

Internet Resource

- Website: Guide to Resume Writing - What is a Resume?
<http://www.jobweb.org/catapult/guenov/res.html#what>
- Cover Letters & Other Correspondence
<http://minera.acc.virginia.edu/~career/handouts/writing.html>
- Writing a Persuasive Cover Letter. Gary Will
<http://www.golden.net/%7Earcheus/covlet1.htm>

Handouts

- Employment Data Sheet HO 470 A-8
- From Agricultural Science and Technology 460: Types of Resumes

Resources Used in Developing Unit A 12-19

Curriculum Guide for Agricultural Science and Technology, 460 - Agricultural Management and Economics. (1991). Idaho State Division of Vocational Education.

Internet Resource

Website: Interviewing for Employment
<http://minerva.acc.virginia.edu/~career/handouts/interviewing.html>

Other Resources to Supplement Unit A 12-19

- Figler, H. *The Complete Job-Search handbook.*
- Medley, H.A. *Sweaty Palms.*

AG 470-A

References

Internet Resources

Website: Cover Letters and Other Correspondence
<http://minerva.acc.virginia.edu/~career/handouts/writing.html>

Website: Interviewing for Information and Networking
<http://minerva.acc.virginia.edu/~career/handouts/information.html>

Handout

“Do’s and Don’ts of Interviewing” HO 470 A-2 and HO 470 A-3

Transparency

Personal Qualities Sought by Employers TM 470 A-14

**Ag 470 - A: Agricultural Careers - Employment Information
Unit Test**

True or False

- ___ 1. The Food and Fiber industry is one of the smallest sectors in the U.S. economy.
- ___ 2. The main components of the U.S. Food and Fiber Industry are producing, processing, and distribution.
- ___ 3. Free enterprise is an economic system based on the total control of governmental policy.
- ___ 4. There are less than 200,000 full-time workers in the Food and Fiber Industry.
- ___ 5. The Food and Fiber Industry consists of business entities that are involved in one way or another with the supply of food and fiber products to consumers.

Matching

___ 6. Involves producing and harvesting timber, managing forests and reforestation

___ 7. Involves working with renewable resources such as wildlife, water and soil.

___ 8. Involves research, extension, teaching, consulting, and communication.

___ 9. Involves business economics related to agriculture, developing markets for agricultural markets and successful marketing of those products.

___ 10. Involves landscaping, floriculture, turf management, and nursery management.

- B. Forestry
- C. Horticulture
- D. Rural Recreation and Natural Resources
- E. Agricultural Marketing

A. Agricultural Education

List five factors to consider when choosing an occupation.

11. _____

12. _____

13. _____

14. _____

15. _____

List the six steps to finding employment. The first step has been provided for you.

* Compile a list of employment opportunities

16. _____

17. _____

18. _____

19. _____

20. _____

**Ag 470 - A: Agricultural Careers - Employment Information
Unit Test
Answer Key**

True or False

- F 1. The Food and Fiber industry is one of the smallest sectors in the U.S. economy.
- T 2. The main components of the U.S. Food and Fiber Industry are producing, processing, and distribution.
- F 3. Free enterprise is an economic system based on the total control of governmental policy.
- F 4. There are less than 200,000 full-time workers in the Food and Fiber Industry.
- T 5. The Food and Fiber Industry consists of business entities that are involved in one way or another with the supply of food and fiber products to consumers.

Matching

B 6. Involves producing and harvesting timber, managing forests and reforestation

D 7. Involves working with renewable resources such as wildlife, water and soil.

A 8. Involves research, extension, teaching, consulting, and communication.

E 9. Involves business economics related to agriculture, developing markets for agricultural markets and successful marketing of those products.

C 10. Involves landscaping, floriculture, turf management, and nursery management.

- B. Forestry
- C. Horticulture
- D. Rural Recreation and Natural Resources
- E. Agricultural Marketing

A. Agricultural Education

List five factors to consider when choosing an occupation.

11. _____

12. _____

13. _____

14. _____

15. _____

Answers:

Advancement Opportunities

Company Stability

Financial Rewards

Geographic Location

Job Security

Work Environment

Working Conditions

List the six steps to finding employment. The first step has been provided for you.

* Compile a list of employment opportunities

16. _____

17. _____

18. _____

19. _____

20. _____

Answers:

Build a career portfolio

Develop an employment data sheet

Write a personal resume

Write a cover letter

Complete an employment application form

Entrepreneurship

AG 470-B

Unit Objective

After completing this unit, students should understand what entrepreneurship is; be able to identify the role of entrepreneurship in our economy; and become aware of the factors that lead to the success or failure of small business ventures.

Specific Objectives and Competencies

After completing this unit, students should be able to:

1. Define entrepreneurship.
2. Describe the role of entrepreneurship in the U.S. economy.
3. Compare and contrast small and large businesses.
4. Identify reasons for the success and failure of an entrepreneurial business.
5. State the rules of brainstorming.
6. Identify the characteristics of a successful business.
7. Determine potential for success.
8. Identify the characteristics of a successful entrepreneur.

AG 470-B**Terms and Definitions****Brainstorming**

A problem-solving strategy in which all members of the group offer ideas or suggestions without restraint.

Business

An organization that transfers a resource to a service or product.

Cooperative

Is a business owned and controlled by the people who benefit from the services on a non-profit basis

Corporation

A legal entity that conducts business as an individual but owned by shareholders

Entrepreneur

A person who organizes and manages a business venture, assuming the risk for the sake of the profit.

Entrepreneurship

Entrepreneurship is assuming the risks of owning one's own business.

Partnership

Business owned and managed by two or more individuals operating as a single entity

Sole Proprietorship

A person who owns and operates a business and is solely responsible for the management, policy, and assumes the risks

Venture

A business enterprise where there is danger of loss as well as chance for profit.

AG 470-B**Questions for Discussion**

1. What does the term entrepreneur mean?
2. List some of the characteristics of successful entrepreneurs.
3. What skills do entrepreneurs need?
4. What does the term entrepreneurship mean?
5. What factors are considered when determining if a business is small or large?
6. List some businesses in the community that you would classify as a small business.
7. How are businesses classified? Give examples of businesses within each classification.
8. What are the most common types of business ownerships? Give an example of a business that fits the description of each of these types of ownership.

AG 470-B

Student Activity

Case Study

Individual assignment: Do a library search to locate information on businesses that have been successful and those that have failed. Select one of each kind and take a copy of the information to class for the group assignment.

Group work: Form into groups no larger than five to a group. Use the information gathered on businesses and refer to the sample case studies as a guide to write a case study (either a success story or a business that failed). Class time will be provided so that the teacher can assist the groups in writing their case studies and in developing questions to think about when reading the cases. Each group is to provide a copy of their case study to classmates. Students are to form into their groups, exchange cases, read the case studies and contribute their findings, solutions and so forth during class discussion.

Guest Speaker

Invite a successful entrepreneur, someone from the Small Business Administration or a leader in the business community to speak to the class about entrepreneurship. Students are to prepare questions in advance to ask the speaker during class discussion.

Small Business Development

Group Work: Form into groups of three, brainstorm for ideas to start up a small business. Investigate small businesses in the community or do a library or Internet search of entrepreneurs outside the community to use as a model in creating a small business. Hand in a written proposal detailing the business venture. Address the following: viable concern?, is there a market for the service or product?, and list reasons for its potential success.

Journal Article

Write at least a three-page summary of a journal article on a small business. Select one that appeals to you because of its uniqueness, because of its rapid growth, etc. You should be able to find an article from the following list of journals:

Entrepreneurship and Regional Development

Entrepreneurship: Theory and Practice

International Small Business Journal

Journal of Business and Entrepreneurship

Journal of small Business Management

Small Enterprise Development: An International Journal

Journal of Private Enterprise

Minority Business Today

Small Business Economics

The Entrepreneur Review

AG 470-B

Teacher Answer Sheet

Answers to Questions for Discussion

1. What does the term entrepreneur mean?

A person who organizes and manages a business venture, assuming the risk for the sake of a profit.

2. List some of the characteristics/traits of successful entrepreneurs.

- | | | |
|----------------------------|--------------------------------|------------------------------|
| • Committed to goals | • Innovative | • Self-confident |
| • Decisive | • Knowledge of the marketplace | • Sets realistic goals |
| • Easily adapts to changes | • Optimistic | • Stable |
| • Enthusiastic | • Persistence | • Uses resources efficiently |
| • Good leader | • Risk taker | • Visionary |
| • High level of energy | | |

3. What skills do entrepreneurs need?

- | | | |
|------------------------|-------------------|-------------------|
| ⇒ Communications | ⇒ Human relations | ⇒ Problem solving |
| ⇒ Decision-making | ⇒ Leadership | ⇒ Sales |
| ⇒ Financial management | ⇒ Performance | ⇒ Technical |

4. What does the term entrepreneurship mean?

Entrepreneurship is assuming the risks of owning one's own business.

5. What factors are considered when determining if a business is small or large?

The type of business, number of employees and annual income (Ag. business: 100K-3.5 mil).

6. List some businesses in the community that you would classify as a small business.

7. How are businesses classified? Give examples of businesses within each classification.

- | | |
|--------------|---|
| ⇒ Production | Wheat farmer, clothing manufacturers, etc. |
| ⇒ Service | Financial management service, custom fertilizer application |
| ⇒ Sales | Produce marketer, crop insurance, retail outlets |

8. What are the most common types of business ownerships?

- ✓ Sole proprietorship ✓ Partnership ✓ Corporation ✓ Cooperative

AG 470-B

Teacher Information Sheet

The Role of Entrepreneurship in the United States Economy

Small businesses add money and stability to our economy. The following list some of the reasons why small businesses are critical to our nation's economy (1990's):

- \$ Small businesses provided employment for 60 percent of the private work force
- \$ Contributed 54 percent of all sales in the country
- \$ Produced 50 percent of private sector products
- \$ Contributed the majority of newly created jobs between 1988 and 1990
- \$ A major reason for America's leadership in the world is due to technological innovation by small firms
- \$ Women and minorities have found success through entrepreneurship opportunities which are not usually attained in large businesses

Reasons for the Success and Failure of an Entrepreneurial Business

- Successful businesses:**
- Have a well written business plan:
 - ⇒ Description of the business
 - ⇒ The marketing plan
 - ⇒ The management plan
 - ⇒ The financial management plan
 - The entrepreneur(s) exhibit characteristics that indicate their likelihood for success
 - Hire and keep well-qualified employees
 - Have and maintain strong financial backing

- Reasons businesses fail:** There are many reasons the most common causes are:
- Sales - inadequate sales volume
 - Management - poor management of economic resources such as: natural, human, capital and technological resources
 - Inadequate funding
 - Bad debt losses
 - External factors: slow economy, the competition

Entrepreneurship AG 470B

- 1. DEFINE ENTREPRENEURSHIP.**
- 2. DESCRIBE THE ROLE OF ENTREPRENEURSHIP IN THE U.S. ECONOMY.**
- 3. COMPARE AND CONTRAST SMALL AND LARGE BUSINESSES.**
- 4. IDENTIFY REASONS FOR THE SUCCESS AND FAILURE OF AN ENTREPRENEURIAL BUSINESS.**
- 5. STATE THE RULES OF BRAINSTORMING.**
- 6. IDENTIFY THE CHARACTERISTICS OF A SUCCESSFUL BUSINESS.**
- 7. DETERMINE YOUR POTENTIAL FOR SUCCESS.**
- 8. IDENTIFY THE CHARACTERISTICS OF A SUCCESSFUL ENTREPRENEUR.**

AG 470-B**References****Resources Used in Developing Unit B 1-8**

Connelly, D .F., Doster, D. H. & Hamilton, W.H. (1992). *Agribusiness an entrepreneurial Approach*. New York: Delmar.

Newman, M. E. & Wills, W. J. (1994). *Agribusiness Management and Entrepreneurship* (3rd ed.). Illinois: Interstate.

Internet Resources

Website: Small Business Administration Performance Agreement
<http://www.npr.gov/library/agency/21f2.html>

Other Resources to Supplement Unit B 1-8**Internet Resources**

- Website: Case Study Overview (page 1)
Go to “Case Study” <http://deming.eng.clemson.edu/pub/tutorials/qctools/cso.htm>
- Website: Category Killer Case Study
<http://www.nielssen.com/home/consumer/consume7.htm>

Video

I Can Do It – Stew Leonard. The National Federation of Independent Business.
Contact: Direct Cinema Limited, P.O. Box 69589, Los Angeles, CA 90069, 1800-FILMS 4 U.

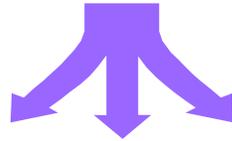
Transparencies

Brainstorming TM 470 B-5

Determining Potential for Success TM 470 B-7

AG 470-B

Brainstorming



 **Encourages**
 **Creative Ideas**
Idea exchange

 **Rules**
 **All ideas are good**
There is no bad idea



AG 470-B

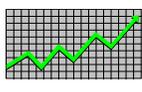
Determining Potential for Success

Key to Success: Business Knowledge 

Happy Employees 

Listening to Customers 

Be Careful with Money 

Know Financial Standing  all 

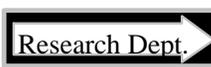
Pay for the Best Employees 

Match Job to Employee's Personality 

Competition a Constant Threat 

Customer Awareness/Relationship 

Business Plans are Essential 

Market Research 

**Ag 470 - B: Entrepreneurship
Unit Test**

Define Entrepreneurship

1. _____
_____.

List at least four reasons why small businesses are critical to our nation's economy.

2. _____
3. _____
4. _____
5. _____

What three factors must be considered in order to determine whether a business is small or large?

6. _____
7. _____
8. _____

List two reasons for the success and two reasons for the failure of an entrepreneurial business.

9. _____
10. _____
11. _____
12. _____

Match the definition with the appropriate term.

___ 13. An organization that transfers a resource to a service or a product.

___ 14. A business enterprise where there is a danger of loss as well as chance for profit.

___ 15. A problem-solving strategy in which all members of the group offer ideas or suggestions without restraint.

___ 16. A person who organizes and manages a business venture, assuming the risk for the sake of the profit.

___ 17. A person who owns and operates a business and is solely responsible for the management policy, and assumes the risks.

___ 18. A legal entity that conducts business as an individual but owned by shareholders.

___ 19. Business owned and managed by two or more individuals operating as a single entity.

___ 20. A business owned and controlled by the people who benefit from the services on a non-profit basis.

- A. Brainstorming
- B. Business
- C. Cooperative
- D. Corporation
- E. Entrepreneur
- F. Entrepreneurship
- G. Partnership
- H. Sole Proprietorship
- I. Venture

**Ag 470 - B: Entrepreneurship
Unit Test
Answer Key**

Define Entrepreneurship

1. _____
_____.

Answer: An organized business venture in which the risks of owning one's own business are assumed by an entrepreneur.

List at least four reasons why small businesses are critical to our nation's economy.

2. _____
3. _____
4. _____
5. _____

Answers:

Small businesses add money and stability to our economy

Small Business provided employment for 60% of the private work force

Contributed 54% of all sales in the country

Produced 50% of private sector products

Contributed the majority of newly created jobs between 1988 and 1990

A major reason for America's leadership' in the world is due to technological innovation by small firms

Women and minorities have found success through entrepreneurship opportunities which are not usually attained in larger businesses

What three factors must be considered in order to determine whether a business is small or large?

6. _____
7. _____
8. _____

Answers:
the type of business
number of employees
annual income

List two reasons for the success and two reasons for the failure of an entrepreneurial business.

9. _____

10. _____

11. _____

12. _____

Answers:

Success

- Have a well written business plan
- Exhibit characteristics that indicate their likelihood for success
- Hire and keep well-qualified employees
- Have and maintain strong financial backing

Failure

- Inadequate sales volume
- Poor management of economic resources such as natural, human, capital and technological resources
- Inadequate funding
- Bad debt losses
- External factors: slow economy, the competition

Match the definition with the appropriate term.

 B 13. An organization that transfers a resource to a service or a product.

 I 14. A business enterprise where there is a danger of loss as well as chance for profit.

 A 15. A problem-solving strategy in which all members of the group offer ideas or suggestions without restraint.

 E 16. A person who organizes and manages a business venture, assuming the risk for the sake of the profit.

 H 17. A person who owns and operates a business and is solely responsible for the management policy, and assumes the risks.

 D 18. A legal entity that conducts business as an individual but owned by shareholders.

 G 19. Business owned and managed by two or more individuals operating as a single entity.

 C 20. A business owned and controlled by the people who benefit from the services on a non-profit basis.

- A. Brainstorming
- B. Business
- C. Cooperative
- D. Corporation
- E. Entrepreneur
- F. Entrepreneurship
- G. Partnership
- H. Sole Proprietorship
- I. Venture

Customer Relations in Agricultural Sales

AG 470-C

Unit Objective

After completing this unit, students should become familiar with concepts of customer relations, and understand its importance and practice. Be able to decide what types of customer relations fit best with each type of business.

Specific Objectives and Competencies

After completing this unit, students should be able to:

1. Define the term customer relations.
2. State the importance of customer relations.
3. Give examples of good customer relations.
4. List ways the salesperson can follow up to ensure customer satisfaction after a sale.
5. State techniques for handling customer complaints.
6. Distinguish between product features and product benefits statements.

Customer Relations in Agricultural Sales AG 470C

DEFINE THE TERM CUSTOMER RELATIONS.

- 1. STATE THE IMPORTANCE OF GOOD CUSTOMER RELATIONS.**
- 2. GIVE EXAMPLES OF GOOD CUSTOMER RELATIONS.**
- 3. LIST WAYS THE SALESPERSON CAN FOLLOW UP TO ENSURE CUSTOMER SATISFACTION AFTER A SALE.**
- 4. STATE TECHNIQUES FOR HANDLING CUSTOMER COMPLAINTS.**
- 5. DISTINGUISH BETWEEN PRODUCT FEATURES AND PRODUCT BENEFITS.**

AG 470-C

Questions for Discussion

1. What is customer relations?
2. What is involved in customer relations?
3. List several reasons why customer relations is important to a business or organization.
4. Identify some positive ways that a sales employee can *establish* relationships with customers.
5. Give examples of customer relations offered by most businesses.
6. What does a customer service plan entail?
7. List general ways to handle unhappy customers. (Teacher could give some scenarios)

AG 470-C

Teacher Answer Sheet

Answers to Questions for Discussion

1. What is customer relations?

How an organization's employees treat their customers. It involves meeting the customer's needs for product information, offering services in a positive manner, and assisting them with their purchasing decisions.

2. What is involved in customer relations?

- * Listening
- * understanding customers needs and problems
- * offering advice
- * helping them with selection of a product or service

1. List several reasons why customer relations is important to a business or an organization.

- * Sales and profits are tied to the company's ability to satisfy customers
- * Generates a positive image for the business
- * Customers will return to a business where they are given the "royal" treatment
- * Gives your business a strong competitive edge

1. Identify some positive ways that a sales employee can *establish* relationships with customers.

- * Relate to the customer(s) with:
 - the right attitude - helpful, positive
 - greet customer(s) with a smile
- * Be ready to help the customer(s)
 - be available
 - don't ignore customers
 - be attentive—listen
- * Be Involved
 - show concern for their individual needs
 - take time to talk with the customers – explain products/services
 - help them with purchasing decisions

AG 470-C
Teacher Answer Sheet

Answers to Questions for Discussion

5. Give examples of customer relations offered by most businesses.

Easy access to customer services:

- * sales employees available during all business hours
- * toll free phone numbers
- * customer service assistance over the phone (also when business is closed)
- * customer complaints, returns and refund policy (clearly communicated)
- * extended hours
- * free delivery

6. What does a customer service plan entail?

See Yorke p. 89 (Customer Service Policy)

7. List general ways to handle unhappy customers. (Teacher could give some scenarios)

See Yorke pg. 89 Small Business

AG 470-C**Student Activities****Class Visitation: Agribusiness sales office**

Visit with a customer service/relations manager, a sales manager or sales trainer of an agribusiness organization in the community. Have the students prepare questions to ask on the visit such as: the organization's customer service policy, type of training sales/customer service employees receive, how a particular type of customer complaint is handled, what follow-up a salesperson does after a sale to ensure customer satisfaction.

Individual assignment: Have the students write a reflection paper on their thoughts and feelings regarding the class trip.

Role Playing: Handling customer complaints

The class can tackle the role-playing activity once they have completed the customer relations assignment sheet. Choose teams (of two) by counting off pairs. Each team will be given a sample of a company's customer service policy, and an example of a customer relations problem to role play. Allow time for class critique/discussion of the role playing activity.

Poster Design: Distinguishing between features and benefits

Students are to design a poster of an ag product of their choice to display the features and benefits of the product. The posters will be awarded 10 points for appearance, 10 points for accuracy (distinction between features and benefits), and 10 points for design layout.

Video

Show videos on customer relations.

🎬 *Customer Service: The Film*, (25 minutes). 1987 Barr Films, P.O. Box 7878, Irwindale, CA 01706-7878, 1 (818) 338-7878.

🎬 *Cooling the HOT Customer*. Banctraining Video Systems, 610 Des Moines Street, P.O. Box 10390, Des Moines, IA 50306, 1(800) 247-0010.

AG 470-C**Assignment Sheet**

(Objective 5)

Handling Customer Complaints

Use the Brown Mountain Farm Supplies Customer Service Policy to handle the problems in the situations listed below.

Brown Mountain Farm Supplies & Service Customer Service Policy	
Returns and Claims:	<ol style="list-style-type: none"> 1. Call for a return authorization 2. A sales receipt is required before issuing a credit 3. No refunds made after 30 days of the sale date 4. Items must be returned in original condition 5. No returns on custom items
Quality Assurance:	<ol style="list-style-type: none"> 1. All products, parts are guaranteed to be free from defects 2. Defective parts due to the manufacturer, will be replaced at no extra charge to the customer

1. Customer A calls and complains that the five fence posts s/he purchased to replace those that had rotted were cut to short and s/he wants to return them and have two more cut at no charge to her/him. The fence posts were cut upon the customer's recommendation and the policy clearly states that credit will not be extended on custom work, what would you do to deal with this problem and ensure that the s/he remains a satisfied customer?

2. Customer B comes into the store and complains that the part used to repair his/her farm equipment has not resolved the problem and insists that we re-service the equipment at no charge to her/him. How would you handle this problem, if there is no obvious defect with the part or with the workmanship?

3. Customer C returns an expensive garden tool to Brown Mountain because it broke but the customer does not have the receipt, what's the best way to deal with this problem assuring a happy customer?

AG 470-C

Assignment Sheet

(Objective 6)

Distinguishing Between Features and Benefits

The feature(s) of a product can include factors such as size, texture, color, convenience and what comes with it. More important to the customer -- is the benefit(s) of a product -- what it can do for them.

Identify the selling features of a product of your choosing, use the following list as an aid in determining the product features. Also consider the customer's needs and identify the benefits of the product you selected.

For example: Product: lawn chair with paint sealed at the factory
Features: comfortable, priced right, attractive, good construction
Benefit: it will withstand the outdoor elements for many years

Features:	Size	Construction	Color	Comfort	Versatility
Usefulness	Serviceability	Design	Pattern	Price	
Convenience	Shape	Packaging	Feel	Texture	
Durability	Aroma	Finish	Weight	Taste	

Product: _____

Features

Benefits

AG 470-C

Teacher Information Sheet

Customer Service

<p>You do not make money from high-quality tomatoes.</p>
--

<p>You make money from satisfied customers.</p>

<p>(Matty Matarazzo, Matarazzo Farms, New Jersey)</p>

Good customer relations is essential to the success of any business. Building a satisfied customer base involves many factors such as: an efficient sales staff, effective use of the procedures to handle customer complaints and a good customer relations policy.

Essentially, your customer relations policy is a visible way that customers can feel that their concerns are being heard and understood to their satisfaction. These policies must be made clear to the customer; supported by upper management; and allow for flexibility if a salesperson must waive them in the interest of retaining a customer's goodwill.

Establishing procedures for handling customer complaints, returns and refunds must be clearly written in a business's customer relations policy. The best system for handling complaints include the following essential procedures:

- Screening and Recording
 - ➔ Gather data from the customer
 - ➔ Record pertinent information regarding the complaint
 - For example:
 - ✗ the problem,
 - ✗ purchase date
 - ✗ type/brand of product/service
 - ✗ contract warranty dates
 - ✗ when problem occurred, etc.

- Investigating
 - ➔ Inspection of the product or service performed
 - ➔ Securing original receipts, etc.
 - ➔ Searching customer records
 - ➔ Talking with other employees involved in the sales/service transaction

AG 470-C
Teacher Information Sheet

Customer Service

■ Acknowledging

(If you cannot offer an immediate solution)

- ➔ Let the customer know that you are attending to the problem
- ➔ Give them an estimate on how long it will take to complete your action
- ➔ Let them know that you will contact them as soon as possible.

■ Finding a solution

- ➔ Refer to the business customer relations policy as a guide when formulating solutions
- ➔ Consider the following criteria:
 - ✗ Product warranty or service contracts
 - ✗ Customer's expected results
 - ✗ The feasibility of a particular solution
 - ✗ Alternative solutions if the customer is not satisfied with the remedy

■ Responding

- ➔ Be clear and don't confuse customer with technical terms
- ➔ Use humor (appropriately)
- ➔ Response should be relevant to the original issue(s)

■ Following-up

- ➔ Contact the customer by telephone or by a letter to verify that the problem is solved and that you have a happy customer

AG 470-C

🎉🎉🎉 Ten Commandments of Customer Service 🎉🎉🎉



The Customer is never an interruption to your work!

The customer is your first priority

Greet every customer with a friendly smile!

Makes them feel welcome

Call customers by name

Acknowledges that they are a valued person

Remember, you are the company!

As an ambassador for your company, make a good impression

Never argue with customers!

The customer's perception is reality

Never say "I don't know"!

Maintain a helpful attitude - find what they want

Remember the customers pay your wages!

Treat them as a valuable asset

State things in a positive way!

The customer will respond positively

Brighten every customers day!

Use humor, show concern, listen

Always go the extra mile!

Gives the customer a reason to return to the business



AG 470-C**References****Resources Used in Developing Unit C 1-6**

Yorke, C. G. (1996). *Agricultural Sales*. (1st ed.). Vancouver, Washington: Acro.

Internet Resources

- Website: Effective Customer Relations and Complaint Handling
<http://www.bosbbb.org/lit/0189.htm>
- Website: Customer Complaints Breed Sales
<http://www.salesdoctors.com/gitomer/git016.htm>

Other Resources to Supplement Unit C 1-6**Video**

- ✦ *A How to Approach to Successful Customer Service*. (1990). Audio Tape and Action Guide, Sangamon and Vanburen, Chicago, (312) 829-5100.
- ✦ *How to Win Customers and Keep Them for Life*. Cally Curtis Co., 1111 North Las Palmas Avenue, Hollywood, CA 90038-9981, 1-800-52-CALLY.
- ✦ *Knowing Your Products: Features and Benefits*. (1988). American Bankers Association, 1120 Connecticut Ave., N.W., Washington, D.C. 20036.

Handout

Ten Commandments of Customer Service HO 470 C-3

Transparency

Keeping Customers Satisfied TM 470 C-4

Keeping Customer's Satisfied

- Provide customers with reliable service**
- Handle service & complaints quickly & politely**
- Let your extra effort be known to the customer**
- Listen for other products customer might need**
- Send a note of appreciate for their business**
- Send business referrals to your customers**
- Show them you value them -- ask for referrals**
- Keep in touch:**
 - send new product/service literature,**
 - newsletters, call them to offer**
 - pertinent information**

**Ag 470 - C: Customer Relations in Agricultural Sales
Unit Test**

1. What is customer relations?

Give at least four reasons why good customer relations are important to a business or an organization.

2. _____

3. _____

4. _____

5. _____

List at least 5 specific ways in which sales employees can establish positive relationships with their customers.

6. _____

7. _____

8. _____

9. _____

10. _____

What are the six essential procedures for handling customer complaints?

11. _____

12. _____

13. _____

14. _____

15. _____

16. _____

Multiple Choice

17. The features of a product include

- a. factors such as size and texture.
- b. what the product can do for the customer.
- c. the opinion of the employee.
- d. none of the above.

18. When screening and recording a complaint from a customer, the employee must

- a. inspect the product.
- b. search customer records.
- c. gather data from the customer.
- d. secure original receipts.

19. If an employee cannot offer a customer an immediate solution, the employee must

- a. confuse the customer with technical terms.
- b. give the customer an estimate on how long it will take to solve the problem.
- c. ignore that customer and attend to the next person in line.
- d. none of the above.

20. Contacting a customer by telephone or letter to verify the problem was solved and that the customer is happy is

- a. never an essential procedure when dealing with unhappy customers.
- b. only necessary when the customer has spent a great deal of money buying your products.
- c. not relevant to good customer/employee customer relationships.
- d. an essential procedure when dealing with unhappy customers.

**Ag 470 - C: Customer Relations in Agricultural Sales
Unit Test
Answer Key**

1. What is customer relations?

Answer: How an organization's employees treat their customers. It involves meeting the customer's needs for product information, offering services in a positive manner, and assisting them with their purchasing decisions.

Give at least four reasons why good customer relations are important to a business or an organization.

2. _____

3. _____

4. _____

5. _____

Possible Answers:

- Sales and profits are tied to the company's ability to satisfy customers.
- Generates a positive image for the business
- Customers will return to a business where they are given the "royal" treatment
- Gives your business a strong competitive edge

List at least 5 specific ways in which sales employees can establish positive relationships with their customers.

6. _____

7. _____

8. _____

9. _____

10. _____

Answers:

Relate to the customer(s) with a helpful, positive attitude

Greet customer(s) with a smile

Be available

Be attentive--listen

Don't ignore customer(s)

Show concern for their individual needs

Take time to talk with the customer(s)--explain products/services

Help them with purchasing decisions

What are the six essential procedures for handling customer complaints?

11. _____

12. _____

13. _____

14. _____

15. _____

16. _____

Answers:

Screening and Recording

Investigating

Acknowledging

Finding a solution

Responding

Following-up

Multiple Choice

17. The features of a product include

- a. **factors such as size and texture.**
- b. what the product can do for the customer.
- c. the opinion of the employee.
- d. none of the above.

18. When screening and recording a complaint from a customer, the employee must

- a. inspect the product.
 - b. search customer records.
 - c. **gather data from the customer.**
 - d. secure original receipts.
19. If an employee cannot offer a customer an immediate solution, the employee must
- a. confuse the customer with technical terms.
 - b. **give the customer an estimate on how long it will take to solve the problem.**
 - c. ignore that customer and attend to the next person in line.
 - d. none of the above.
20. Contacting a customer by telephone or letter to verify the problem was solved and that the customer is happy is
- a. never an essential procedure when dealing with unhappy customers.
 - b. only necessary when the customer has spent a great deal of money buying your products.
 - c. not relevant to good customer/employee customer relationships.
 - d. **an essential procedure when dealing with unhappy customers.**

Communication Skills

AG 470-D

Unit Objective

The student will be able to effectively communicate verbally by using active listening skills and demonstrating how to effectively answer questions. They will be able to explain the relationship of nonverbal communication to verbal communication by recognizing their nonverbal behavior and those of others. The student will be able to demonstrate acceptable business communication skills: using the proper procedures in telephone communications; and in written communications by composing a business letter and an office memorandum.

Specific Objectives and Competencies

After completing this unit, students should be able to:

1. Describe steps for effective idea presentation and communication.
2. Identify active listening skills.
3. Demonstrate how to effectively answer questions.
4. Demonstrate proper telephone communication skills in an agribusiness.
5. Explain the relationship of nonverbal communication to verbal communication.
6. Describe the basic elements of good written communication skills.
7. Compose a business letter.
8. Compose an office memorandum.

Communication Skills AG 470D

1. LIST GUIDELINES FOR EFFECTIVE IDEA PRESENTATION AND COMMUNICATION.

Guidelines to Follow When Communicating and Selling an Idea

⇒ ⇒ Use Simple Terms

- are better understood by others
- reduces the chances for misinterpretation
- listeners feel more comfortable with familiar words

"I love words but I don't like strange ones. You don't understand them, and they don't understand you. Old words are like old friends – you know 'em the minute you see 'em."

. . . Will Rogers

⇒ ⇒ Plan for an Effective Presentation

- Write an organized, consistent, presentation that is not vague
- first, present an overall description of the idea
- then provide more detail of each item

⇒ ⇒ Present Your Idea Enthusiastically

- expresses your belief in the idea
- attracts the attention of the listener
- better convinces the listener to consider your proposal

⇒ ⇒ Be Persistent -- Don't Give Up Too Soon

- review your proposal for reasons why it wasn't effective
- find ways to improve upon your approach (if that's the case)
- make every effort to enhance your presentation
- don't "throw in the towel" until you're convinced that your idea may not have merit

Guidelines to Follow when Communicating and Selling an Idea

⇒ ⇒ Consider the Importance of When to Deliver your Presentation

- timing could make the difference whether your proposal is accepted or not
- things to consider: what time of the day will they be most alert?
what day of the week will they feel less pressure?
conflicting scheduled events?

⇒ ⇒ Be Prepared for Objections from the Audience

- examine the proposal for areas that might be construed negatively
- plan to handle questions directed to those areas
- handle unforeseen objections calmly

⇒ ⇒ Don't Push Too Hard

- remember! – new ideas are usually not accepted immediately
give people time to reflect on the idea

AG 470 D**Teacher Information Sheet****Effective Listening Skills****Why is listening so important?**

Listening plays an important role in the business world and the success of many of our business activities depends on how well we listen. Studies show that we spend about 80 percent of our day communicating, at least 45 percent of that time listening and we remember only about 40 percent of what we hear.

How can we learn to listen more effectively?

By understanding the listening process:

Hearing

- paying attention to the speaker's message
- concentrating on the content of the presentation
- avoiding distractions

Interpretation

- interpreting the speaker's vocabulary
- interpreting the speaker's non-verbal cues

Evaluation

- deciding what to do with the information
- judging the speaker's statements
- choose to either believe or disbelieve them

Responding

- verbally or nonverbally to the speaker's message

What are some of the barriers to effective listening?

- Not wanting to listen
- Pre-conceived notions about the speaker or the topic
- Restlessness
- Hearing problems
- Poor speaking ability (e.g., speech impediment, pitch, volume of voice, etc.)
- Lack of patience

Student Activities

NOTE: The following activities are designed to further reinforce the process of communications. The listening questionnaire should help the students to identify their listening abilities; the journal writing is a way for them to become conscientious observers and participants during their daily interactions; and the communications game is designed to illustrate problems that can occur in communications.

Listening Skills Questionnaire

Have students review their communication skills by completing the Listening Skills Questionnaire located on the Internet. Key in the URL (Uniform Resource Locator): <http://www.sales.org/quizes/LSQ.html>. After the students answer the questions, they can send them to be scored. They can then select to interpret their scores by clicking on the “Understanding Your Score” button.

Journal Writing

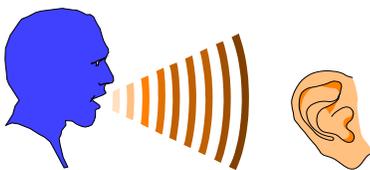
Have students make journal entries over a one-week period of their interactions with others. Have them practice the elements of effective listening then note how this helped them to better understand what the speaker meant, did it help them to remember what was said, how has this helped them to understand instructions. Also have them include how implementing active listening skills helped them to pay attention to the speaker/message. Log notes should include what their relationship with the other person is, the type of exchange they were engaged in, the setting of the interaction, and any general observations made regarding the communication process both verbal and non-verbal.

Communications Game

For this exercise have the students form into teams of two, one person is to send instructions and the other person receives the instructions. The receiver will use a scratch pad to draw a geometric shape while being guided through oral instruction by the sender. The receiver is not allowed to ask questions at this time. Then the receiver and the sender will switch roles and proceed in the same fashion but this time the receiver may ask questions while being guided through another geometric shape.

Have class discussion to generate questions such as: what problems did the senders and the receivers encounter? How did the feedback help when they switched roles and the receiver was allowed to ask questions? Have them give examples of real-life communication problems that they’ve experienced.

AG 470 D



Tips to Becoming a Better Listener

Listen.....Don't talk

⇒ A good listener lets the speaker get their message across

⇒ Interrupting the speaker gives the impression that you're not interested in what is being said

Listen.....Don't jump to conclusions

⇒ You will miss out on the speaker's message by making assumptions about what the speaker is going to say instead of listening to what s/he is saying

Listen.....between the lines

⇒ Clue in on the speaker's true meaning by paying attention to their non-verbal behavior

⇒ People don't always say what they mean as does their body language

Listen.....don't be distracted

⇒ Overlook speaker's mannerisms, noise, or other distractions
try focusing on the speaker, make eye contact

Listen.....with a positive attitude

⇒ Ask yourself, what you can learn from the speaker or the message

Ask questions.....to clarify what is being said

⇒ It is acceptable to confirm that you understood the speaker correctly
⇒ Paraphrase what the speaker said in the form of a question

Keep an open mind.....to gain new information

⇒ Listen to someone else's viewpoint(s) and beliefs
⇒ Don't just listen for statements that confirm your point of view

Give feedback.....assures speaker that you are listening

⇒ Make eye contact
⇒ Nod your head
⇒ Comment occasionally: "I see" or "how interesting"

AG 470-D

3. DEMONSTRATE HOW TO EFFECTIVELY ANSWER QUESTIONS

The first step to effectively answer a question is to be a *good listener* so that you can understand and interpret what was asked. For accurate interpretation of the question, it is important to ask for clarification when the meaning of a term or language used by the sender differs from that of the receiver's.

The second step to effectively respond to a question is to think about how to formulate the answer so that it is concise and to the point. Don't elaborate unless you are asked to do so.

The following questions serves to further illustrate how to effectively answer a question(s).

Q & A

Q What is the first step to effectively answer a question?

A Comprehending the question

Q What are some of the elements of effective question answering?

A Thinking
Listening attentively
Choosing concise words

Q What is the most common problem when answering questions?

A Not accurately interpreting what was asked

Q What is the most common reason why a person fails to accurately answer a question?

A Not listening to what is being asked

AG 470-D

4. DEMONSTRATE PROPER TELEPHONE COMMUNICATION SKILLS IN AN AGRIBUSINESS SETTING

The telephone is currently one of the most important communication instruments in the business world. Most employees spend a large portion of their work day answering and placing phone calls on behalf of their employer so it is important as a representative of the business that they handle the calls effectively and efficiently. Good telephone skills give an initial positive impression to the caller or the receiver. Below are some general rules to use in order to have a pleasant telephone voice.

- Speak directly into the telephone
- Don't eat, drink or chew gum while talking on the telephone
- Speak at a pleasant voice level and rate of speech
- Be yourself – use simple language
- Let your voice portray a verbal smile
- Use concise, clear language

Companies that successfully handle business calls use the following general rules:

1. Answer the telephone promptly

- Within three rings or less

2. Appropriately address the caller/receiver and action

Incoming calls:

- Greeting - “good (use the proper time of day)”
- Identify yourself
- Use the proper title (when you know the caller)
- Say the name of the business/organization
- Address the activity with the word “may” for example, “may I direct your call?” or “may I take a message?”.
- Let the caller end the conversation

Outgoing calls:

- Use their appropriate title
- Pronounce their name correctly
- Ask permission to proceed

3. Considers the caller's time

- Are careful not to transfer them to several people
- Directs their calls in a timely fashion
- Listens carefully to the message and quickly takes whatever action is needed

AG 470-D

Student Activities

Rate Voice Quality

Individual assignment: Have students tape record their voice using a script that simulates a business telephone conversation (two-minutes maximum). Have them complete the voice rating sheet (on a separate page) and total their points. Scoring of the voice ratings should be done in class (handout copies of the values or write them on the board).

Scoring	
0 to 15	= Excellent
15 to 30	= Fair
30 to 45	= Unsatisfactory
	(Make improvements)

Group assignment: Open discussion by doing peer critique of each student's tape recording.

Written Assignment**IDENTIFY GENERAL RULES FOR PROPER TELEPHONE USE**Scenario A

Jenny, the receptionist for an agricultural feed company was finishing photocopying the last set of documents that needed to be faxed as soon as possible when she heard the phone ring. She finished her photocopying before answering the phone call. In her haste to answer the phone, she did not identify herself or the company.

 Identify which rules Jenny broke.

 State how you would properly handle this situation.

AG 470 -D
Student Activities

Identify General Rules for Proper Telephone Use.

Scenario B

A customer calls from out of town requesting information on a sale that the Widget company is having and speaks with the sales clerk in the fertilizer department. The sales clerk explains to the caller that s/he needs to look up prices on the computer and places the caller on hold for one minute then returns to the caller and apologizes for putting them on hold.

☎ Was the sales clerk following proper procedure in handling this call?

☎ List all the telephone answering rules that the sales clerk broke.

Group Skits

Have students form into groups no larger than three per group. Have each group select, prepare and present a short skit on how to properly handle business telephone calls. Refer them to the general rules for proper telephone use, the handout on tips for a good telephone conversation, etc. for assistance in preparing their skits.

AG 470-D
Student Activities

Voice Rating Sheet

Place a check mark on the answer that best represents the results of your voice analysis.

Questions	Answer		
	Yes	Sometimes	No`
Did your voice sound pleasant?			
Did your voice sound artificial?			
Did your voice sound monotone, dull, flat?			
Did you speak with the same volume?			
Was your voice high pitched and shrill?			
Were your words unclear?			
Did you sound whiny or apologetic?			
Did you use "uh" and "you know"?			
Did you speak too fast?			
Did you speak in a slow drawl?			
Did your voice sound cold or unfriendly?			
Did you sound "gushy"?			
Did you mispronounce words frequently?			
Did you talk through your nose?			
Did you run any words together?			
Did you sound tired?			
Sub totals	_____	_____	_____
Total	=====		

NOTE: Score one point for each Yes answer, two points for each Sometimes answer, and three points for each No answer.

AG 470-D
(Objective 4)

Ten Tips for a Good Telephone Conversation

 **Tip 1**

Always use the rule of three, that is, say the person's name at least three times throughout the conversation.

 **Tip 2**

Keep a “verbal smile” on your face this mirrors a positive emotion. The person on the other end of the telephone can't see you but they can “hear” a smile.

 **Tip 3**

Reduce your rate of speech. When speaking over the telephone a rate of 120 to 140 words per minute is ideal.

 **Tip 4**

Use language that expresses a helpful attitude **not** one of helplessness. For example: say, “That's no problem, I will get the information for you” instead of saying that it can't be done, that it's a problem or that you will try.

 **Tip 5**

Use a greeting other than just “hello?” Instead use “Good morning/afternoon. . . .”

 **Tip 6**

Close the conversation in a friendly way. For example: “It was nice speaking with you, . . . have a nice day.”

AG 470-D
(Objective 4)

Ten Tips for a Good Telephone Conversation

Tip 7

If your name is difficult to pronounce or to remember, guide the caller by using a technique that states your name twice. State your surname then state your full name like the James Bond character did in the “007 Bond” movies.

Tip 8

Don't leave a customer on hold too long. If they can hold, check back with them frequently. If you need to verify information or spend some time locating an individual, ask if they will hold and if they cannot hold, tell them you will call them back within a specified time.

Tip 9

Don't use technical terms – keep language simple. The person on the other end of the telephone may not be familiar with your organization's technical jargon and it could result in a miscommunication of information.

Tip 10

When making an outgoing call, ask the person you are calling if it is a convenient time for them to accept your call.

AG 470-D

5. EXPLAIN THE RELATIONSHIP OF NONVERBAL COMMUNICATION TO VERBAL COMMUNICATION.

What is verbal communication?

It's the spoken part of the communication process where an individual uses their voice to produce words and sounds to send messages about their feelings, thoughts, ideas and actions.

What is nonverbal communication?

It's the non-spoken part of the communication process where an individual sends messages either consciously or unconsciously through their body language.

Because nonverbal communication communicates a person's conscious and subconscious feelings, incongruencies may occur between the verbal and nonverbal message. Therefore, it is important to recognize what the other person's nonverbal behavior is saying as well as what your nonverbal behavior is saying.

There is no single, definitive interpretation for each nonverbal message, however, being aware of the negative and positive body signals you are sending along with your verbal message will ensure that you are sending the intended message (refer to the guidelines outlined on the *Negative and Positive Body Language* sheet).

What is included in nonverbal communication?

Note: Interpretation of nonverbal signals varies from culture to culture.

- Kinesics ➤ Body movement:
 facial expressions
 gestures or movements of shoulders, arms, hands, fingers;
 gestures or movements of head and neck
 gestures or movements of hip, legs, feet
- Appearance ➤ Physical appearance:
 clothing, cosmetics, hairstyle, adornments
- Proxemics ➤ The way space is used
 physical distance between people - personal, intimate, etc.
 The way one decorates their home or office
 The way time is used
- Paralinguistics ➤ Are concerned with the tone of one's voice or sounds made
 for example, sounds like umm!, sigh!, uh huh!, etc.
- Silence ➤ Not responding to a question or just not saying anything
 can convey a powerful message

AG 470-D

6. DESCRIBE THE BASIC ELEMENTS OF GOOD WRITTEN COMMUNICATION SKILLS.

Planning

Good written communication begins with a plan which identifies the reason for the message, list ideas and data that will accomplish the task, and organizes the material.

Identifying the purpose

briefly outline the message

Listing of the ideas and data

List information that is relevant to the message

Organizing the information

Select and place information in the order that it is to be used:

1st - the data that attracts reader's attention to the intended message

2nd - the data that clearly communicates the intended message

Rough Draft

The rough draft is the initial version before perfecting any form of written communications. The first draft is where material is organized for readability so that the intended audience will want to continue reading, and can easily understand it. In this part of the process ideas should flow smoothly. To accomplish this: first, an opening that captures the reader's attention and identifies the purpose of the communication needs to be created; secondly, ideas must be arranged and presented so they lead the reader to the request for action or the closing.

The Opening sentence should be intriguing, relevant, specific, worthy and written from the reader's point of view.

Some methods to use to capture the reader's attention:

- state a significant fact
- present a question to illicit a positive response
- refer to an important current event
- begin the first sentence with a "what if" or an "if"

AG 470-D
(Objective 6)

Rough Draft

 **The Arrangement of the Ideas** should flow smoothly to easily guide the reader through the document. Identifying the relationship between ideas ensures a smooth transition through the material. The following words show how relationships may be established:

- Words that compare or relate similar ideas
 - like
 - also
 - and
 - besides
 - in addition to
- Words that suggest the opposite
 - although
 - however
 - in spite of
- Words used to show cause-and-effect relationships
 - since
 - therefore
 - because

Evaluation

Evaluating the first draft of the written communication is an essential step in the process to ensure that the document will effectively communicate your ideas and meet your objective, to win readers. Good writers are considered to be responsible, considerate, interested in their audience, and have something significant to say to the readers. The following rules can be used to evaluate the written communication:

 **Guidelines to follow when evaluating written communication**

- **Courtesy** Write from the reader’s point of view
 - use more “you” and “your” words
 - to place more emphasis on them
- **Accuracy** Tell the truth
 - Be sure your facts are correct
 - Identify your personal opinions
 - Use proper grammar, spelling and punctuation
- **Clarity** Clearly state the meaning that you wish to convey
- **Brevity** Be specific and not wordy but complete

AG 470-D

Student Activities

Compose a Business Letter

Individual assignment: Have students select sample business letters written to agribusinesses to use as a guide when writing their letters. Students can choose any of the acceptable forms of business letters: block or modified-block, and use the correct components of the business letter format, to write their first draft. They can write to an agribusiness requesting for product information, or to inquire about the company in general.

Group assignment: The class will form into groups of four to evaluate each letter using the business communications evaluation form to list the needed changes. Each student is to make any needed changes; make two photocopies, one for their records and one for the instructor; then prepare the letters for mailing.

Compose a Business Memorandum

Individual assignment. Have the students write a business memorandum using the basic parts of a memo. Have them compose a memorandum that addresses two different situations in an agribusiness.

Suggested scenarios:

- *Send a memo to the shipping department about complaints made by customers in the local area regarding problems with their deliveries.
- *Send a memo to the purchasing department asking for more detailed information regarding the new procedures for requesting supplies and equipment.

Class discussion. Have class discussion evaluating the drafts of the business memorandums. Have the class rate the memos by answering the following questions:

1. Appropriate use of the memorandum format?
2. Proper reference to the scenarios?
3. Grammar and spelling correct?

AG 470-D
Student Activities

Compose a Business Letter

Business Communications Evaluation Form

Description	Revisions to be Made
Concise	<hr/> <hr/> <hr/> <hr/>
Clarity of meaning(s)	<hr/> <hr/> <hr/> <hr/>
Grammar (punctuation)	<hr/> <hr/> <hr/> <hr/>
Spelling	<hr/> <hr/> <hr/> <hr/>
Flow of information	<hr/> <hr/> <hr/> <hr/>
Accuracy of information	<hr/> <hr/> <hr/> <hr/>
Organization of information	<hr/> <hr/> <hr/> <hr/>
Formatting	<hr/> <hr/> <hr/> <hr/>
Appearance (neatness)	<hr/> <hr/> <hr/> <hr/>

AG 470-D**Teacher Information Sheet****Written Communications**

The business letter and the office memorandum are the two major forms of written communication used by professional business people. The purpose of these forms of communication are many: some offer information, send information, others give good or bad news, or solicit products and services. They also serve as written documentation of agreements, arrangements, or specific information such as price quotes.

Business Letter

The business letter must be professional looking, clear and accurate. The general tone should be business-like, not too formal or too friendly. **Remember** - your business may be judged by both the appearance and the content of these letters!

Always *type* a business letter using a standard size of 8 ½" x 11", on plain, neutral-toned paper or business letterhead. Margins should be even on both sides and even at the top and bottom. (Refer to Transparency 470 D-7 for an illustration of the acceptable line spacing for business letters.)

There are several recognized format styles for business letters:

Block style all the paragraphs align flush to the left margin (no indents).

Modified block-style all the paragraphs are aligned flush to the left margin except for the date, complimentary close, signature and reference lines, they are center aligned within the left and right margins of the letter.

Modified-block with indented paragraphs shares the same paragraph alignment as the modified block-style but has indented paragraphs.

Mailing the business letter:

Remember to proof the letter twice for errors and make corrections if needed! Fold the letter so it opens ready to read. The return address should be placed on the upper left corner of the envelope. Address the envelope using the complete address, including the recipient's title. (See Handouts 470 D-7a through 470 D-7b for instruction on how to properly fold letters. See Handout 470 D7c which illustrates how to correctly address a business envelope, and how to correctly insert a letter into an envelope.)

AG 470-D
Teacher Information Sheet

Written Communications

Business Memorandum

Memorandums communicate a message to an internal (intra- inter-office) audience. Unlike business letters, memorandums are usually shorter, but like business letters, they often carry an important message that must be acted upon. They promote a product, lodge a complaint, persuade someone to take an action or make a request. Regardless of the memorandum's purpose, the body should contain enough information so that the message is clear. **Note:** Memo formats may vary depending on a company's needs.

Components of a memorandum

 The four-part heading

Contains the essential reference information:

TO:	The individual or department where memo is being sent
FROM:	The sender's name, and department or title
DATE:	Include the month, day, and year
SUBJECT:	State the <u>topic</u> of the message

 The body

May include the following:

- A statement about the purpose of the memorandum
- Any important detailed or technical information
- A summary of the main points, if the memo is a long one
- A statement about what is expected from any requests that are made

AG 470-D**Unit D References****Resources Used in Developing Unit D****Internet Sources**

Websites:

- Improving Your Listening Skills
<http://www.smartbiz.com/sbs/arts/bly55.htm>
- Interpersonal Communication
<http://www1.usa1.com/%7Erblunt/inter.htm>
- Listening Skills
http://www1.fste.ac.cowan.edu.au/AAEP/oral_pre.4/listen/listen.htm
- Nonverbal Communication
http://www1.fste.ac.cowan.edu.au/AAECP/oral_pre.4/nvc/nvc.htm
- Tips for a Good Telephone Conversation
<http://www.telebusiness.belgacom.be/en/teleen.htm>

Other Resources to Supplement Unit D**Internet**

Bibliography: Video Library
<http://www.nando.net/ads/gift/videos>
Click on “Business Skills”

Handouts

- Accordion-Style Letter Fold HO470 D-7b
- Business Envelopes HO 470 D-7c
- Standard Letter Fold HO 470 D-7a
- Ten Tips for a Good Telephone Conversation HO 470 D-4,
- Tips to Becoming a Better Listener HO 470 D-2

Transparencies

- Block-Style Business Letter TM 470 D-7
- Negative Body Language TM 470 D-5a
- Office Memorandum TM 470 D-8
- Positive Body Language TM 470 D-5b

Negative Body Language

**Negative gestures, expressions, stances
and their meaning:**

**Uneasiness
Restlessness**



**Squirming
Tapping fingers**

Boredom



Not Interested

**Hostility
Lack of Acceptance
Anger**



**Closed Fist
Clenched Mouth**

**Doubt
Disapproval**



Surprise

Indifference

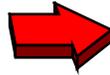


Unsure

Negative Body Language

**Negative gestures, expressions, stances
and their meaning:**

**Uneasiness
Restlessness**



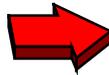
**Squirming
Tapping fingers**

Boredom



Not Interested

**Hostility
Lack of Acceptance
Anger**



**Closed Fist
Clenched Mouth**

**Doubt
Disapproval**



Surprise

Indifference



Unsure

Positive Body Language

**Positive gestures, expressions, stances
and their meaning:**

**Attentive
Listening**



Contemplating

Open



Confident

Pleasant



Friendly

Assertive



Cool

Positive Body Language

**Positive gestures, expressions, stances
and their meaning:**

**Attentive
Listening**



Contemplating

Open



Confident

Pleasant



Friendly

Assertive



Cool



Company
Company address
City, State Zip
Phone / Fax

Date

Name
Company
Address
City, State Zip

Salutation

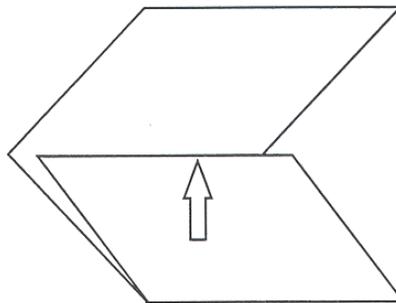
Body of Letter

STANDARD LETTER FOLD

Complimentary Close

SECOND FOLD

**Fold top
edge down
over second fold.**



FIRST FOLD

**Fold bottom
edge up**



Company
Company address
City, State Zip
Phone / Fax

Date

Name
Company
Address
City, State Zip

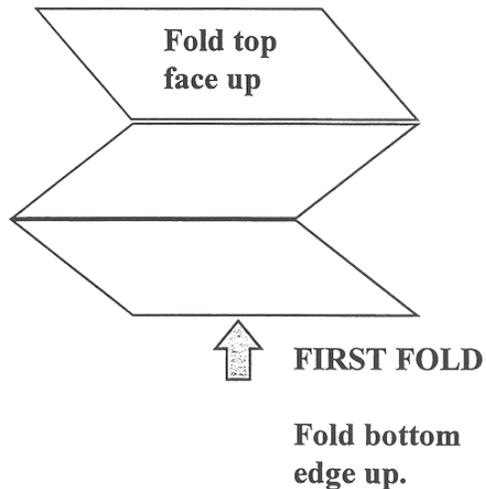
Salutation

Body of Letter

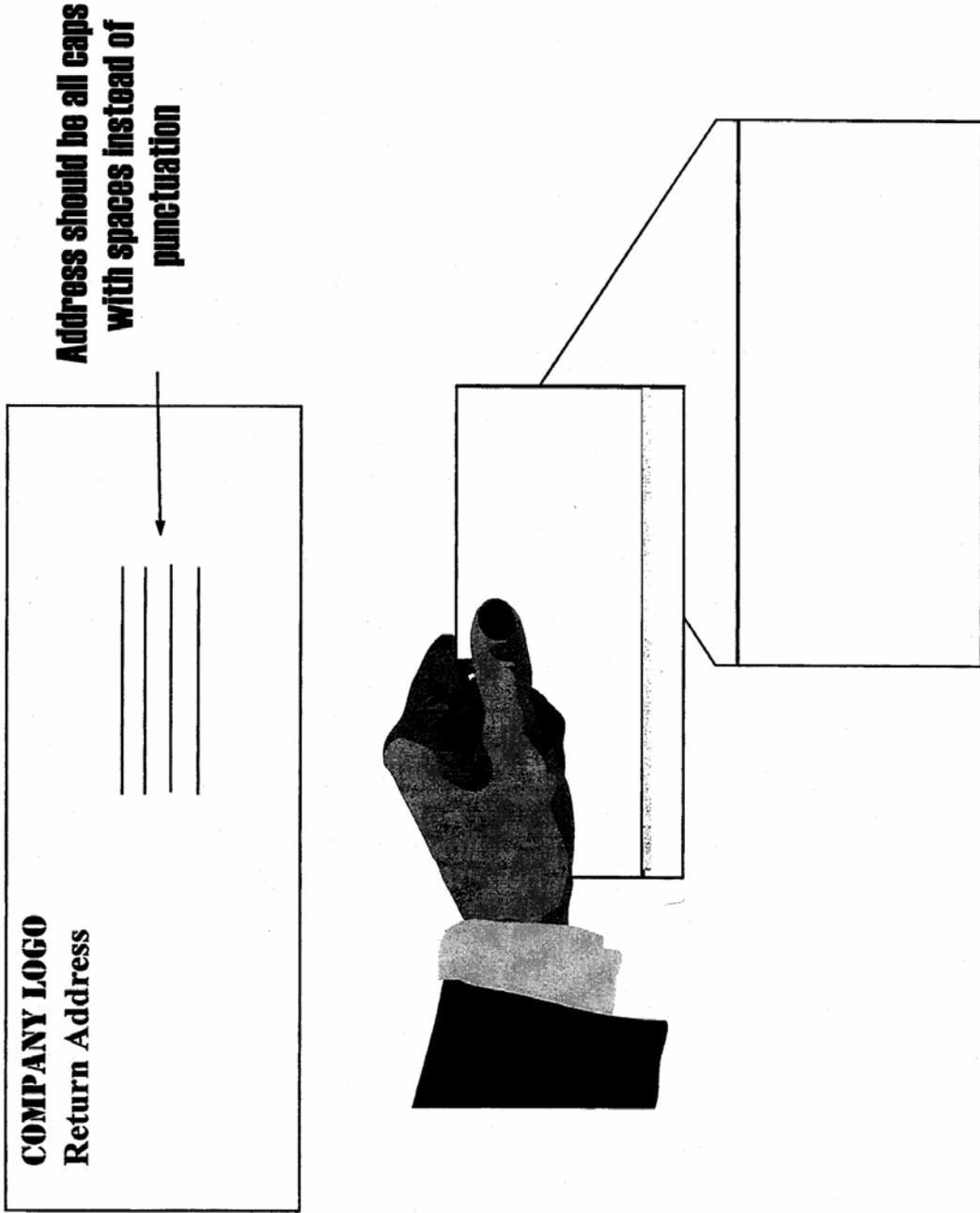
Complimentary Close

ACCORDION-STYLE LETTER FOLD

Used for Window
or Regular Envelopes

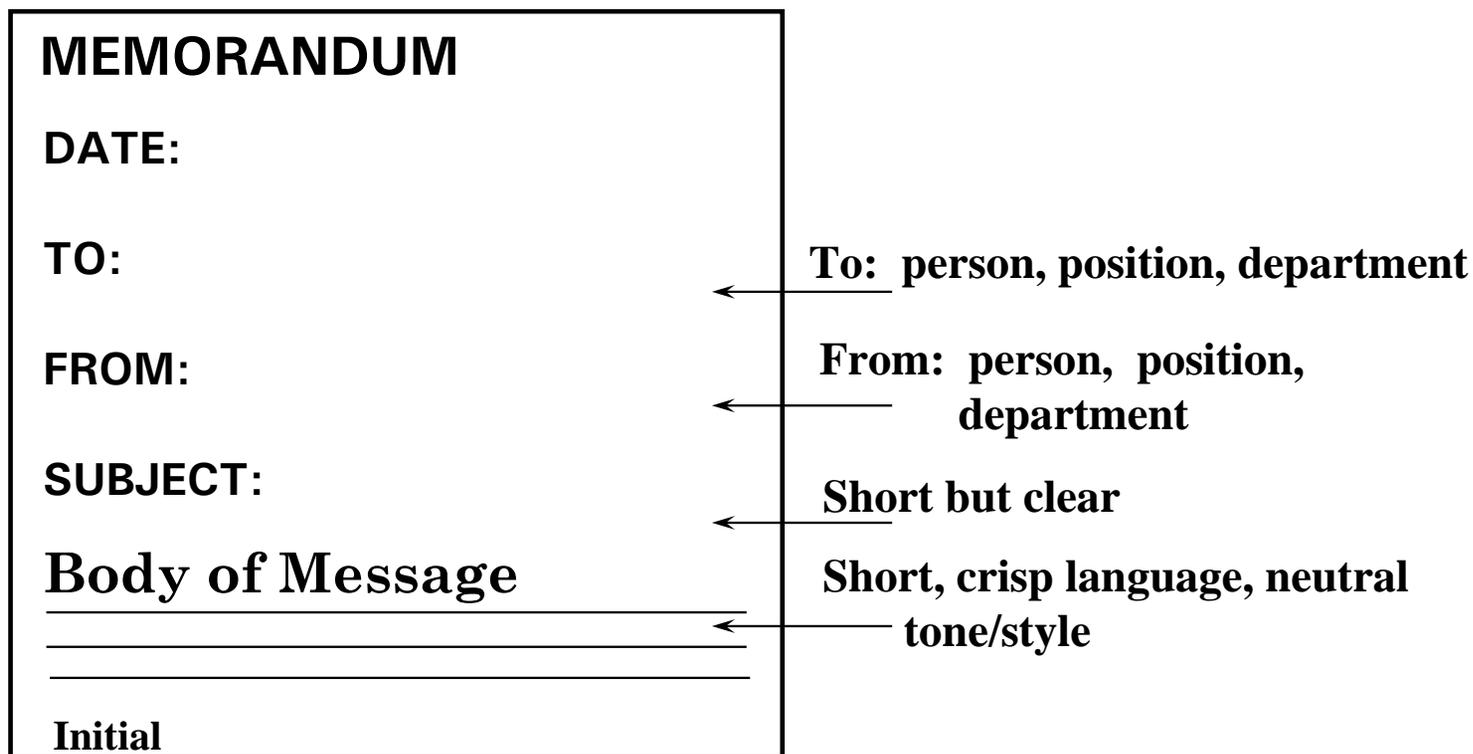


Correctly: Inserting a Letter & Addressing an Envelope

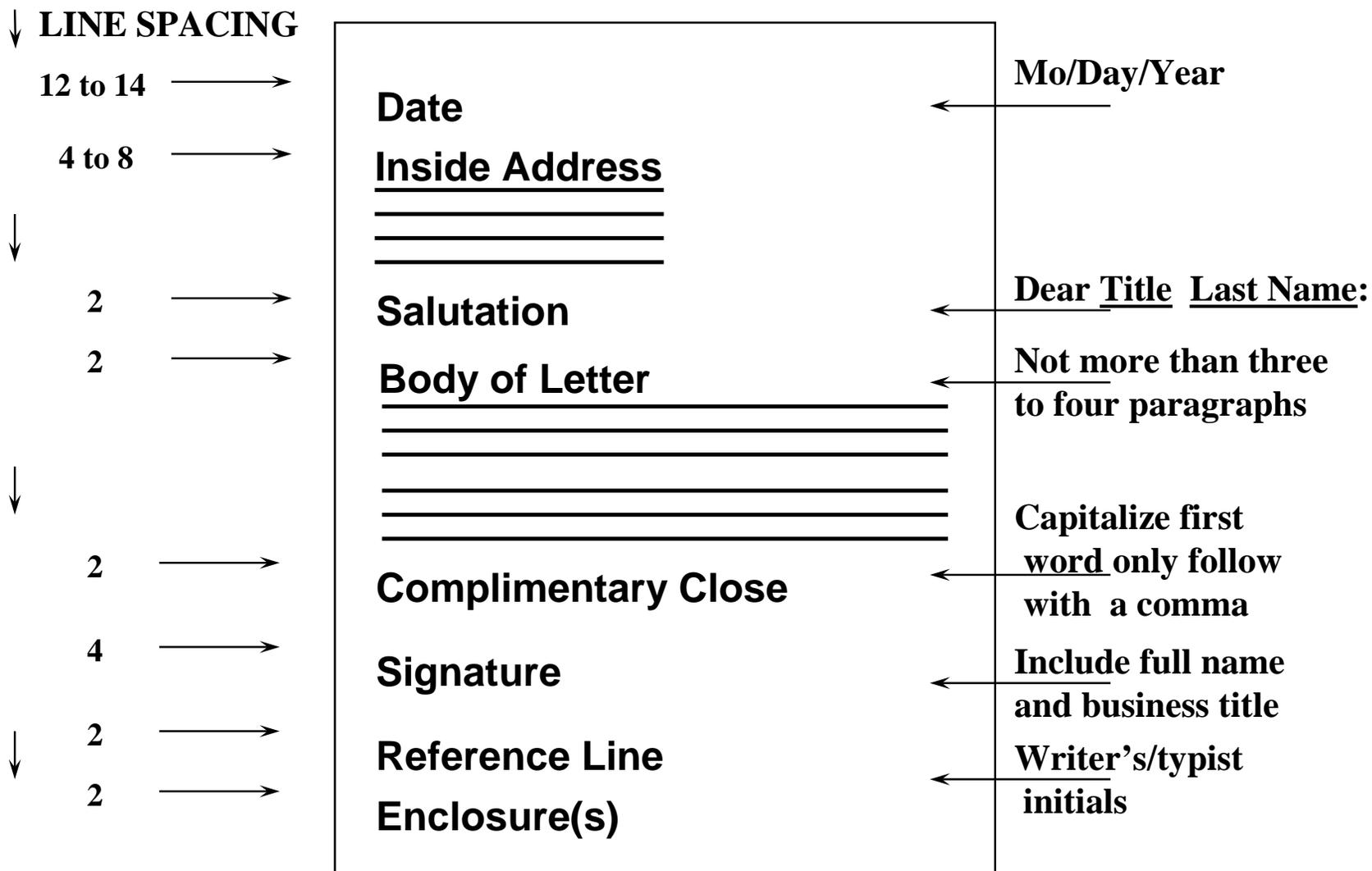


Office Memorandum

A memorandum is a form of communications intended for internal use only. The message should be brief and to the point. Following is an example of a standard memo format used in most professional organizations:



Block-Style Business Letter



**Ag 470 - D: Communication Skills
Unit Test
Answer Key**

List the seven general guidelines for effective idea presentation and communication.

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____

Answers:

- Use simple terms
- Plan for an effective presentation
- Be persistent -- don't give up too soon
- Consider the importance of when to deliver your presentation
- Be prepared for objections from the audience
- Don't push too hard
- Present your idea enthusiastically

Identify the four active listening skills.

8. _____
9. _____
10. _____
11. _____

Answers:

- Hearing
- Interpretation
- Evaluation
- Responding

12. What is the first step to effectively answering a question?

Answer:

Comprehending the question

13. Not listening to what is being asked is _____

Answer:

the most common reason why a person fails to accurately answer a question.

14. The three general rules companies use in handling business calls are to answer the telephone promptly, appropriately address the caller/receiver and action, and _____.

Answer:

consider the caller/receiver's time

15. While the spoken part of the communication process is referred to as verbal communication, messages an individual sends through their body language is referred to as _____.

Answer:

non-verbal communication

True or False

 T 16. Being aware of the negative and positive body signals you are sending along with your verbal messages will ensure that you are sending the intended message.

 F 17. Proxemics refers to an individual's body movements.

 T 18. Paralinguistics are concerned with the tone of one's voice or sounds made.

 T 19. Good written communication begins with a plan which organizes the material.

 F 20. The rough draft is the final version of a written communication.

**Ag 470 - D: Communication Skills
Unit Test**

List the seven general guidelines for effective idea presentation and communication.

1. _____

- 2. _____
- 3. _____
- 4. _____
- 5. _____
- 6. _____
- 7. _____

Identify the four active listening skills.

- 8. _____
- 9. _____
- 10. _____
- 11. _____

12. What is the first step to effectively answering a question?

13. Not listening to what is being asked is _____

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_____.

15. While the spoken part of the communication process is referred to as verbal communication, messages an individual sends through their body language is referred to as

_____.

True or False

- ___ 16. Being aware of the negative and positive body signals you are sending along with your verbal messages will ensure that you are sending the intended message.
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- ___ 18. Paralinguistics are concerned with the tone of one's voice or sounds made.
- ___ 19. Good written communication begins with a plan which organizes the material.
- ___ 20. The rough draft is the final version of a written communication.

**Ag 470 - D: Communication Skills
Unit Test**

List the seven general guidelines for effective idea presentation and communication.

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____

Identify the four active listening skills.

8. _____
9. _____
10. _____
11. _____

12. What is the first step to effectively answering a question?

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14. The three general rules companies use in handling business calls are to answer the telephone promptly, appropriately address the caller/receiver and action, and

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15. While the spoken part of the communication process is referred to as verbal communication, messages an individual sends through their body language is referred to as

_____.

True or False

___ 16. Being aware of the negative and positive body signals you are sending along with your verbal messages will ensure that you are sending the intended message.

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___ 18. Paralinguistics are concerned with the tone of one's voice or sounds made.

___ 19. Good written communication begins with a plan which organizes the material.

___ 20. The rough draft is the final version of a written communication.

Human Relations

AG 470-E

Unit Objective

After completing this unit, the student should be able to identify strengths and weaknesses inherent in their personalities, and how human needs influence their actions and attitudes. They will be able to discuss the importance of human relation skills and positive personality traits of employees. They will be able to list traits that lead to employee success and failure, and understand the expectations of on-the-job relationships with peers, employers and subordinates.

Specific Objectives and Competencies

After completing this unit, students should be able to:

1. Define human relations.
2. Discuss the importance of human relation skills and positive personality traits of sales employees.
3. List the reasons why we study personality.
4. Describe characteristics of a desirable personality.
5. List undesirable personality traits.
6. Describe characteristics of a desirable worker.
7. Describe traits of employees that lead to either their success or failure.
8. List steps for changing personality.
9. List ways people are different.
10. List reasons why people work.
11. Contrast how a worker deals with “superiors,” “peers,” and “subordinates”.
12. Outline ways to get along with coworkers.

AG 470-E
Human Relations

13. Provide constructive criticism to co-workers.
14. Provide positive reinforcement to co-workers.
15. Identify a basic hierarchy of needs which influences human actions and attitudes.
16. Describe the importance of professional appearance on the job.
17. Develop a professional self-improvement plan.
18. Outline the steps involved in systematic problem solving.

Human Relations AG 470E

- 1. DEFINE HUMAN RELATIONS.**
- 2. DISCUSS THE IMPORTANCE OF HUMAN RELATIONS SKILLS AND POSITIVE PERSONALITY TRAITS IN AGRIBUSINESS SALES..**
- 3. LIST THE REASONS WHY WE STUDY PERSONALITY.**
- 4. DESCRIBE THE CHARACTERISTICS OF A DESIRABLE PERSONALITY.**
- 5. LIST UNDESIRABLE PERSONALITY TRAITS.**
- 6. DESCRIBE CHARACTERISTICS OF A DESIRABLE WORKER.**
- 7. DESCRIBE TRAITS OF EMPLOYEES THAT LEAD TO EITHER THEIR SUCCESS OR FAILURE ON THE JOB.**

AG 470-E

Questions for Discussion

1. What is human relations?
2. Why is it important to develop positive human relations skills?
4. Why study personality?
5. Define personality trait. Identify desirable and undesirable traits.
6. How can you change negative personality traits?
7. Identify the attributes exhibited by people with good human relations skills.

AG 470-E

Teacher Answer Sheet

Answers to Questions for Discussion

1. What is human relations?

Human relations is the skill of getting along with other people.

2. Why is it important to develop positive human relations skills?

Because it largely determines success or failure at work or in your personal life.

3. list the components that make up a personality. Describe them. How do they relate to each.

- * Physical: health, appearance, activity
- * Social: communication, interactions with others
- * Mental: physical and intellectual functions
- * Emotional: daily feelings, overall attitude

They are the combination that make up a personality.

4. Why study personality?

- * To understand ourselves and others
- * To improve our personality
- * To become aware of our strengths & weaknesses
- * To be able to successfully interact with our society

5. Define personality trait. Identify desirable and undesirable traits.

- a. A distinguishing quality or characteristic that contributes to personality.
- b. Desirable traits: pleasant, friendly, respect for others, loyal, decisive, cheerful, courteous, assertive, tactful, self-confident, patient
- c. Undesirable traits: gossipy, critical, selfish, aggressive, domineering, self-centered, intolerant, manipulative, impatient

AG 470-E
Teacher Answer Sheet

Answer to Questions for Discussion

7. Identify the attributes exhibited by people with good human relations skills.

- * Interested in people
- * They smile
- * Call people by their name
- * Considerate of others feelings
- * Cordial
- * Friendly
- * Make eye contact
- * Generous with praises
- * Helpful
- * Honest & fair

8. How can negative personality traits be changed?

Start by following these steps:

- a. recognizing them
- b. doing a self assessment of your personality
- c. rate and analyze the results
- d. decide on where improvements can or should be made
- e. develop a plan to change them

AG 470-E

Student Activities

Evaluate Your Personality

Have the students rate their personality traits by placing a check mark in the column which best describes them (evaluation form on a separate page). The teacher could discuss their ratings on an individual level and help students with low ratings develop a self-improvement plan. Also, have them select a classmate, a friend, a family member or a co-worker to complete and score the evaluation then have the student write a short paper which compares and contrasts the two evaluations.

SCORING:

0 - 64	Poor. Work on developing a self-improvement plan.
64 - 74	Below average. Need to work on improving negative traits.
74 - 84	Average. Good. Try strengthening your positive traits.
84 - 90	Above average. You have a healthy personality.
90 - 100	Very Good. You have a great personality.

Personality Self Improvement Plan

After the students complete their personality evaluations, have them develop a written self-improvement plan to be turned in. They can refer to the information on how to change their personality as a guide. Their plan of action needs to include:

- ✓ Areas for improvement
- ✓ Listing of their weaknesses and strengths
- ✓ List of negative personality traits
- ✓ List of other observations they have made about their personalities
- ✓ Statement which addresses each negative trait and a plan of action to improve it/them
- ✓ A brief explanation of why they rated themselves negatively on these traits

Roleplaying

Have students form into groups, each group is to select an office scenario that characterizes traits of employees that lead to their success or they can choose traits that lead to their failure. One group will role play a scenario of worker(s) with desirable traits and another group will use the same scenario but instead will role play worker(s) with undesirable traits. The class will follow up with discussion contrasting the two different characterizations.

**Human Relations
AG 470-E**

- 9. LIST WAYS PEOPLE ARE DIFFERENT.**

- 10. LIST REASONS WHY PEOPLE WORK.**

- 11. CONTRAST HOW A WORKER DEALS WITH “SUPERIORS,” “PEERS,” AND “SUBORDINATES”.**

- 12. OUTLINE WAYS TO GET ALONG WITH CO-WORKERS.**

- 13. PROVIDE CONSTRUCTIVE CRITICISM TO CO-WORKERS.**

- 14. PROVIDE POSITIVE REINFORCEMENT TO CO-WORKERS**

- 15. IDENTIFY A BASIC HIERARCHY OF NEEDS WHICH INFLUENCES HUMAN ACTIONS AND ATTITUDES.**

AG 470-E
Objective 11

DEALING WITH CO-WORKERS

Q & A

Q Who are co-workers?

A Co-workers are made up of all the people an individual deals with in a work place setting:

- Superiors ⇒ Include supervisors, managers and the employer(s)
- Peers ⇒ Those at the same employment level as yourself
- Subordinates ⇒ Fellow employees at a lower employment level than yourself

Q What do co-workers expect from each other?

A Superiors expect:

- Follow the company rules and policies
- Follow the duties and responsibilities described in your job description
- Be efficient, effective, dependable, and productive
- Use good human relations skills with co-workers, customers, and other organizations
- Loyalty

A Peers expect:

- Good human relations skills
- Team work
- Courtesy and respect
- Consideration
- Dependability

A Subordinates expect:

- Tactfulness when being assigned a task
- Private reprimands
- Constructive criticism and positive reinforcement
- Leadership
- Good human relations skills
- Courtesy and respect

AG 470-E

The Do's And Don'ts Of Getting Along With Co-Workers

DO's

- Be as pleasant as possible
- Help them to fulfill their need for safety, security, to belong
- Accept their differences
- Respect them and their work
- Compliment their work and their accomplishments
- Treat them as individuals
- Exhibit even temperament and good disposition
- Carry your work load
- Offer assistance when needed

DON'TS

- Exploit others
- Repeat rumors or distort information about another worker
- Dodge responsibility
- Dismiss errors or deny your mistakes
- “Brown nose” or “politick” for personal gain
- Complain incessantly
- Have poor hygiene
- Be hostile
- Criticize or question policy

AG 470-E**Student Activities****Video**

Suggested video to show: *Creating a Positive Work Environment*. Order through the Video Library, Schoolhouse videos & more, call free - **1 888-SCHOOL**House or access their web site to order online - <http://www.nando.net/ads/gift/videos>, go to Business Skills, scroll alphabetically to locate the title of the video.

Case Study

Have the students read the following case and answer the questions that follow.

The Case of the Overbearing Supervisor

Ned moved into a front-end supervisor 's position for a supermarket three months ago and was also relocated to another store. He mainly oversaw the scheduling and supervision of the grocery sales clerks and customer service employees.

Ned didn't see himself as part of a team instead he began to assert inappropriate power over his subordinates. He personalized employee mistakes and in is his own defense, attacked the worker(s) by leaving them nasty notes and addressing them publicly.

When Ned did the weekly schedules, he regularly scheduled himself off during the weekend while giving his employees' split days off during the week. In addition, he scheduled his vacation time around his preference without consideration for his workers' requested days.

When an employee(s) complained to management about Ned's actions, he retaliated by giving them poor performance evaluations or not rotating their days off to allow for an occasional weekend off.

Questions:

1. What are the human relations problems inherent in this particular case?
2. Have you encountered a similar problem? If so, compare and contrast it to your experience. If not, write about a difficult human relations situation that you encountered.
3. How would you remedy this problem (the case study)?

AG 470-E

16. DESCRIBE THE IMPORTANCE OF PROFESSIONAL/(PERSONAL) APPEARANCE ON THE JOB.

Q & A

Q What is personal appearance?

A It is the sum of all your physical traits:

Grooming: Oral and body hygiene; hairstyle and hair length; hands and nails

Attire: clothing, accessories, shoes, hats

Health, weight

Posture, facial expressions

Q Why is personal appearance important?

A People form their first impressions of you based on your personal appearance

Q Can you list some characteristics about an individual's personal appearance that you would most likely notice when seeing or meeting them for the first time?

- A**
- Their clothes and if they: are suitable, are clean and in good condition, fit properly, are worn neatly, thought about the style and color when selecting them.
 - Physical aspects such as their: grooming habits, hairstyle, facial features, posture, weight, physical fitness
 - More detailed aspects such as: their complexion, condition of their teeth, their hygiene, their general health, if they look tired, emotional expression

Q How does health affect personal appearance?

A If you are not *well* you usually don't appear *well*. Good health helps you to feel good, and function well physically, emotionally and mentally.

AG 470-E
Objective 16

Q & A

Q What is the effect of grooming on personal appearance?

A Neglecting your grooming greatly detracts from your overall appearance.

Q What is considered appropriate professional attire?

A Depends on your position and the nature of business your company conducts.
For example: in a conservative, formal agricultural sales setting, men should dress more traditionally a two piece suit, a white shirt and a simple tie; women should wear a conservative suit or dress.

Note: If you are an upwardly mobile professional, dress in clothes that project the appropriate image for the position that you are targeting.

Q What can you do to build a professional image?

A

- Start by improving your personality (have the students refer to their personality self-improvement plans that they developed in the section that covered objectives 1-7).
- Attend classes to improve your professional skills or to improve self-image
- Join a professional group
- Develop a mentor relationship
(mentors can provide, professional experience, knowledge, support and wisdom)

AG 470-E**Student Activities****Magazine Article Report**

Have students find an article(s) on dressing for success, on professional appearance, or on office attire, write a report, and then present it to the class.

Guest Presenter

Invite a sales representative from a clothing store or one that sells career wear in a department store to describe how to dress for success (perhaps they can bring some clothing samples to show them to the class).

Video

Suggested videos to show: *How to Present a Professional Image - For Women.*, *Image & Self-Projection for Women*, **Men Style: A practical guide for building your business wardrobe*, **HIS' HEALTH Image and Style for Men*. Order through the Video Library, Schoolhouse videos & more, call free - **1 888-SCHOOLHOUSE** or access their web site to order on line: <http://www.nando.net/ads/gift/videos>, go to Business Skills, scroll alphabetically to locate the title of the video. *Videos marked with an asterisk can only be ordered by telephone.

Professional Self-improvement Plan

(Objective 17)

Have students develop a professional self-improvement plan. Have them include their personality self-improvement plan along with their professional plan.

Human Relations AG 470-E

18. OUTLINE THE STEPS INVOLVED IN SYSTEMATIC PROBLEM SOLVING

Problem solving is an active process that involves thinking and making decisions in an effort to overcome difficult situations. Employees at all levels need to acquire and use human relations problem solving techniques which involve skills, ability, ingenuity, and initiative in order to deal with problems that inevitably arise on a job. Employees who successfully demonstrate their ability to deal with and resolve problems in an efficient manner, are considered a valuable asset to their company.

Although there are many approaches to solving problems, the scientific approach is outlined below because it has been proven to be an effective and efficient means by which problems can be solved.

The Steps Involved in the Process of Scientific Problem Solving

- ❶ Recognition of the problematic situation
- ❷ Definition of the problem
- ❸ Analysis of the situation
- ❹ From hypotheses
- ❺ Gather information and alternative actions to find a viable solution
- ❻ Implement the solution (take the action necessary to resolve the problem).

AG 470-E

Unit E References

Resources Used in Developing Unit E 1-7

Crunkilton, J., Hillison, J., & Lee, J. S. (Ed.). (1980). *Human Relations in Agribusiness*. New York: McGraw Hill.

Lawver, D. E., Lee, J. S. (Ed), & Leising, J. G. (1994). *Agrimarketing Technology*. Illinois: Interstate.

Resources Used in Developing Unit E 8-15

Crunkilton, J., Hillison, J., & Lee, J. S. (Ed.). (1980). *Human Relations in Agribusiness*. New York: McGraw Hill.

Handout

The Do's and Don'ts of Getting Along with Co-Workers HO 470 E-12

Transparencies

- Ways People are Different TM 470 E-9
- The Five Levels of Human Needs TM 470 E-10 & 15

Resources Used in Developing Unit E 16-17 & 18

Crunkilton, J., Hillison, J., & Lee, J. S. (Ed.). (1980). *Human Relations in Agribusiness*. New York: McGraw Hill.

Internet Resources

Website: Job Finder - Dress for Success

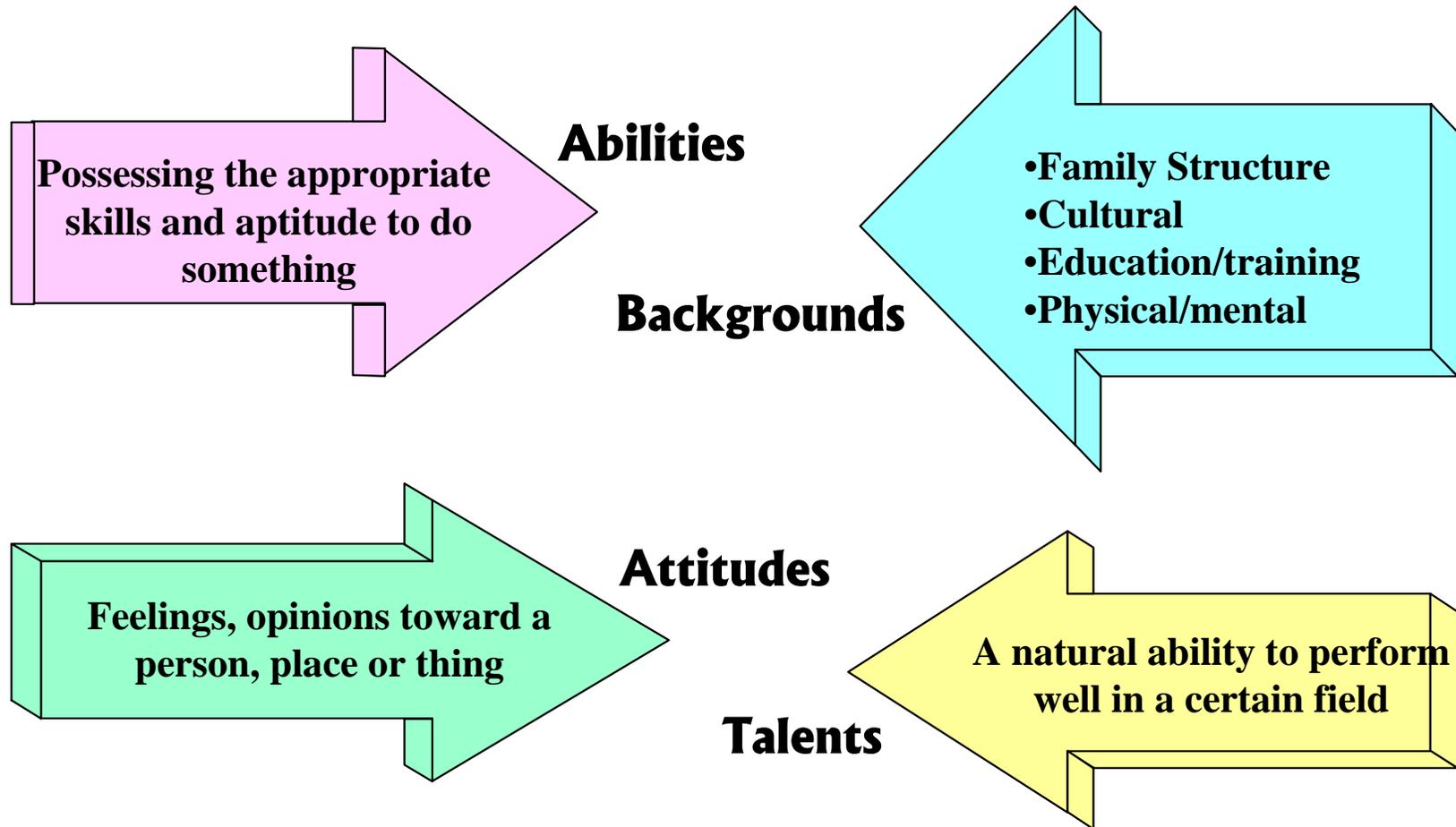
<http://www.chalk.com/expert/jobs/dress.html>

Click on “more information available” to access related sites: “Conservative and Clean,” “Tips for Dressing for Success”.

Transparency

Presenting a Professional Image TM 470 E-16

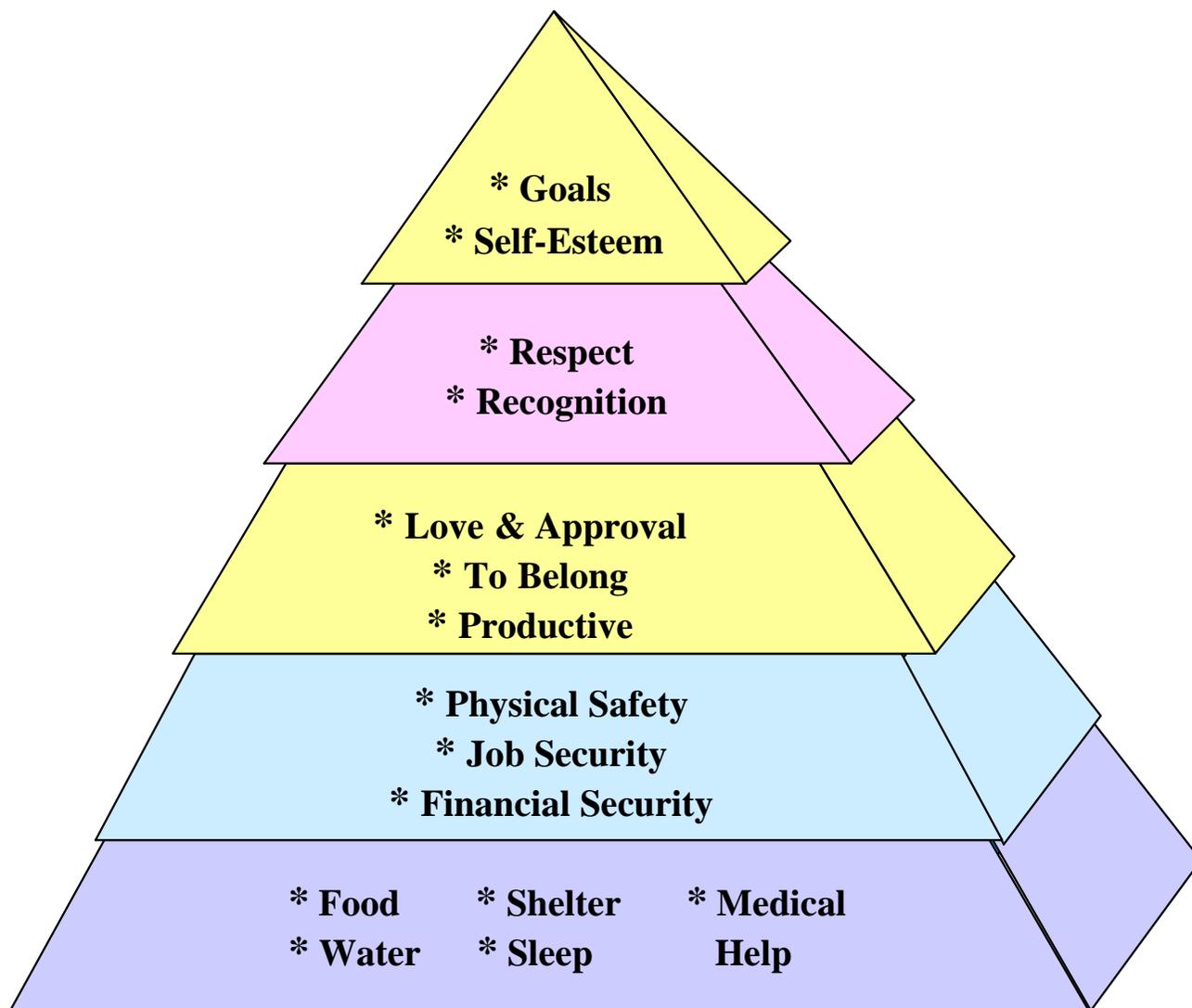
Ways People are Different



The Five Levels of Human Needs

Why is it important to understand the five levels of human needs?

- **People's actions and reactions are dictated by their needs.**
- **Understanding human needs will help us in getting along with others.**



Presenting a Professional Image

Clothing

Invest in clothes that project the image you wish to portray

Is becoming more casual

Is moving toward individual style

Must fit well, be immaculately clean

conservative



Accessories

For a polished appearance choose quality accessories

Keep perfumes & colognes light

Casual



Grooming

Is more important than wearing that "perfect" outfit

Clean, attractive shoes

Neat & appropriate hairstyle

**Ag 470 - E: Human Relations
Unit Test**

1. Define human relations.

Answer:

Human relations is the skill of getting along with other people.

Match the following personality components with their appropriate traits.

- ___ 2. Physical
- ___ 3. Social
- ___ 4. Mental
- ___ 5. Emotional

- A. communication, interactions with others
- B. daily feelings, overall attitude
- C. physical and intellectual functions
- D. health, appearance, activity

List the four reasons why personality is studied.

- 6. _____
- 7. _____
- 8. _____
- 9. _____

10. Why is it important to develop positive human relations skills?

Answer:

Because it largely determines success or failure at work or in your personal life

List at least two desirable, and two undesirable personality traits.

11. DESIRABLE

12. UNDESIRABLE

Multiple choice

13. Attributes exhibited by people with good human relations skills include

- a. showing disinterest in people.
- b. being dishonest.
- c. being considerate of other peoples feelings.
- d. not making eye contact.

14. Negative personality traits can be changed by first.

- a. developing a plan to change them.
 - b. deciding on where improvements can or should be made.
 - c. rating and analyzing the results of a personality test.
 - d. recognizing them.
15. Co-workers are made up of all the people an individual deals with in a work place setting and include
- a. supervisors.
 - b. superiors, peers, and subordinates.
 - c. those at the same employment level as you.
 - d. managers.
16. Superiors expectations of their workers most often include
- a. efficiency, effectiveness, dependability, and productivity.
 - b. leadership.
 - c. private reprimands.
 - d. positive reinforcement.
17. In order to get along with co-workers one must
- a. be hostile.
 - b. offer bribes.
 - c. dismiss errors and deny mistakes.
 - d. accept their differences.
18. Personal appearance is important because
- a. it is the last thing you notice about a person.
 - b. people form their first impressions of you based on your personal appearance.
 - c. it has no bearing on a person impression of you.
 - d. none of the above.

List at least two steps involved in the process of scientific problem solving.

19. _____

20. _____

**Ag 470 - E: Human Relations
Unit Test
Answer Key**

1. Define human relations.

Answer:

Human relations is the skill of getting along with other people.

Match the following personality components with their appropriate traits.

- D 2. Physical
 A 3. Social
 C 4. Mental
 B 5. Emotional

- A. communication, interactions with others
B. daily feelings, overall attitude
C. physical and intellectual functions
D. health, appearance, activity

List the four reasons why personality is studied.

- 6. _____
- 7. _____
- 8. _____
- 9. _____

Answers:

- To understand ourselves and others
- To improve our personality
- To become aware of our strengths and weaknesses
- To be able to successfully interact with others

10. Why is it important to develop positive human relations skills?

Answer:

Because it largely determines success or failure at work or in your personal life

List at least two desirable, and two undesirable personality traits.

11. DESIRABLE

Possible answers:

pleasant, friendly, respect for others, loyal, decisive, cheerful, courteous, assertive, tactful, self-confident, patient

12. UNDESIRABLE

Possible answers:

gossipy, critical, selfish, aggressive, domineering, self-centered, intolerant, manipulative, impatient

Multiple choice

13. Attributes exhibited by people with good human relations skills include
- showing disinterest in people.
 - being dishonest.
 - being considerate of other peoples feelings.**
 - not making eye contact.
14. Negative personality traits can be changed by first.
- developing a plan to change them.
 - deciding on where improvements can or should be made.
 - rating an analyzing the results of a personality test.
 - recognizing them.**
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 - superiors, peers, and subordinates.**
 - those at the same employment level as you.
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- efficiency, effectiveness, dependability, and productivity.**
 - leadership.
 - private reprimands.
 - positive reinforcement.
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- be hostile.
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- it is the last thing you notice about a person.
 - people form their first impressions of you based on your personal appearance.**
 - it has no bearing on a person impression of you.
 - none of the above.

List at least two steps involved in the process of scientific problem solving.

19. _____

20. _____

Answers:

Recognition of the problematic situation

Definition of the problem

Analysis of the situation

Form hypotheses

Gather information and alternative actions to find a viable solution

Implement the solution (take the action necessary to resolve the problem)

Goal Setting and Planning AG 470-F

Unit Objective

After completing this unit, the student should understand the benefits of goal-setting, planning, and time management and be able to use methods and techniques presented in the unit to implement them.

Specific Objectives and Competencies

1. Define terms associated with goal-setting and planning.
2. List the principles of goal-setting.
3. Distinguish between long- and short-range goals.
4. List short-term goals.
5. List long-term goals.
6. Discuss different types of goals.
7. Identify the areas in which a well-rounded person uses goal setting.
8. Set long- and short-range goals for the areas of a well-rounded life.
9. List the steps for accomplishing goals.
10. Apply the steps for accomplishing your long- and short-term professional goals.
11. Discuss the importance of organization in achieving goals.
12. Discuss the benefits of planning.
13. State easy-to-use planning and time-management strategies.
14. Formulate a plan for improving planning and time-management in your professional and personal life.

Goal Setting and Planning AG 470F

- 1. DEFINE TERMS ASSOCIATED WITH GOAL-SETTING AND PLANNING.**
- 2. LIST THE PRINCIPLES OF GOAL-SETTING.**
- 3. DISTINGUISH BETWEEN LONG- AND SHORT-RANGE GOALS.**
- 4. LIST SHORT-TERM GOALS.**
- 5. LIST LONG-TERM GOALS.**
- 6. DISCUSS DIFFERENT TYPES OF GOALS.**

AG 470-F

 ***Goal Setting: The Principles***

- ❶ State goals that reflect your life and the direction they will take you.
- ❷ State goals of what you want to accomplish in life - be specific.
- ❸ Look inward and set goals that reflect your value system.
- ❹ State goals you feel most comfortable with.
- ❺ Set realistic and attainable goals.
- ❻ Plan a strategy of how to attain the goals you are developing.
- ❼ Write down what you want to accomplish and how you plan to achieve it.

AG 470-F

Questions for Discussion

1. What is a goal?
2. What are the different types of goals?
3. Why set goals?
4. What can setting goals do for you?
5. List what research has found of people who use goal-setting effectively.
6. What are short- and long-term goals?

AG 470-F**Teacher Answer Sheet****Answers to Questions for Discussion**

1. What is a goal?

It is a level of accomplishment an individual strives to attain, that can be defined, discussed, visualized, or written.

2. What are the different types of goals?

- Work goals
 - Include activities that comprise your main responsibilities
 - Include your desire to achieve quality, quantity, and efficiency

- Problem-solving goals
 - a. identify the problem
 - b. find solutions
 - c. implement solution(s)

- Innovative goals
 - Creating or trying something new
 - Can address the problem(s)

- Development goals
 - Continuing education and training
 - Improvement of relationship or technical skills

3. Why set goals?

- To choose where you want to go in life
- To measure and take pride in the achievement of those goals
- Gives you long-term vision and short-term motivation
- A way to organize your resources

4. What can setting goals do for you?

- Help you to achieve more
- Can improve your performance
- Will increase your motivation to achieve
- Will improve your self-confidence
- Helps you to eliminate attitudes that hold you back
- Helps determine strengths and weaknesses

AG 470-F
Teacher Answer Sheet

Answers to Questions for Discussion

5. List what research has found of people who use goal-setting effectively.

- They incur less stress and anxiety
- Their concentration is better
- Their performance is better
- They are content
- They appear more self-confident

6. What are short- and long-term goals?

They are goals based on the length of time required to reach them

Short term goals:

- ⇒ range from a month to one year
- ⇒ Contribute to long-term goals
- ⇒ Are measurable

Long term goals:

- ⇒ may require months or years to attain
- ⇒ Are made up of a series of short-term goals

AG 470-F

Student Activities

Video

Suggested video to show: *FYI: Setting & Achieving Your Goals*. Order through the Video Library, Schoolhouse videos & more, call free - **1 888-SCHOOLH**ouse or access their web site to order on line: <http://www.nando.net/ads/gift/videos>, go to Business Skills, scroll alphabetically to locate the title of the video.

Film

Suggested film to show: *Zig Ziglar Goals*. This is relatively long so you may want to preview it first and select relevant portions for your use. Contact The Zig Ziglar Corporation, 3330 Earhart, Suite 204, Carrollton, TX 75400 or call toll free 1 800 527-0102.

Personal Goals Worksheet

Complete the following sheet describing one short-term goal and one long-term goal that you recently achieved. After completing the sheet, write a paper that addresses the following:

1. Explain the reasoning process that led you to choose these goals.
2. Describe how you felt when you accomplished your goals.

Your Name _____

Short-term Goal _____			
Steps Took to Achieve this Goal	List How You Accomplished these Steps	Amount of Time Each Step Took	Date
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

AG 470-F
Student Activities

Personal Goals Worksheet

Long-term Goals _____			
Steps Took to Achieve this Goal	List How You Accomplished these Steps	Amount of Time Each Step Took	Date
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

FYI: Periodically evaluate your progress on achieving your goals then revise your goals, the steps and how you will achieve them as necessary.

**Goal Setting and Planning
AG 470-F**

- 7. IDENTIFY THE AREAS IN WHICH A WELL-ROUNDED PERSON USES GOAL SETTING.**

- 8. SET LONG- AND SHORT-RANGE GOALS FOR THE AREAS OF A WELL-ROUNDED LIFE.**

- 9. LIST THE STEPS FOR ACCOMPLISHING GOALS.**

- 10. APPLY THE STEPS FOR ACCOMPLISHING YOUR LONG- AND SHORT-TERM PROFESSIONAL GOALS.**

AG 470-F

Information Sheet

A well-rounded person sets goals in all the important areas of their life:

Important Areas of a Person's Life			Set Goals <u>to</u> <i>Change, Reach, Achieve, Acquire, Be, Have, or Maintain</i>
Attitude	⇒	⇒	Mind-sets that hold a person from taking positive action Negative behavior or erroneous thinking
Career	⇒	⇒	A Higher level of job Professionalism
Education	⇒	⇒	A college degree or advanced degree Professional skills and information General knowledge
Family	⇒	⇒	A good parent A good relationship with spouse, children and extended family members
Financial	⇒	⇒	A good lifestyle Strong investments Retirement security
Physical	⇒	⇒	Athletic ability Good health Weight
Community Service	⇒	⇒	The world into a better place to live A political position To be a prominent citizen
Social	⇒	⇒	A higher social status A contributing member of an elite social group Life's pleasures Fun

AG 470-F

Assignment Sheet

(objective 8)

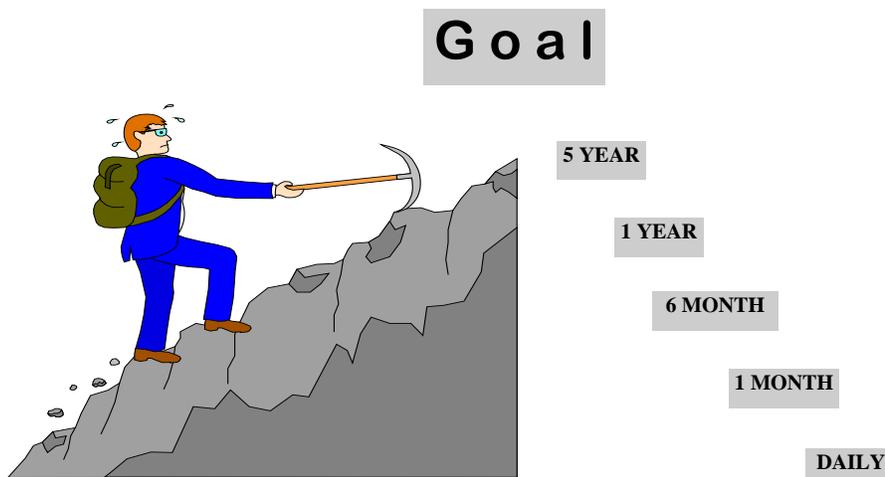
Set Long- and Short-range Goals for a Well-rounded Life

Have the students refer to the information sheet, “A well-rounded person . . . Life” to use as a guide when completing the following assignment:

List your long- and short-range goals according to the categories listed on the information sheet

Prioritize them by assigning a value from A to F. Then review the goals and re-prioritize them as needed to ensure that you successfully accomplish them.

Stay on course by reviewing and updating your to-do list on a daily basis. Periodically review your other plans, and modify them to reflect any changes in your priorities.



Set your five-year plan	_____
Set a one year plan	_____
A six-month plan	_____
One-month plan	_____
Set a daily to-do list	_____

Assignment Sheet**Long- And Short-Term Professional Goals**

Write long- and short-term goals for your professional life as you did on the “Personal Goals Worksheet” for your personal life. Review them addressing the items that follow. Then rewrite the goals, and indicate any changes made in the space provided.

Setting your goals

- ◇ Is the goal yours?
- ◇ Is it ethical?
- ◇ Are the short-term goals relevant to your long-term goal(s)?

Set a timeline for achieving each goal

List any potential problems that you will have to overcome

AG 470-F
Assignment Sheet

Long- And Short-Term Professional Goals

**Identify resources that can assist you
(e.g., literature, experts on the subject)**

List the skills, knowledge and education needed

Develop a strategy for reaching the goal

List the benefits that achieving your goal(s) offers

Long-Term Goal Revision	
Short-Term Goals Revisions	a. _____ d. _____ b. _____ e. _____ c. _____ f. _____

**Goal Setting and Planning
AG 470-F**

- 11. DISCUSS THE IMPORTANCE OF ORGANIZATION IN ACHIEVING GOALS.**

- 12. DISCUSS THE BENEFITS OF PLANNING.**

- 13. STATE EASY-TO-USE PLANNING AND TIME-MANAGEMENT STRATEGIES.**

- 14. FORMULATE A PLAN FOR IMPROVING PLANNING AND TIME-MANAGEMENT IN YOUR PROFESSIONAL AND PERSONAL LIFE.**

AG 470-F

Planning and the Benefits

Planning

Is defined:	Determines a future course of action by preparing strategies and setting specific time frames, which should be measurable.
Involves:	deciding on a course of action, and developing a means of measuring progress.
Requires:	Researching thinking, deciding, judging, or evaluating alternative action.
Types:	<ul style="list-style-type: none"> • Short-term • Intermediate-term. These are essentially short term plans in reaching long-term plans. • Long-term

Example: Planning in agribusiness

Farmers

- decide what to produce for market
- plan for profit

Agricultural supplies and services

- plan for farmers' needs



The Benefits

- ☺ Identifies goals and tasks
- ☺ Identifies potential problems or roadblocks
- ☺ Efficiently manages time and money
- ☺ Increases production
- ☺ Helps in accomplishing more goals
- ☺ Prevents duplication of effort and resources
- ☺ Improves efficiency

HO 470 F-12

AG 470-F**Information Sheet****Importance of organization in achieving goals**

At the heart of organization is time
management



Concentrating on results
not on being busy

Organize your time and resources in order to achieve your goals**Look at your use of time management**

- ◆ Use an activity log to evaluate your use of time and your level of energy throughout the day
- ◆ Know what resources are available
- ◆ Estimate the amount of time it takes to do a task - then you can decide to avoid it, drop it or delegate it
- ◆ Set goals and plans that will lead you to exceptional performance.

Look at ways in which you can use your time most effectively:

- ◆ Keeping physically fit will lead to effective job performance
- ◆ Utilize waiting time and delays effectively
- ◆ Use travel time effectively

Find ways to create more time:

- ◆ Delegate effectively
- ◆ Begin your day early in the morning

Control distractions that interrupt your work day

- ◆ Manage drop-in visitors by keeping them brief and to the point or make an appointment to meet with them at more convenient time for you
- ◆ Handle phone calls effectively
- ◆ Set a block of time to accept phone calls and appointments, otherwise let them know that you do not wish to be disturbed

AG 470-F**Unit F References****Resources Used in Developing Unit F 1-6**

Lawver, D. E., Lee, J. S. (Ed), & Leising, J. G. (1994). *Agrimarketing Technology*. New York: McGraw Hill.

Newman, M. E., & Wills, W. J. (1994). *Agribusiness Management and Entrepreneurship* Illinois: Interstate.

Internet Resources

- Website: Mind Tools - Planning and Goal Setting. Why Set Goals?
<http://www.mindtools.com/pggoalst.html>
- Website: University of Southern Indiana - A Sample Thinking Activity
<http://www.usi.edu/libarts/english/rhetoric/think1.htm>

Resources Used in Developing Unit F 7-10**Internet Resources**

Website: Mind tools - Planning and goal Setting - Deciding your Goals
<http://www.mindtools.com/pgdcgoal.html>

Transparency

- Goals Areas: of Well-Rounded People TM 470 F-7
- Fine Tune your Professional Goals TM 470 F-9

Resources Used in Developing Unit F 11-14

Newman, M. E., & Wills, W. J. (1994). *Agribusiness Management and Entrepreneurship* Illinois: Interstate.

Internet Resources

Website: Mind tools - Time Management Skills
<http://www.mindtools.com/tmsumm.html>

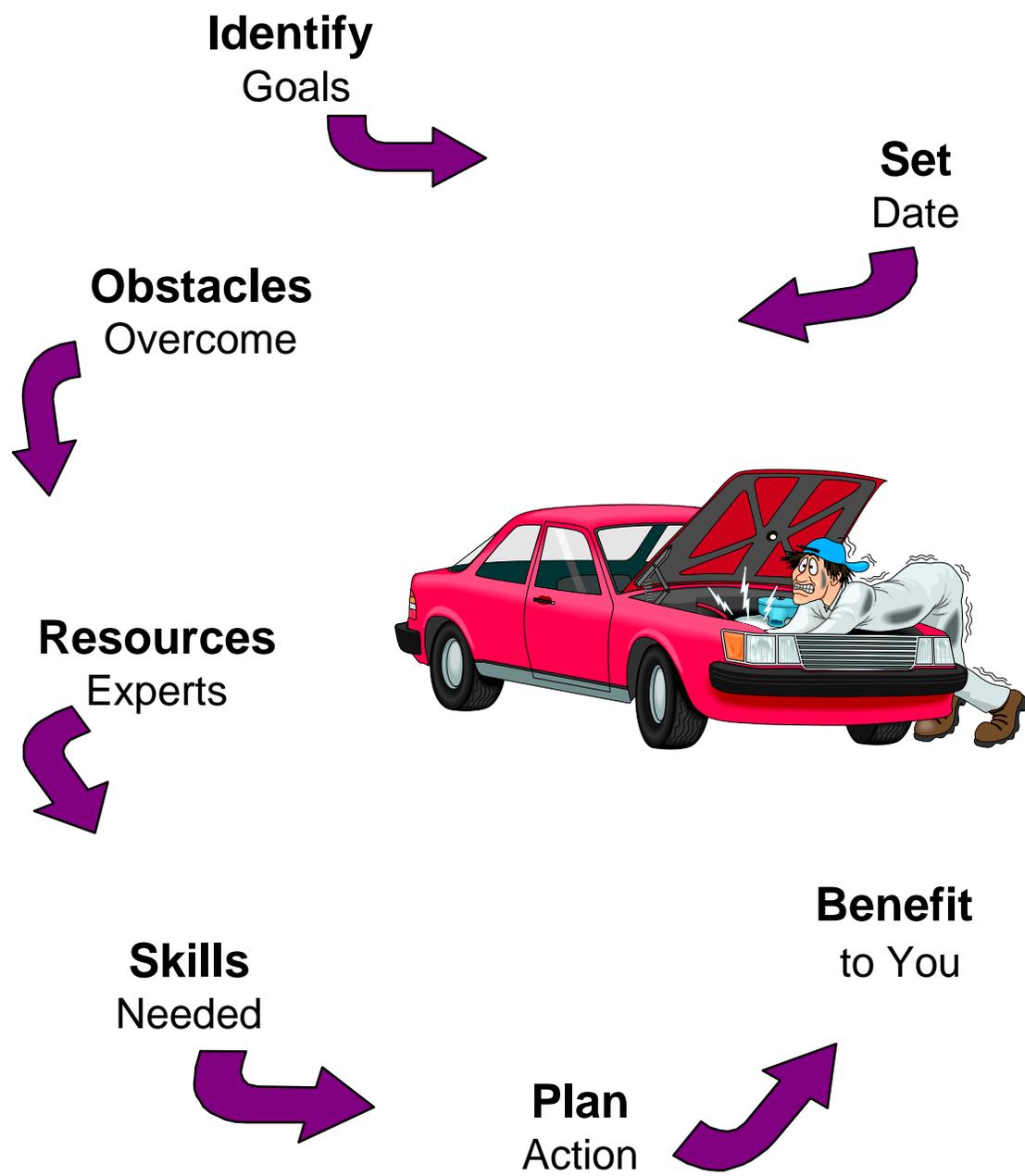
Handout

Planning and the Benefits HO 470 F-12

Goal Areas: of Well-Rounded People



Fine Tune your Professional C



AG 470-F

Student Activities

Film

Suggested video to show: *The Time of Your Life* is a 30-minute film on time management.

Order it from - Oklahoma Department of Vocational and Technical Education, 1500 W. Seventh Avenue, Stillwater, OK 74074.

Time Management Planner

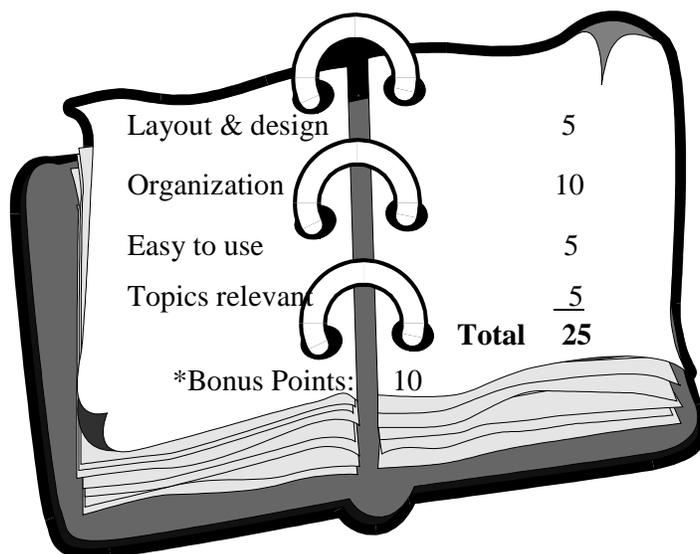
Group Activity: Have the students form into groups of four. Have them design a time management planner for planning and managing their personal and professional life. Offer them additional points for using a computer spreadsheet program to design their planners then have the groups vote on the two best planner designs.

Individual Assignment: Have each student select a planner, for their personal use. They are to fill in their goals and anything appropriate (e.g., strategies, etc.) for a two-week

period then have them turn the planners in to the teacher for evaluation. This is just to ensure that the students will benefit from using them and a check to ensure that

they understand the importance of using time management appropriately.

The Planner designs will be graded as follows:



Layout & design	5
Organization	10
Easy to use	5
Topics relevant	<u>5</u>
Total	25
*Bonus Points:	10

**Ag 470 - F: Goal Setting and Planning
Unit Test**

List at least five principles of goal setting.

1. _____
2. _____
3. _____
4. _____
5. _____

True or false

- ___ 6. Research has found that people who use goal-setting effectively appear more self-confident.
- ___ 7. The length of time required is not an important factor in reaching either a short or long term goal.
- ___ 8. A well-rounded person chooses only one area of their life and concentrates on achieving multiple goals which relate to it.
- ___ 9. Goal planning involves deciding on a course of action, and developing a means of measuring progress.
- ___ 10. Time management is at the heart of effective goal organization.

Matching

- ___ 11. Work Goals
- ___ 12. Well-rounded person
- ___ 13. Goal
- ___ 14. Development goals
- ___ 15. Time management strategies
- ___ 16. Planning
- ___ 17. Problem-solving goals
- ___ 18. Short term goals
- ___ 19. Areas to consider in a well-rounded life
- ___ 20. Innovative goals
- A. A level of accomplishment an individual strive to attain, that can be defined, discusses, visualized, or written
- B. Goals which include your desire to achieve quality, quantity, and efficiency.
- C. Goals which identifies a problem and finds solutions.
- D. Goals which create or try something new.
- E. Goals which include continuing education and training.
- F. Attitude, Career, Education, and Family
- G. Determines a future course of action by preparing strategies and setting specific time frames, which should be measurable
- H. Finding ways to create more time, and controlling distractions that interrupt your work day
- I. Someone who sets goals in all the important areas of their life.

Ag 470 - F: Goal Setting and Planning
Unit Test
Answer Key

List at least five principles of goal setting.

1. _____
2. _____
3. _____
4. _____
5. _____

Possible Answers:

State goals that reflect your life and the direction they will take you.

State goals of what you want to accomplish in life - be specific.

Look inward and set goals that reflect your value system.

State goals you feel most comfortable with.

Set realistic and attainable goals.

Plan a strategy of how to attain the goals you are developing.

Write down what you want to accomplish and how you plan to achieve it.

True or false

 T 6. Research has found that people who use goal-setting effectively appear more self-confident.

 F 7. The length of time required is not an important factor in reaching either a short or long term goal.

 F 8. A well-rounded person chooses only one area of their life and concentrates on achieving multiple goals which relate to it.

 T 9. Goal planning involves deciding on a course of action, and developing a means of measuring progress.

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Matching

- __B__** 11. Work Goals
- __I__** 12. Well-rounded person
- __A__** 13. Goal
- __E__** 14. Development goals
- __H__** 15. Time management strategies
- __G__** 16. Planning
- __C__** 17. Problem-solving goals
- __J__** 18. Short term goals
- __F__** 19. Areas to consider in a well-rounded life
- __D__** 20. Innovative goals
- A. A level of accomplishment an individual strive to attain, that can be defined, discusses, visualized, or written
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- H. Finding ways to create more time, and controlling distractions that interrupt your work day
- I. Someone who sets goals in all the important areas of their life.

Sales and Marketing AG 470-G

Unit Objective

After completing this unit, the student should understand the sales and marketing techniques used in agricultural businesses and be able to use methods and techniques presented in the unit to market and sell agricultural products.

Specific Objectives and Competencies

1. Explain a product life cycle chart.
2. Develop short range marketing plans.
3. Develop long range marketing plans.
4. Define common marketing terms.
5. Develop a comprehensive marketing plan.
6. Make a classroom marketing plan presentation.
7. Identify agricultural sales skills.
8. Identify customer needs and wants.
9. Describe ways to approach the potential customer.
10. Give an agricultural sales presentation.
11. Describe the techniques of suggestive selling.
12. Effectively handle customer resistance.
13. Describe how to close a sale.
14. Develop a sales brochure.
15. List the components of a sales portfolio.

Sales and Marketing
Ag 470-G

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After completing this unit, students should be able to:

1. Explain a product life cycle chart.
2. Define common marketing terms.
3. Develop a comprehensive marketing plan.
4. Make a classroom marketing plan presentation.
5. Identify agricultural sales skills.
6. Identify customer needs and wants.
7. Describe ways to approach the potential customer.
8. Give an agricultural sales presentation.
9. Describe the techniques of suggestive selling.
10. Effectively handle customer resistance.
11. Develop a sales brochure.
12. List the components of a sales portfolio.

Ag 470-G

Questions for Discussion

1. Draw and explain a product life cycle chart.
2. Discuss what short range marketing plans are.
3. Discuss what long range marketing plans are.
4. Define the following marketing terms: See Answers to Questions for Discussion below.
5. Develop an example comprehensive marketing plan.
6. Make a classroom marketing plan demonstration.
7. Identify and discuss agricultural sales skills.
8. Describe how to identify customer needs and wants.
9. Describe ways to approach a potential customer.
10. Be able to give an agricultural sales presentation.
11. Be able to effectively handle customer resistance.
12. Describe how to close a sale.
13. Be able to develop a sales brochure.
14. List the components of a sales portfolio.

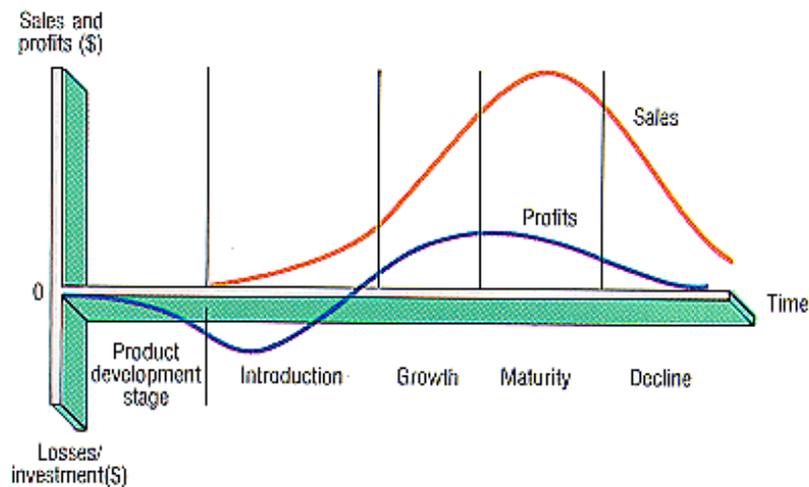
Teacher Answer Sheet

Answers to Questions for Discussion

1. Draw and explain a product life cycle chart.

The product life cycle (PLC) is explained by the following graph (Figure 1), which illustrates sales and profits over a product's life from inception to demise:

Figure 1. The Product Life Cycle



Source: Kotler and Armstrong, 1991

1. **Product development** begins when the company finds and develops a new-product idea. During product development, sales are zero and the company's investment costs add up.
2. **Introduction** is a period of slow sales growth as the product is being introduced in the market. Profits are nonexistent in this stage because of the heavy expenses of product introduction.
3. **Growth** is a period of rapid market acceptance and increasing profits.
4. **Maturity** is a period of slowdown in sales growth because the product has achieved acceptance by most potential buyers. Profits level off or decline because of increased marketing outlays to defend the product against competition.
5. **Decline** is the period when sales fall off and profits drop.

Not all products follow this S-shaped product life cycle. Some products are introduced and die quickly. Others stay in the mature stage for a long, long time. Some enter the decline stage, and are then recycled back into the growth stage through strong promotion or positioning.

The PLC concept can describe a product class (livestock feed), a product form (steam-rolled feeds), or a brand (Purina Mills Calf Startena®). The PLC concept applies differently in each case. Product classes have the longest life cycles. The sales of many product classes stay in the mature stage for a long time. Product forms, on the other hand, tend to have the standard PLC shape. A specific brand's life cycle can change quickly because of changing competitive attacks and responses.

2. Define the following marketing terms:

Adoption – the decision by an individual to become a regular user of the product.

Advertising - any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.

Allowance - promotional money paid by manufacturers to retailers in return for an agreement to feature the manufacturer's product in some way.

Approach - the step in the selling process in which the salesperson meets and greets the buyer to get the relationship off to a good start.

Brand - a name, term, sign, symbol, or design, or a combination of these intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

Brand extension - a new or modified product launched under an already successful brand name.

Brand image - the set of beliefs consumers hold about a particular brand.

Brand mark - the part of a brand which can be recognized, but is not utterable, such as a symbol, design, or distinctive coloring or lettering. Examples are the Pillsbury doughboy, the Ralston Purina checkerboard, the green of John Deere.

Brand name - the part of a brand which can be vocalized – the utterable such as Pioneer Hybrids, Elanco, Ciba, or Case-IH.

Closing - the step in the selling process in which the salesperson asks the customer for an order.

Comparison Advertising - advertising that compares one brand directly or indirectly to one or more other brands.

Competitor analysis - the process of identifying major competitors; assessing their objectives, strategies, strengths and weaknesses, and reaction patterns; and selecting which competitors to attack or avoid.

Concentrated marketing - a market coverage strategy in which a firm goes after a large share of one or a few sub markets.

Concept testing - testing new product concepts with a group of target consumers to learn whether the concepts have strong consumer appeal.

Consumable goods – goods that are consumed when they are used. Examples would be food, fuel, paper, clothing (though clothing kind of falls between consumable and durable).

Consumer goods - those bought by final consumers for personal consumption.

Consumer market - all the individuals and households who buy or acquire goods and services for personal consumption.

Contests, sweepstakes, and games – promotional events that give consumers the chance to win something - such as cash, trips, or goods, - by luck or through extra effort.

Convenience goods - consumer goods that the customer usually buys frequently, immediately, and with the minimum of comparison and buying effort.

Copy testing - measuring the communication effect of an advertisement before or after it is printed or broadcast.

Coupons - certificates that give buyers a savings when they purchase a product.

Decline stage - the product life-cycle stage at which a product's sales decline.

Demand curve - a curve that projects the number of units the market will buy in a given time period at different prices that might be charged.

Demands - human wants that are backed by buying power.

Demographic segmentation - dividing the market into groups based on demographic variables such as age, sex, family size, family life cycle, income, occupation, education, religion, race and nationality.

Derived demand - organizational demand that ultimately comes from (derives from) the demand for consumer goods. For example the demand for hog feed is derived from the demand for pork.

Differentiated marketing - a market-coverage strategy in which a firm decides to target several market segments and designs separate offers for each.

Direct-mail marketing - direct marketing through single mailings that include letters, ads, samples, foldouts, and other “salespeople on wings” sent to prospects on mailing lists.

Discriminatory pricing - selling a product or service at two or more prices; the difference in prices is not based on differences in costs.

Diversification - a strategy for company growth by starting up or acquiring businesses outside the company’s current products and markets.

Durable goods - consumer goods that are usually used over an extended period of time and that normally survive many uses. Examples would be cars, trucks, other equipment, appliances.

Elastic demand - total demand for a product that is much affected by price changes, especially in the short run.

Exclusive distribution - giving a limited number of dealers the exclusive right to distribute the company’s products in their territories.

Experimental research - the gathering of primary data by selecting matched groups of subjects, giving them different treatments, controlling related factors, and checking for differences in group responses.

Exploratory research - marketing research to gather preliminary information that will help to better define problems and suggest hypotheses.

Focus-group interviewing - personal interviewing which consists of inviting six to ten people to gather for a few hours with a trained interviewer to talk about a product, service, or organization. The interviewer “focuses” the group discussion on important issues.

Follow-up - the last step in the selling process in which the salesperson follows up after the sales to ensure customer satisfaction and repeat business.

Forecasting - the art of estimating future demand by anticipating what buyers are likely to do under a given set of conditions.

Frequency - the number of times the average person in the target market is exposed to an advertising message during a given period.

Geographic segmentation - dividing a market into different geographical units such as nations, states, regions, counties, cities or neighborhoods.

Growth-share matrix - a tool used in strategic planning to classify a company's strategic business units according to market-growth rate and market share.

Growth stage - the product life cycle stage at which a product's sales start climbing quickly.

Handling objections - the step in the selling process in which the salesperson seeks out, clarifies, and overcomes customer objections to buying.

Human need - a state of felt deprivation.

Human want - the form that a human need takes as shaped by culture and individual personality.

Idea generation - the systematic search for new-product ideas.

Idea screening - screening new product ideas in order to spot good ideas and drop poor ones as soon as possible.

Industrial market - all the individuals and organizations acquiring goods and services which enter into the production of other products and services that are sold, rented, or supplied to others.

Inelastic demand - total demand for a product that is not much affected by price changes, especially in the short run.

Informative advertising - advertising used to inform customers about a new product or feature and to build primary demand.

Introduction stage - the product life cycle stage when the new product is first distributed and made available for purchase.

Market - the set of actual and potential buyers of a product.

Market development - a strategy for company growth by identifying and developing new market segments for current company products.

Market leader - the firm in an industry with the largest market share; it usually leads other firms in price changes, new product introductions, distribution coverage and promotion spending.

Market nicher - a firm in an industry that serves small segments that the other firms overlook or ignore.

Market penetration - a strategy for company growth by increasing sales of current products to current market segments without changing the product in any way.

Market penetration pricing - setting a low price for a new product in order to attract a large number of buyers and a large market share.

Market positioning - formulating competitive positioning for a product and a detailed marketing mix. Arranging for a product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of target consumers.

Market segment - a group of consumers who respond in a similar way to a given set of marketing stimuli.

Market segmentation - dividing a market into distinct groups of buyers who might require separate products or marketing mixes. The process of classifying customers into groups with different needs, characteristics, or behavior.

Market-share analysis - analysis and tracking of the company's market share.

Marketing - a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.

Marketing concept - the marketing management philosophy which holds that achieving organizational goals depends on determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors.

Marketing mix - the set of controllable marketing variables (price, features, quantity, advertising, etc.) that the firm blends to produce the response it wants in the target market.

Marketing research - the function that links the consumer, customer and public to the marketer through information - information used to identify and define marketing opportunities and problems; to generate, refine, and evaluate marketing actions; to monitor marketing performance; and to improve understanding of the marketing process.

Maturity stage - the stage in the product life cycle where sales growth slows or levels off.

Multibrand strategy - a strategy under which a seller develops two or more brand in the same product category.

Observational research - the gathering of primary data by observing relevant people, actions, and situations.

Packaging - the activities of designing and producing the container or wrapper for a product.

Perception - the process by which people select, organize, and interpret information to form a meaningful picture of the world.

Personal selling - oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales.

Point-of-purchase promotions (POP) – displays and demonstrations that take place at the point of purchase or sale.

Potential market - the set of consumers who profess some level of interest in a particular product or service.

Preapproach - the step in the selling process in which the salesperson learns as much as possible about a prospective customer before making a sales call.

Presentation - the step in the selling process in which the salesperson tells the product “story” to the buyer, showing how the product will make or save money.

Price - the amount of money charged for a product or service, or the sum of the values consumers exchange for the benefits of having or using the product or service.

Price elasticity - a measure of the sensitivity of demand to changes in price.

Prospecting - the step in the selling process in which the salesperson identifies qualified potential customers.

Selling process – the steps that the salesperson follows when selling, which include prospecting and qualifying, pre-approach, approach, presentation and demonstration, handling objections, closing and follow-up.

Social classes - relatively permanent and ordered divisions in a society whose members share similar values, interests, and behaviors.

Specialty goods - consumer goods with unique characteristics or brand identification for which a significant group of buyers is willing to make a special purchase effort.

Strategic planning - the process of developing and maintaining a strategic fit between the organization's goals and capabilities and its changing marketing opportunities. It relies on developing a clear company mission, supporting objectives, a sound business portfolio, and coordinated functional strategies.

Survey research - the gathering of primary data by asking people questions about their knowledge, attitudes, preferences, and buying behavior.

Target market - a set of buyers sharing common needs or characteristics that the company decides to serve.

Telemarketing - using the telephone to sell directly to consumers.

Test marketing - the stage of new product development in which the product and marketing program are tested in more realistic market settings.

Trademark - a brand or part of a brand that is given legal protection - it protects the seller's exclusive rights to use the brand name or brand mark.

Undifferentiated marketing - a market coverage strategy in which a firm decides to ignore market segment differences and go after the whole market with one market offer.

3. Develop a comprehensive marketing plan.

Developing a comprehensive marketing plan usually involves planning the details of the **marketing mix**. The marketing mix is a set of controllable marketing variables that the firm blends together to produce the response it wants in the target market. The marketing mix consists of everything a firm can do to influence the demand for its product. The many different possibilities can be collected into four groups of variables known as the "four Ps:" *product*, *price*, *place* and *promotion*. The particular marketing variables under each P can be found in Table 1 below.

Product stands for the "goods-and-service" combination the company offers to the target market. Thus Purina Calf Startena® (a feed for dairy calves) consists of rolled corn and oats, molasses, protein pellets (typically containing soybean meal, or some other source of protein), and vitamins and minerals, as well as other ingredients. The product comes with a nutritional tag which guarantees some of the nutritional content, and brief feeding instructions.

Price stands for the amount of money a dairy producer has to pay to obtain the product. Purina publishes a weekly price list, which lists the feeds available at any of its approximately 50 plants across the U.S. To this price, a local Purina dealer will then add-on a retail margin which covers its costs such as buildings and equipment, freight, interest, insurance and labor and which also includes a profit. The dealer then posts a price for Calf Startena®, which may be subject to a cash discount (a discount offered if a customer pays cash), and perhaps a volume discount (a discount offered for larger volumes of the product).

Place stands for company activities that make the product available to target consumers. Purina maintains a large body of independently owned dealerships that sell the company’s many feed products. Purina selects its dealers carefully and supports them strongly. The dealers keep an inventory of Purina feeds and animal health products, demonstrate and sell them to livestock producers, negotiate prices , close sales, and continue to service the farmer after the sale.

Promotion stands for activities that communicate the merits of the product and persuade target customers to buy it. Purina spends over \$400,000 each year on advertising to tell consumers about the company and its products. This amount is supplemented by the advertising that dealers do in their own territories. Dealership salespeople assist farmers and ranchers and persuade them that Purina Chows® are the best feed line for their livestock. Purina and its dealers offer special promotions – sales, financing, etc. – as added purchase incentives.

Table 1. The Four Ps of Marketing

<u>Product</u>	<u>Price</u>	<u>Place</u>	<u>Promotion</u>
Product variety	List price	Channels	Advertising
Quality	Discounts	Coverage	Personal selling
Design	Allowances	Assortments	Sales promotion
Features	Payment period	Locations	Publicity
Brand name	Credit terms	Inventory	
Packaging		Transport	
Sizes			
Services			
Warranties			
Returns			

Thus, a comprehensive marketing plan will outline many or most of the above items in detail – as the company must decide what product to produce, how to price it, who will market the product and where, and then what sort of promotion will be used to motivate prospects and customers. Students can select a product or service of their choice and apply the “Four Ps” to it.

4. Make a classroom marketing plan demonstration

The classroom marketing plan should be comprehensive and include the points discussed in Question 3 above.

5. Identify agricultural sales skills.

The following is an outline of skills and a procedure that can be followed for agricultural sales.

A. Preparation

- Learn about product / service.
- Understand the market.
- Understand the customers.

B. Knowledge

- Competitive strategies - competitors.
- Customer needs.
- Changing technology.

C. Prospecting.

- Prospecting: identifying & locating potential customers.
- Cold calls -- new prospects.
- Cool calls -- call on someone you believe to be interested.
- Leads -- prospects taken from good sources.
 - Satisfied customers often a good source of leads!

D. Qualifying Prospects.

- Who makes the decision?
 - Husband or wife.
 - Father or son.
- Credit worthiness / ability to pay.
- True need -- bad practice to sell if customer's need not well suited to product.

E. Information.

- Visual – look at the farm, note significant features, is it neat or not?
- Ask questions of others.
- Ask questions of prospect.
- Sales call objective.
 - Clearly thought out -- often written.

F. Sales call strategy.

- Action plan.
- Timing, location -- drop by or appointment?
- Preparing sales call.
 - Gather proper materials.

G. Making CONTACT!

Buffers -- secretaries, spouses, other employees -- use them to gather information & let them get to know you.

Delays -- waiting to see people. Use time to read, write reports.

Appointments -- increasingly used.

H. Sales Call.

The actual "sales call."

Approach

Dress in good taste.

Use good car manners.

Greet customer / prospect w/ friendly confidence.

Introduction -- name, company. Use customer's name.

Icebreaker -- compliment customer &/or state purpose of call.

Building rapport.

Some socializing -- don't spend too long.

Encourage customer to talk.

Questions (Also see Question 6 below)

Good questions can help lead customer to their own conclusion.

Open vs. closed questions:

Open

Examples -- Tell me about your operation.

-- What kind of experience have you had with your present supplier?

Closed

Examples -- Have you ever done business w/ our firm before?

How many cows do you milk?

Generating interest.

Customer recognizes need that product can meet.

Cost savings or **profit** potential.

State problem & why customer may be interested in product.

The presentation.

Systematic presentation of selling points & reasons for buying.

Ask questions.

Hit "hot buttons" -- when customer shows particular interest.

Don't oversell -- better to undersell & customer is pleasantly surprised.

Features, Advantages & Benefits (FAB)

Feature -- descriptive, measurable fact about product.

Advantage -- direct physical or operating result of feature.

Benefit -- interpretation of what advantage means to customer.

I. Features, Advantages & Benefits -- Some Examples

John Deere 160 HP tractor

Feature: 160 HP
Advantage: Extra power to allow pulling of 12 bottom plow.
Benefit: Field operations take less time.

Wayne Milk Pro 2000

Feature: Pelleted
Advantage: Cows eat more quickly.
Benefit: More nutrition in a shorter period of time. Cows get through the milking parlor quicker (if dairy producer feeds in the parlor).

J. Proof.

Way to convince customer.
Demonstration – example: farm equipment field day.
Illustrations and pictures.
Comparisons:
 Feed: split tests
 Fertilizer, Herbicides & Seed: test plots
Testimonials -- proof brochures.
Test results -- independent company or university trials.
Company literature.

K. Conviction.

Customer's belief & decision that product will be of benefit.
Helping customer see themselves using product & gaining benefits.

L. Trial close.

Technique to see if customer is ready to buy.
Often in the form of a question.
 What do you think of the product?
 Which model do you think would work best in your operation?
Outcome
 Customer indicates willingness to buy.
 Objections.

M. Objections.

Negative reaction or reason not to buy.
View them as a challenge to complete sale.

N. Handling objections (Also see Question 9 below).

Ask questions.
Restate & clarify.
Boomerang -- objection becomes a selling point (pretty tough to do).
Deny.
Yes, but & / or accept.
Ignore.

O. The close (Also see Question 10 below).

Act of securing commitment

Sale or --

Commitment to do something.

Methods (See Question 12 below for more detail)

Direct.

Summary.

Choice.

Assume

Special feature -- some feature not disclosed earlier.

P. Follow-up.

Delivery, billing collecting bill, using, servicing & maintaining product.

6. Describe how to identify customer needs and wants.

There are a variety of ways to identify customer needs and wants. Basically, it is a process of gathering information. As noted above, using your eyes will often give you some of the answers you are looking for – as you drive onto a farm or agribusiness, the type of operation will often become apparent. To continue with our feed example, if a farmer is milking cows, it's pretty obvious that he or she has a need for cow feed. Then it becomes the salesperson's challenge to see if they can meet the farmer's needs better than their competitors – through product quality, service or price.

In addition, information can be gathered from others – neighbors, satisfied customers, and influentials such as bankers, extension agents, other ag sales people (fertilizer, machinery, seed, etc.).

Finally, the best source of customer needs and wants is the prospect themselves. Thus, one of the salesperson's most indispensable tools is the question. The salesperson who tactfully asks questions is able to focus attention on the customer and learn about the customer's needs and interests. It is amazing how often carefully designed questions can lead customers to their own conclusions, which is far more persuasive than being "told" outright by a salesperson. Customers often sell themselves, and skillful salespeople simply facilitate the process. In addition, it is often surprising how much information a prospect will share with you if you just ask.

The effective use of questions in a sales call is a skill that can be learned. The manner in which a question is asked may make all the difference. Tact demands that you avoid appearing nosy or controlling while asking questions. When questions flow appropriately within the conversation and are asked with genuine interest, they are usually more successful. Care should be taken to phrase questions nonthreateningly so that they can be answered in a positive way. It is of little value to embarrass a customer or to force the customer to admit ignorance. Try not to make the inquiry in such a way that it forces the prospect to adopt a polarized position, particularly when that position is

counterproductive to the sales-call objective. As mentioned above, open-ended questions that are designed to get the prospect talking are usually better than questions that can be answered with “yes” or “no.”

7. Describe ways to approach the potential customer.

To expound a little more on the approach section mentioned briefly above, five basic points should be considered when approaching the customer or prospect:

1. **Dress in good taste.** Cleanliness and neatness are basic to professional selling. Personal grooming, including hairstyle, must fit within the tolerance limits of customers’ tastes. It may be frustrating to realize that a customer’s personal tastes may influence a sales relationship, but the simple fact is that they do. This phenomenon is particularly important among agricultural buyers, whose prevailing structure tends to be rather conservative.
2. **Be mindful of car manners.** For many agribusiness salespeople, their cars and the way they are driven constitute the first chance to make a visual impression on the prospect, particularly for those salespeople concentrating on rural-area customers. The industry abounds with stories about unfortunate salespeople who have parked in the general manager’s “personal spot,” driven into the farmer’s driveway in a manner that the farmer thought to be reckless, or backed over the customer’s son’s tricycle and lost a potential sale!
3. **Greet customer / prospect with friendly confidence.** The consensus among professional salespeople is that it is best not to be overly aggressive or assuming until definite rapport has been established. Although a warm smile and a firm handshake make for a good beginning, some prospects have expressed discomfort with a handshake, viewing an outstretched hand as a sign of aggression – so care should be taken. This problem is particularly reported by saleswomen who call on male customers, though attitudes are changing.
4. **Introduction.** The salesperson should introduce themselves clearly by stating their name and company. This idea has merit even in situations where the salesperson has called on the customer before, unless both have come to know each other very well – this allows you to reemphasize your name, so the prospect will not be embarrassed if he or she has forgotten it since the last call. Use customer’s name.
5. **Icebreaker.** Compliment customer on some aspect of their operation and/or state purpose of your call.

8. Be able to give an agricultural sales presentation.

A student should review the agricultural sales skills listed in question 5 above, and develop a sales presentation using those outline points. Particular attention should be given to the actual “sales call” – which includes proof, a trial close, handling objections and the close.

9. Be able to effectively handle customer resistance.

Customer resistance usually expresses itself in the form of an objection. The following are some methods of handling objections:

Ask Questions: Customers’ explanations of their objections may disclose key issues that can be used in meeting those objections. Questioning creates extra time for the salesperson to decide how to deal with the objection. More importantly, questions get the customer talking, explaining more about their individual needs and concerns, and providing more essential information. It is not uncommon for a prospect to actually develop a solution to their own objection as the conversation proceeds.

Restate and Clarify: One of the most effective techniques for handling objections is to simply reword the objection and feed it back to the prospect. This ensures that the salesperson understands the objection correctly. It is surprising how often salespeople think they understand the nature of the objection, when, in fact, they do not. Restating and clarifying the objection removes the obstacle and embarrassment of dealing with the wrong objection. In addition, this technique reassures the prospect that they have communicated successfully with the salesperson. The customer is usually flattered to know that a concern of theirs is being taken seriously.

The professional agribusiness salesperson rewords an objection very carefully to capture the customer’s true feeling because this may be the crucial dimension. Sometimes a careful choice of words helps to soften the objection, making it easier to handle. Finally, restating and clarifying gives the agribusiness salesperson more time to determine exactly how the objection should be handled.

Boomerang: The boomerang technique cleverly “turns the tables” on a customer’s objection. This reversal is accomplished when a salesperson first agrees with the objection, then alters the customer’s point of view so that the objection becomes a positive selling point. This method is often used when the customer has misunderstood or misinterpreted the significance of some feature. It does not involve disagreeing with the customer’s conclusion, but agreeing with the customer’s original statement and then showing how this seeming disadvantage works to the customer’s benefit.

Example: “Yes, James, that dual-switch system does take a little more time to engage – and that’s exactly why we designed it that way. The extra effort required helps

prevent engaging the auger accidentally. Will your son ever be helping you after school, John?"

“Yes, but. . .”: The “yes, but. . .” technique concedes that the customer has a valid point, but then goes on to reduce the significance of the negative factor in relation to other information. Psychologically, this technique has the advantage of not contradicting the customer directly, but at the same time placing the idea in its proper perspective.

Deny: Occasionally, it is necessary to directly deny an objection that a prospect has raised. When a prospect has based an objection on misinformation, the best approach may be to politely and tactfully, but firmly, declare that the information is incorrect. The salesperson must be ready to back up an opposing position, but the risk in frankly contradicting the customer may have a high payoff. When using this approach, it is very important for the salesperson to help the customer save face by offering a possible reason for the misinformation or by suggesting that it is a common misconception.

Accept: Sometimes a customer will raise an objection that is quite valid and cannot be countered in any reasonable way. In this case, simply agree that the customer has a valid point, leave it to the customer to evaluate, and move on to the next point. Do not dwell too long on the issue, lest the extra attention lend the issue undue importance.

Ignore: In some instances, you may be able to simply pretend that the objection was never voiced. This technique should be used only when the objection was clearly not intended seriously. When objections are made in jest, they can be either laughed off or ignored. But needless to say, any serious objection should never be ignored.

10. Describe how to close a sale.

The close is the act of securing a commitment from the prospect or customer. A successful close accomplishes the sales-call objective. In many cases, this means a signed order or a verbal commitment to buy, but it may be simply a customer agreement to do something specific.

There is no one time at which a close should be attempted. The alert salesperson follows the *ABC* adage: “Always be closing!” It is not necessary to wait until all the sales points have been covered thoroughly. The prepared salesperson always maintains sufficient flexibility to close **whenever** the customer is ready. Certainly, an appropriate time to attempt to close is immediately following an obvious buying signal from the customer, or after a positive response to a closing feeler.

Closing Methods:

Direct Close: The direct close is the most straightforward and obvious method. Simply ask for the order.

Summary Close: The summary close is also popular among agribusiness salespeople. Used most often when the presentation has been long or complicated, it summarizes the major selling points and then asks for the order or for some other commitment. The summary close concentrates mostly on the anticipated benefits. It takes advantage of the agreement that has been reached on each major selling point, and suggests that completion of the sale is the logical consequence of all the selling points.

Choice Close: The choice close offers the customer a choice between something and something else, not something and nothing. It assumes that the customer is buying and offers no obvious alternative. The less experienced salesperson may initially feel that the choice close is manipulative or too aggressive, and may be reluctant to use it. Yet when the prospect has responded favorably to the presentation and the salesperson's handling of any objections, the choice close fits smoothly into the flow of the conversation and is often quite effective.

Assume Close: The assume close never asks for the order, but assumes that the customer has already made a positive buying decision and propels the customer toward enacting on that decision. It is used primarily when little sales resistance has been encountered and the salesperson believes that the customer has responded favorably to the proposal.

Special Feature Close: The special feature close describes some special feature of the product that has not been previously described. Some sales points may have been reserved to be used as a special incentive for the close. This technique is often used when there have been many objections and something more is needed at the end to help the customer finalize the decision.

The *Inducement* is a special feature that is available to everyone who purchases now. It offers an extra incentive for immediate purchase. The *Concession* is something extra for a specific customer. Care should be taken in using concessions, since legally the same "deal" must be available to all customers. It is not necessary to publicize the deal, but the deal must be available to other customers should they request it. Often, the concession takes the form of a special service by the salesperson.

The *Last Chance* emphasizes the fact that the opportunity will not be available if it is not accepted within a certain time period. This close may sound like a threat if it is not handled properly. Yet, factually stating the terms of a sale is a useful closing technique.

11. Be able to develop a sales brochure.

A sales brochure is usually a printed brochure that can be left with the customer and will typically include Features, Advantages and Benefits of the product. In addition, it may include proof.

A *feature* is a descriptive, measurable fact about the product. Often features are technical - such as weight, ingredients, tag guarantee, density, shipping schedule and

billing procedures. An *advantage* is the direct physical or operating result of the feature. Advantages are the direct consequences of the feature and are usually reflected in their impact on the operation. A *benefit* is an interpretation of what the advantage is likely to mean to a particular customer or prospect. It is often stated in terms of personal gain – typically time or money, and always in terms of value received by the customer.

Customers buy to get benefits; that is they buy what the product can do for them. When a product is sold in terms of the value that the buyer may derive, the buyer's motivation for purchasing may be enhanced. A farmer does not simply buy dairy cow feed. Farmers purchase MilkMaster 2000, which will give them enough additional production to finance a vacation trip with their family.

Proof can be included in a sales brochure to support the sales claims. Types of proof include:

Demonstrations: Demonstrations are one of the most powerful forms of proof. There is nothing quite as convincing as seeing, feeling, tasting, hearing and sensing the product or service in action. Of course, there is nothing more damaging than a demonstration that fails; therefore, demonstrations must be planned very carefully.

Illustrations: Pictures are a valuable method to convey ideas, uses and comparisons. Sometimes, cutaways of equipment can show how a product works.

Comparisons: Comparisons must be well planned and documented to be believable. Split tests with different feed rations or test plots with seed varieties, herbicides or insecticides can be very effective.

Testimonials: Quotes from people that use the product or service, particularly if they are from respected or influential farmers or ranchers can be very powerful. Testimonials are widely used in agribusiness selling, particularly when the salesperson is selling directly to the producer. Testimonials relate other customer's experiences and can be effective and convincing.

Test Results: Test results can be supplied by university scientists, independent researchers (Consumer Reports is one example) or even by the company itself.

12. List the components of a sales portfolio.

A sales portfolio may contain many of the items listed under sales brochure above. The primary difference is that a sales portfolio is something that the salesperson puts together themselves, and is usually not given to the prospect to keep. It has the advantage of being customized for the salespersons' local territory. Oftentimes, the sales portfolio is a notebook which may have plastic pages into which any of the following material may be inserted:

Features, Advantages and Benefits of the product

Price list

Illustrations and pictures

Comparisons

Testimonials

Test results



Student Activities

Day with a Salesperson

Have the student contact a local or regional agribusiness salesperson to arrange to spend a day in the field with him or her. It may take several calls to find one willing to do this, however most salespeople enjoy having someone observe what they do. Have the student prepare a list of questions for the salesperson and take notes on the day in the field – for example how much time was spent driving versus face-to-face with customers or prospects; what percentage of calls were customers versus prospects; what was the salesperson’s success ratio – ie., how many calls were made before a sale was made?;

Sales Presentation to an Ag Sales Rep

Question 10 above asks the student to “Be able to give an agricultural sales presentation.” A neat method of carrying this assignment out is to utilize local or regional agribusiness salespeople as “customers,” and have the students make their sales presentations to them. This project takes some coordinating, but can payoff well in the interaction that the students have with people that are in sales for a living. Depending on class size, 2 - 4 salespeople are probably sufficient for this project. Have them spend some time in class before the sales presentations talking about their jobs – the challenges and the benefits and rewards.

FFA Ag Sales Contest

Consider giving extra credit to those students that participate in the FFA Ag Sales Contest.

References

Resources Used in Developing Unit G

Books:

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Downey, W.D., M. A. Jackson, C. G. Stevens, and M. Hodge.Blyskal. (1983) *Agri Selling*. (1st ed.) Niles, IL Century Communications Corporation.

Kotler, P. and G. Armstrong. (1991) *Principles of Marketing*. (5th ed.) Englewood Cliffs, NJ: Prentice-Hall, Inc.

Internet Resources:

Website: Inc. Magazine. Do keyword search on sales and marketing
<http://www.inc.com/>

Website: Agricultural Economics 391 – Agribusiness Management, University of Idaho. Lecture on Chapter 13 discusses sales and marketing, lectures on Chapter 14 and 15 discuss the selling process.
<http://www.uidaho.edu/ag/agecon/391/agec391.html>

Sales Forecasting AG 470-H

Unit Objective

After completing this unit, the student should understand the importance of sales forecasting in agricultural sales. and be able to use methods and techniques presented in the unit to perform sales forecasting.

Specific Objectives and Competencies

1. List three factors affecting prices.
2. Apply formulas used in pricing merchandise
3. Distinguish between categories of operating expenses for a business.
4. Define forecasting profits.
5. List why forecasting profits is essential to business success.
6. Describe a pro forma profit and loss statement.
7. Complete a profit and loss statement.
8. List options to be considered if a loss is forecasted.
9. Discuss break-even analysis.
10. Calculate break-even point in terms of sales dollars.
11. Calculate break-even point in units to be sold.

**Sales Forecasting
Ag 470-H**

Unit Objective

After completing this unit, students should be familiar with why sales forecasts are important and some methods of performing sales forecasts.

Specific Objectives and Competencies

After completing this unit, students should be able to:

1. Discuss the reasons for developing a sales forecast.
2. Describe several different sales forecasting methods.
3. Define what cash flow statements, and pro forma profit and loss statements are.
4. Discuss what a break-even analysis is and perform one using a sales forecast.

Ag 470-H

Questions for Discussion

1. What is a sales forecast and why is a sales forecast useful?
2. Describe several different sales forecasting methods, and discuss the pros and cons of these methods.
3. What is a cash budget and why is it important?
4. What are pro forma financial statements and why are they important?
5. Discuss what a break-even analysis is and perform one using a sales forecast.



Teacher Answer Sheet**Answers to Questions for Discussion**

1. What is a sales forecast and why is a sales forecast useful?

A **sales forecast** involves estimating sales in dollars and physical units as accurately as possible for a specific period of time. There is a little bit of science and a little bit of art in sales forecasting – anticipating what buyers are likely to do under a given set of conditions. Poor forecasting can lead to overly large inventories or lost sales due to being out of stock.

A sales forecast is useful because nearly every management decision includes a critical assumption about sales volume. All production schedules are built around projected demand. Raw-material purchases are based on expected sales. The human resources function of hiring and firing is greatly influenced by anticipated sales. Cash needs are based on sales forecasts. Capital investment in buildings and equipment are determined by sales projections. The fact is that a great majority of the decisions that management makes as well as the entire planning process rests squarely on forecasted sales.

2. Describe several different sales forecasting methods, and discuss the pros and cons of these methods.

In general, companies often use a three-stage procedure to arrive at a sales forecast. **First**, they make an *environmental forecast*, followed by an *industry forecast*, and ending with a *company sales forecast*. The environmental forecast calls for projecting inflation, unemployment, interest rates, consumer spending and saving, business investment, government expenditures, net exports, and other environmental or economywide events important to the company. **Next**, this forecast is then used along with other indicators to forecast industry sales. **Finally**, the company then prepares its sales forecast by assuming it will capture a certain market share.

All forecasts are built on one of three information bases: what people say, what people do, or what people have done. The first basis – *what people say* - involves surveying the opinions of buyers or those close to them, such as salespeople or outside experts. Information is gathered using three methods: surveys of buyer intentions, composites of salesforce opinions, and expert opinion. Building a forecast on *what people do* involves another method, that of putting the product into a test market to assess buyer response. The final basis – *what people have done* – involves analyzing records of past buying behavior or using time-series analysis or statistical demand analysis.

Answers to Questions for Discussion

Survey of buyers' intentions: One way to forecast what buyers will do is to ask them directly. This can be implemented through some sort of survey. Surveys are especially valuable if the buyers have clearly formed intentions, will carry them out, and can describe them to an interviewer or in a written survey. Here is an example of the type of questions asked, and this is called a *purchase probability scale*:

Do you intend to buy an automobile within the next six months?

.00	.10	.20	.30	.40	.50	.60	.70	.80	.90	1.00
No chance		Slight chance		Fair chance		Good chance		Strong chance		For certain

A survey of buyers' intentions is costly to implement both from a financial and time standpoint. However, it does provide very focused consumer information.

Composite of Salesforce Opinion: When buyer interviewing is impractical, a company may base its sales forecasts on information provided by its salesforce. A company will typically ask its salesforce to estimate sales, by product, for their individual territories. Then it can add up these individual estimates to arrive at an overall sales forecast.

Few companies will use their salesforce's estimates without making some adjustments. Salespeople are often biased observers. They may be naturally pessimistic or optimistic, they may go to one extreme or another because of recent sales setbacks or successes, they may not have the time to prepare careful estimates, or they may not consider it worthwhile.

Salespeople may have better insight into developing trends than does any other group in a company. In addition, after participating in the forecasting process, salespeople may have greater confidence in their quotas and more incentive to achieve them. A composite of salesforce opinion can generally be implemented quickly with a relatively low financial investment.

Expert Opinion: Companies can also obtain forecasts by turning to experts. Experts include dealers, distributors, suppliers, marketing consultants and trade associations. Many companies buy economic and industry forecasts from well-known firms such as Data Resources, Wharton Econometric and Chase Econometric. Forecasting specialists such as these are often in a better position than a company is to prepare economic forecasts because they have more data available and more forecasting expertise.

Occasionally, companies put together a special group of experts to make a particular kind of forecast. The experts may be asked to exchange views and come up with a group estimate (group discussion method). Or, they may be asked to supply their estimates individually, after which an analyst combines them into a single estimate (pooling of individual estimates). Or they may supply individual estimates and assumptions that are

Answers to Questions for Discussion

reviewed by an analyst, revised and followed by further rounds of estimation (Delphi method).

In terms of both time and cost, using the expert opinion method of forecasting sales probably falls in-between the survey of buyers' intentions and the composite of salesforce opinion methods of estimating sales.

Test-Market Method: Where consumers do not plan their purchases carefully, or are inconsistent in carrying out their intentions, or where experts are not good guessers, a company may want to conduct a direct test market. A direct test market is especially useful in forecasting sales of a new product or of an established product in a new distribution channel or territory. Test marketing lets the marketer get experience with marketing the product, find potential problems, and learn where more information is needed before going to the great expense of full introduction.

The basic purpose of test marketing is to test the product itself in real market situations. Test marketing also allows the company to test its entire marketing program for the product – its positioning strategy, advertising, distribution, pricing, branding and packaging and budget levels.

Test marketing is a relatively expensive method of forecasting sales, primarily because it is expensive to actually tool up to make, deliver, advertise and sell the product in the test market. Add to this the fact that the company is not yet enjoying the economies of scale that come about from making large volumes of a product, and test marketing is quite costly. However, the flip side to this is that it does give the company a good feel for what the market might demand with a full roll-out of the product.

Time-Series Analysis: Many firms base their forecasts on past sales, assuming that the cause of past sales can be uncovered through statistical analysis. The causal relations can then be used to predict future sales. A time series analysis of a product's past sales can be separated into four major components.

The first component is *trend*. Trend is the long-term, underlying pattern of growth or decline in sales resulting from basic changes in population, capital formation and technology. The second part is *cycle*, which captures the medium-term, wavelike movement of sales resulting from changes in general economic and competitive activity. The third component is *season*, which refers to a consistent pattern of sales movements within the year and describes any recurrent hourly, weekly, monthly or quarterly sales pattern. The fourth factor is erratic events, which includes fads, strikes, snowstorms, earthquakes, riots, fires and other erratic disturbances. These components are by definition unpredictable and should be removed from past data to see the more normal behavior of sales.

Answers to Questions for Discussion

Time series analysis can be done for a reduced cost if competent personnel are housed in-house. Market research companies can also provide this type of service on a contract basis at an increased cost.

Leading Indicators: Many companies try to forecast their sales by finding one or more leading indicators – other gauges that change in the same direction but in advance of company sales. For example, a plumbing supply company might find that its sales lag the housing starts indicator by about four months.

Statistical Demand Analysis: Time series analysis treats past and future sales as a function of time rather than as a function of any real demand factors. But many real factors affect the sales of any product. Statistical demand analysis is a set of statistical procedures used to discover the most important factors affecting sales and their relative influences. The factors most commonly analyzed are prices, income, population and promotion (may be measured by advertising dollars).

Statistical demand analysis consists of expressing sales (Q for quantity) as a dependent variable and trying to explain sales as a function (f) of a number of independent demand variables X_1, X_2, \dots, X_n (such as price, income, population, etc.). That is:

$$Q = f(X_1, X_2, \dots, X_n)$$

Using a technique called multiple regression analysis, various equation forms can be statistically fitted to the data in the search for the best predicting factors and equations.

Like the time series analysis discussed above, statistical demand analysis has similar costs.

3. What is a cash budget and why is it important?

A cash budget (sometimes called a cash flow) is a projection of the firm's cash needs and income in a future time setting. It is based on the **sales forecast**, and allows the manager to estimate the cash funds needed to take advantage of cash discounts, to finance seasonal demands, to develop a sound borrowing program, to expand, and to make plans for debt servicing.

4. What are pro forma financial statements and why are they important?

A pro forma financial statement (either an income statement or a balance sheet), is a **projection** of the best estimates of what the business will look like in an upcoming period, using the **sales forecast**. It provides a look into the future of the business and helps the manager judge what the financial needs of the business will be during and at the end of the operating period. The most important figure in the preparation of these pro forma statements is estimated sales from the **sales forecast**. Operating expenses are then

Answers to Questions for Discussion

estimated from this projected sales figure to develop the projected profit and loss (income) statement. Using the pro forma income statement, the manager can develop a pro forma balance sheet, which will give a picture of the firm's projected assets, liabilities and owner's equity.

5. Discuss what a break-even analysis is and perform one using a sales forecast

A break-even analysis determines the break-even point, which is the point at which income generated from sales just equals the total costs incurred from those sales. Break-even analysis (sometimes called volume-cost analysis) shows the level of business necessary to break-even and to earn a specific amount of profit under various cost and price assumptions.

Break-even analysis can show the impact of changes in selling price on the volume of business necessary to reach a certain profit level. It can also specifically reveal how anticipated changes in expenses will affect profit levels. It can be useful in evaluating various marketing strategies, such as advertising and promotion expenditures, individual product pricing, and the amount of product volume a new piece of equipment must produce to make it pay.

The basis for break-even analysis is the separation of costs into two categories: **fixed** and **variable**. Fixed costs are those that do not vary with the volume of business. Variable costs are those costs that change directly with the volume of sales. Examples of fixed costs would be: costs for land, buildings and equipment (fixed assets), and administrative salaries among others. Examples of variable costs would be cost of goods sold (raw material costs), hourly labor, and bad debt loss.

Thus to perform break-even analysis, the following steps are followed:

1. Identify fixed and variable costs.

Expenses from the profit and loss statement should be classified as to whether they are fixed or variable. For example (not an all-inclusive list):

Salaries and wages – mostly fixed if a plant runs with full time labor.

Depreciation – fixed because it does not depend on sales.

Utilities – split between fixed and variable

Bad-debt loss – variable, since it is tied closely to sales level.

Supplies – typically variable, though it depends on the type of business.

Interest expense – fixed, it varies with the amount of money borrowed, not sales.

Cost of Goods Sold – variable, and in fact it is the most perfect variable cost.

Answers to Questions for Discussion

2. Summarize fixed and variable costs.

Fixed and variable costs should then be summarized. Total dollar fixed costs are summed first. Then variable costs per unit of sales are summed.

3. Calculate contribution to overhead (CTO).

Contribution to overhead is the heart of break-even analysis and many crucial management decisions. It shows the portion of each unit of sales that can be applied toward the fixed or overhead costs. Each time a unit of product is sold, the variable costs must be covered first. Anything that remains makes a contribution to overhead. Contribution to overhead is thus calculated as 1-variable costs.

4. Calculate break-even

Break-even can then be computed as:

$$BE = \frac{\text{fixed cost}}{CTO}$$

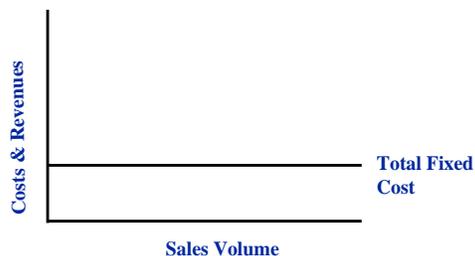
5. An example may be instructive. Suppose that fixed costs for a firm are \$800,000. Cost of goods sold and other variable costs amount to 90% of sales for the most recent period. Contribution to overhead (CTO) would then be 1 - .90, or .10. Using this example, the break-even point would be:

$$BE = \$800,000 / .10 = \$8,000,000$$

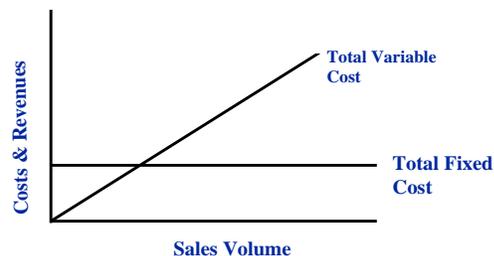
Thus break-even sales are \$8,000,000.

Graphically, the break-even point is shown below:

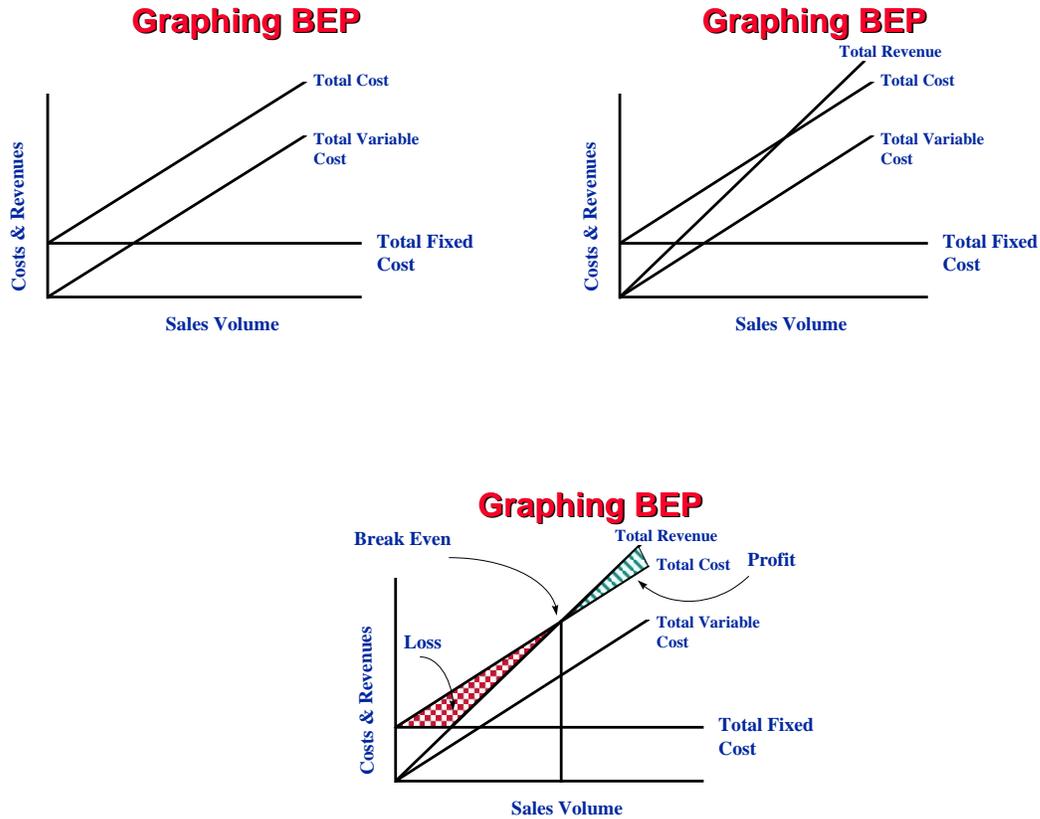
Graphing BEP



Graphing BEP



Answers to Questions for Discussion



After fixed costs are covered, CTO becomes contribution to profit (CTP). However, no profit is made until fixed costs are covered.

So, how does this apply to **sales forecasts**? A sales forecast can be applied to determine the level of profitability a firm would have under these predicted sales. For example if the sales forecast for the firm in the above example predicts sales of \$10,000,000, then profit can be calculated as follows:

Sales Forecast	\$10,000,000
- Break-even sales	<u>-\$ 8,000,000</u>
= Sales above break-even	\$ 2,000,000
x CTO	<u>x .10</u>
= Projected profit	= \$ 200,000



Student Activities**Class Visitation: Agribusiness sales office**

Visit with a manager or salesperson from a local agribusiness such as an equipment, fertilizer or feed dealer. Have the students prepare questions to ask such as: do you prepare a sales forecast for your business – if not, why not; how important is a sales forecast to your business; what data sources do you use for your sales forecast; do you prepare a cash flow budget or pro forma financial statements; how accurate have your sales forecasts been; have you used break-even analysis in your business before, and if so in what context.

Survey:

Survey local agricultural input supply salespeople that represent wholesale manufacturers and distributors such as Purina Mills, Wayne Feeds, Nutrena, Dow-Elanco, Monsanto, Ciba, John Deere, Case-IH, AGCO, etc., to determine how their companies develop sales forecasts. Ask them whether their firms utilize composite of salesforce opinion techniques. Have the students summarize their findings.

Collecting Data:

Have the students pretend they are working for a company that manufactures and sells potato harvesting equipment. Have them gather data that they could utilize in a statistical demand analysis or a time series analysis. For the time series analysis, data on historical potato production in Idaho is probably sufficient. A good source for this data is the annual *Idaho Agricultural Statistics* publication compiled by: Idaho Agricultural Statistics Service, 2224 Old Penitentiary Road, P.O. Box 1699, Boise, ID 83701 (208) 334-1507. For the statistical demand analysis, information on competing crops such as wheat, barley, sugar beets, onions or alfalfa would likely be useful (again, source would be *Idaho Agricultural Statistics*). In addition, information on consumption of potatoes might be included (can be found in the annual *Agricultural Statistics*, published by the United States Department of Agriculture, and much of this data is also available on the web site for NASS (National Agricultural Statistics Service) - <http://www.usda.gov/nass/>).

References

Resources Used in Developing Unit H

Books:

Beierlein, J.G. and M.W. Woolverton. (1991) *Agribusiness Marketing: The Management Perspective*. (1st ed.) Englewood Cliffs, NJ: Prentice-Hall, Inc.

Downey, W.D. and S.P. Erickson. (1987) *Agribusiness Management*. (2nd ed.) New York, NY: McGraw-Hill, Inc.

Kotler, P. and G. Armstrong. (1991) *Principles of Marketing*. (5th ed.) Englewood Cliffs, NJ: Prentice-Hall, Inc.

Internet Resources:

Website: Inc. Magazine. Do keyword search on sales forecasts
<http://www.inc.com/>

Website: Agricultural Economics 391 – Agribusiness Management, University of Idaho. Lecture on Chapter 13 discusses sales forecasts, lecture on Chapter 10 discusses breakeven analysis. Part of case study #2 is a breakeven analysis.
<http://www.uidaho.edu/ag/agecon/391/agec391.html>

Website: NASS (National Agricultural Statistics Service)
<http://www.usda.gov/nass/>.

**Ag 470-H
Sales Forecasting
QUIZ**

1. What purpose does break-even analysis serve?
 - a. allows the firm to determine the level of costs incurred with new investments.
 - b. allows the firm to determine the level of sales necessary to cover the cost of a new investment.
 - c. allows the firm to accurately project market share.
 - d. break-even analysis serves no purpose.
 - e. a and c above.
 - f. none of the above

2. When a company makes an “environmental forecast,” it is:
 - a. Projecting the market share for its products.
 - b. Forecasting total industry sales.
 - c. Projecting inflation, unemployment, interest rates and other economywide events.
 - d. Projecting pollution rates, climate changes and other environmental aspects that affect the company.

3. Test marketing is:
 - a. An inexpensive way of forecasting sales.
 - b. A way to test the product in a real market situation.
 - c. A method of basing a sales forecast on past sales.
 - d. Usually done using a composite opinion from the sales force.

4. Sales forecasts are built on one of three information bases:
- What people say, what people do, and what people have done.
 - What people talk about, what people listen to, and what education level people have.
 - The company's cost records, the company's total employment figures and the company's projected revenue.
 - How many competitors the firm has, a firm's historical return on investment and the firm's total assets.
5. A purchase probability scale measures:
- the probability that a consumer will remember advertisements for the company's product.
 - the chance of a consumer recommending a company's product to a friend or relative.
 - the probability that a consumer will purchase a company's product, usually within a given time frame.
 - the chance of a customer returning a good as defective.
6. The formula for calculating break-even is:
- $$BE = \frac{CTO}{\text{fixed cost}}$$
 - $$BE = \frac{1 - \text{variable costs}}{CTO}$$
 - $$BE = \frac{\text{fixed cost}}{CTO}$$
 - $$BE = \frac{1 - \text{variable costs}}{\text{fixed costs}}$$

7. Given the following data, calculate the break-even point for this firm:

Fixed costs = \$1,000,000
Cost of goods sold and other variable costs = 87% of sales

- a. \$1,000,000
 - b. \$7,692,308
 - c. \$8,213,124
 - d. \$1,149,425
8. Expert opinion, as a method of forecasting sales:
- a. falls in-between the using a survey of buyer's intentions and the composite of salesforce opinion methods of estimating sales in terms of both time and cost.
 - b. tests the product itself in real market situations.
 - c. assumes that the cause of past sales can be uncovered through statistical analysis.
 - d. utilizes experts by asking them to exchange views and come up with a group estimate.
 - e. both a and d above.
9. What is a cash budget?
- a. a budget prepared using credit sales and the probability of collection rates on these credit sales.
 - b. a projection of the firm's cash needs and income in a future time setting, based on the sales forecast.
 - c. a projection of the firm's customer credit policies in the future.
 - d. a projection of the firm's cash discounts offered to customers who pay cash at the time of purchase.
10. What are pro forma financial statements?

- a. Financial statements developed by pros - such as an accountant.
- b. An income statement or balance sheet based upon a projection of the best estimates of what the business will look like in an upcoming time period.
- c. An income statement or balance sheet based upon actual results from the prior time period.
- d. Are financial statements prepared using a special format, thus the name “pro forma.”

**Ag 470-H
Sales Forecasting
QUIZ ANSWERS**

1. b.
2. c.
3. b.
4. a.
5. c.
6. c.
7. b.
8. e.
9. b.
10. b.

Promotional Techniques AG 470-I

Unit Objective

After completing this unit the student will be able to describe the importance of how promotional activities such as advertising is used in agriculture as well as describe the different types of advertising media used by agribusiness. They will be able to design and construct an agribusiness display.

Specific Objectives and Competencies

1. Describe the various methods of agricultural sales promotion.
2. List the elements of a promotional campaign.
3. Devise a promotional campaign.
4. List agribusiness advertising methods.
5. Describe the different types of advertising media used by agribusiness.
6. Design an agribusiness display.
7. Construct an agribusiness display.

Promotional Techniques Ag 470I

- 1. DESCRIBE THE VARIOUS METHODS OF AGRICULTURAL SALES PROMOTION.**
- 2. LIST THE ELEMENTS OF A PROMOTIONAL CAMPAIGN.**
- 3. DEVISE A PROMOTIONAL CAMPAIGN.**
- 4. LIST AGRIBUSINESS ADVERTISING METHODS.**
- 5. DESCRIBE THE DIFFERENT TYPES OF ADVERTISING MEDIA USED BY AGRIBUSINESS.**
- 6. DESIGN AN AGRIBUSINESS DISPLAY.**
- 7. CONSTRUCT AN AGRIBUSINESS DISPLAY.**

AG 470-I

Q & A

Q What is promotion?

A Promotion is a group of activities intended to sell a product, a service or an idea by attracting, informing, and persuading customers.

Q What are the promotional methods used in agribusiness and describe them?

- A**
- Personal selling ⇒ A salesperson informs and persuades another individual
 - Media Advertising ⇒ Major: television and radio ads, newspapers, magazines, trade journals, agricultural magazines, the Internet
 ⇒ Visual media: brochures, flyers, direct mail, newsletters, billboards, directories
 - Displays ⇒ The way that merchandise is exhibited: point of purchase advertising signs, packaging
 - Exhibits ⇒ Displayed at fairs, conventions, trade shows. For example: a model of a campsite, a petting zoo or a display of an entire product line.
 - Demonstrations ⇒ Showing how a product or service works. For example: demonstrating techniques for applying fertilizers and application rates
 - Sponsorship ⇒ Events, competitions or awards sponsored by an agribusiness company. For example: horse shows, awards and prizes given for 4-H or FFA competitions
 - Publicity ⇒ A newspaper article written about a product or service, word of mouth, civic activities, open houses, charitable organizations
 - Sales promotion ⇒ Giveaways with the company's logo and name printed on them (e.g., pens, caps, t-shirts, etc.), coupons, free installations, discounts, rebates

Q What is advertising? What are the major types of advertising media?

A It is a paid, nonpersonal announcement that promotes products, information or services to consumers.

Major types of advertising media:

- Print media - newspapers (e.g. can use grain and livestock reports, special feature articles about agriculture), advertisements in trade journals and fliers
- Broadcast media - radio, television

AG 470-I**Q & A**

Q Why do businesses advertise and how do they benefit from it?

A	<u>Advertise</u>	<u>Benefits</u>
	✓ To create customer awareness	☆ Quick way to deliver the message
	✓ To stimulate sales	☆ An economical way to reach the masses
	✓ To establish a positive image	☆ Better control of the facts
	✓ To make money	☆ Can increase profits

Q What is advertising body copy and what makes it effective?

A Body copy is written communication on the advertisement that describes the reasons why you should buy a product or service.

Effective body copy:

- Reaches its targeted market with the right message
- Briefly and clearly explains the product benefits to the consumer
- Is easy to understand as well as attractive
- Is believable
- Is consistent with the advertiser's image
- Holds information that appeals to prospective customers' needs and desires

Q What is a display? What are the three main types of displays used in advertising and where are they used?

A Display is an important design technique used to visually communicate a product or service to consumers. They are usually shown near the point of sale in order to attract customer's attention, to set the tone for a sale or to prompt customers to buy their product or service.

<u>Main types of displays</u>	<u>They are used</u>
• Outside Displays	⇒ Exhibits at trade shows and fairs ⇒ Large equipment ⇒ Animals
• Window Displays	⇒ Feature: sale items, seasonal items or services, complete line of goods
• Interior Displays	⇒ Entrances and exits (just inside the doors) ⇒ Point of purchase (checkout counters) ⇒ Walls, hanging from ceiling ⇒ Shelves, closed cases, shadow boxes ⇒ Ends of aisles ⇒ Opposite service counters

AG 470-I

Information Sheet

Principles of Display Design

Balance

The arrangement of a display so that equal attention is given to all items and parts of the display.

Example: Formal Balance Elements spaced evenly on both sides of a display.
 Informal Balance Elements are not evenly spaced on both sides of a display but are arranged so that they appear balanced by varying the distance of larger, heavier elements, shapes and colors.

Contrast

Using objects in a way so that they seem different and will attract customers' attention.

Example: Colors that show contrast: orange and blue can show the warm contrast of summer

Emphasis

Designing one element in a display as focal point.

Example: Arranging a design element or an object so that it appears dominant
 Place the object on a pedestal or by pointing arrows.

Harmony

Combining items in a display so that they blend and fit together.

Example: Combine shapes, lines, colors, textures, and sizes to achieve uniformity

Proportion

The proper relationship between the size and number of objects and between objects and spaces in a display.

Example: Oversize show cards look out of place with small items.

Repetition

Is the regular occurrence of an object or element throughout the display.

Example: Using a lineup of tractors of the same size and model

Rhythm

Causes the eye to move through a display.

Example: Showing the cycle of growing and processing wheat to flour.

Unity

All the parts of a display fit together to give a total continuity

Example: Not cluttering the display with too much material.

AG 470-I

Information Sheet

Elements of a Successful Display Design

Color

Color can psychologically affect a person's emotions

(See: the Color Wheel and the Checklist: Putting Colors to Work in Displays handouts)

For example: certain colors impact people negatively or positively when they are in the process of making buying decisions.

Direction and Line

Directs the eye through the display calling attention to parts of the display.

- * Horizontal lines suggest order and formality
- * Vertical lines suggest stature and height
 - stack products or raise products vertically on platforms
 - to give an effect of a vertical line
- * Curved lines show grace, informality and fun
- * Diagonal lines represent action and they suggest movement and excitement
 - left diagonal lines move the eye from left to right
 - right diagonal lines - be cautious because they can be distracting

Shape

Any shape or combination of shapes can be used in a display, the important thing to remember is to keep the display in balance.

- * Circles, ovals, octagons, hexagons, triangles, squares, rectangles, parallelograms are some that are used by designers for backgrounds, arrangements, props or containers.
- * Designers prefer to use rectangles versus squares

Size

Two important things to consider: a) that the display elements are large enough to view; and b) keep the size of each part of the display in relation to the other parts to a ratio of 2:1.

Texture

Select a texture for a display based on the product or service to be sold and the image to be conveyed.

For example: to promote pesticides used on trees or shrubs, use the texture of a leaf for your background

Value and Weight

Value: is the degree of how light and dark is expressed in colors

- * Pay attention to how customers react to different color values used in displays

Weight: refers to the color, shape, and texture of an item.

AG 470-I**Checklist: Putting colors to work in displays
Design flow in advertisements****Putting Colors to Work in Displays**

- Beige is a combination of brown and white
It is often used as a background in agricultural displays
For example: found in props such as, lumber, sand, hides, burlap
- Black is frequently used for backgrounds and lettering
Mix with other colors to darken the mood
For example: for an autumn mood mix black with orange
- Blue is a cool color that can represent the sky, water, and first-place ribbons
Mix blue with white to give a winter mood
Mix blue with green to give a feeling of spring
- Brown represents tree bark, soil, dead leaves and autumn
Brown is typically used on the bottom of a display because it is dark
- Green represents money, spring, summer, and things growing
Green is often used in agricultural displays because it suggests healthy growth
- Orange is an attention getting color
It is a warm color and represents autumn
Orange is commonly used for fall displays
- Red attracts lots of attention
For example: it is used in traffic lights, in road signs to indicate hazardous conditions,
in safety signs warning against dangers, emergency vehicles
It complements most colors when used modestly
- White is a cold color which can feel bleak or sterile unless other colors are mixed with it
It represents purity, healthy teeth, snow, cotton and milk

White is often used as a background for displays because it is a neutral color

AG 470-I

Checklist: Putting colors to work in displays Design flow in advertisements

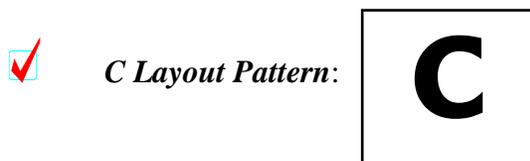
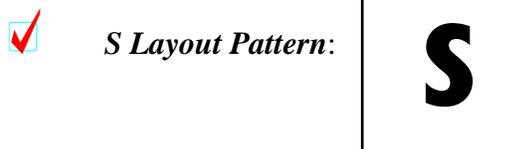
Putting Colors to Work in Displays

- ✓ Yellow is a warm, attention-getting, uplifting color that suggests sunshine and energy. It is used as an accent color for green and serves as a background for bright colors.

Design Flow in Advertisements

(The eye flow of the ad)

One of the major considerations when placing elements of an advertisement is creating a focal point. Another important consideration when designing the ad layout, is how the reader's eyes flow to the focal point. Research has found that the S, C, Z patterns and their reverse shapes help direct eye flow in a positive way left to right and top to bottom.



AG 470 I

Student Activities

Poster Presentations

Individual assignment: Have the students collect ads that are in agricultural magazines, the farm section of newspapers, etc. from one of the major areas of **agriculture**: mechanics;, production; products and processing; supplies and services; forestry; natural resources and rural recreation, and ornamental horticulture.

Group assignment: Have them form into groups to develop a poster presentation (using the ads they collected) then have class discussion after the presentations to critique the strengths and weaknesses of the various ads.

Create a Color Wheel

Have each student make a color wheel using colored pencils and 11x 17 poster paper. They are to place the posters in a portfolio that they can either make or purchase at an art supply store.

Design, Construct and Set Up a Display for an Agribusiness

Before beginning the project have the students visit agribusinesses and observe displays paying close attention to: • Show cards - cards placed next to a display item that gives information

such as: benefits, brand name, price, and terms

- Signs
- Props and materials
- Colors
- Arrangement of the display(s)

Design

Students are then to form into groups, share the information they gathered on displays, and develop a plan for an agricultural display (they can also refer to the material they learned in class, and the handouts regarding displays for further assistance). Each group is to submit a sketch of their display idea for the teacher's review and approval before proceeding to the next step.

It is best to follow these steps in developing design plans:

- a. Determine the product or service to be featured

The first step in design the display is to ask the following questions:
what is it, where is it used? and how is it used.

- b. Establish a theme
 - Relate the central idea to the product or service that will meet the customer's needs

AG 470-I Student Activities

Design, Construct and Set Up a Display for an Agribusiness

Design

- c. Incorporate seasons and current events
 - Seasons, for example: spring - feature products related to planting and growing crops
 - Current events/activities: fairs and shows, weather problems
- d. Select a display arrangement
- e. Identify and select materials
- f. Sketch the plan
 - The drawing or sketch communicates to management and those involved in its construction what the display will look like and the materials needed

Construction

All materials selected should complement the theme and the product featured. Students need to select and assemble materials for their displays such as:

Items:	For Example:
Display Board	Panels, easels
Buildups	Bookcases, platforms, tables, steps, stands, lumber
Props	Shelves, artificial plants, trees, books, mannequins, baskets, etc.
Lights	Floodlights, spot lights
Color	Paint, felt-tips, pens
Fabric	Burlap, carpeting,
Signs and Lettering	Information cards, show cards
Hand and power tools	Scissors, hammer, glue gun, saw, sewing machine, stapler gun
Other materials	Velcro® strips

Set up

1. Build the basic form like the floors, shelves or walls
2. Install the lights, electricity or water utilities
3. Place and securely fasten the props and the products

4. Enhance the attractiveness of the display by adding the appropriate accessories
5. Position the show cards and signs and make sure they can be easily read
6. Give a final overview of the display similar to how a customer would view it
7. Maintain the display: keep the display and mechanical parts, clean and in repair

AG 470-I

Unit I References

Resources Used in Developing Unit I

Lawver, D. E., Lee, J. S. (Ed), & Leising, J.G. (1994). *Agrimarketing Technology*. New York: McGraw-Hill.

McGuire, J. E., & Lee, J. S. (Ed). (1979). *Advertising and Display in Agribusiness*. New York: McGraw-Hill.

Yorke, C. G. (1996). *Agricultural Sales*. Vancouver, WA: Acro.

Handout

The Color Wheel HO 470 I-6&7

Transparencies

The Classic Advertising Layout TM 470 I-4 & 5

Common Display Arrangements: TM 470 I-6 & 7a

TM 470 I-6 & 7b

TM 470 I-6 & 7c

TM 470 I-6 & 7d

TM 470 I-6 & 7e

TM 470 I-6 & 7f

Other Resources to Supplement Unit I

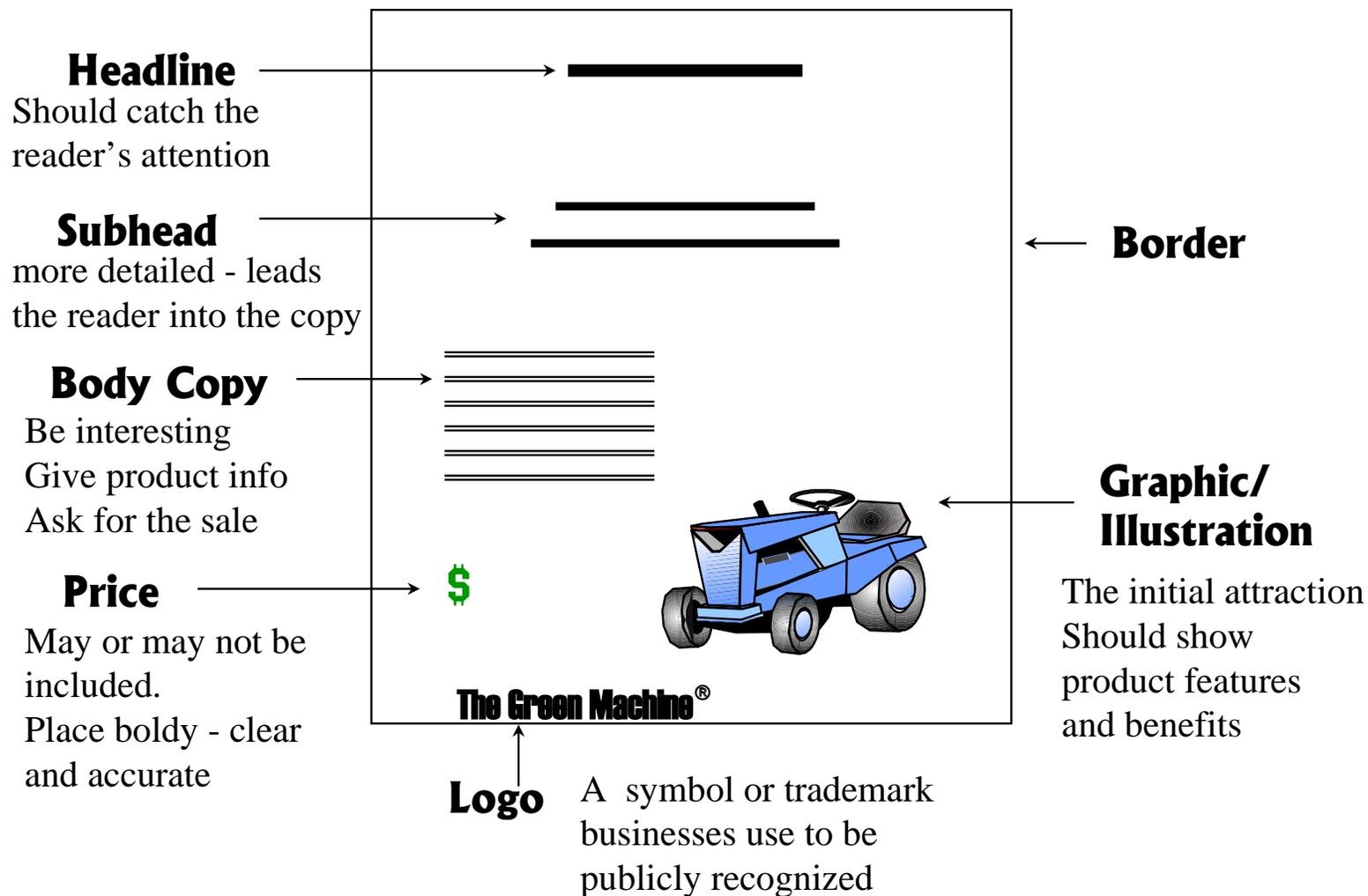
Barrett, S. & Leising, J. (1989). *Model Agricultural Sales Contest Resource Guide*. Davis, CA: University of California.

Pegler, M. M. (1983). *Visual Merchandising and Display*. New York: Fairchild.

Roth, L. (1983). *Display Design*. New Jersey: Prentice-Hall.

Switkin, Abraham. (1981). *Ads: Design & Make Your Own*. New York: Van Nostrand Reinhold Co.

The Classic Advertising Layout



The Color Wheel

Primary Colors
= **P**

Secondary Colors
= **S**

Complementary Colors

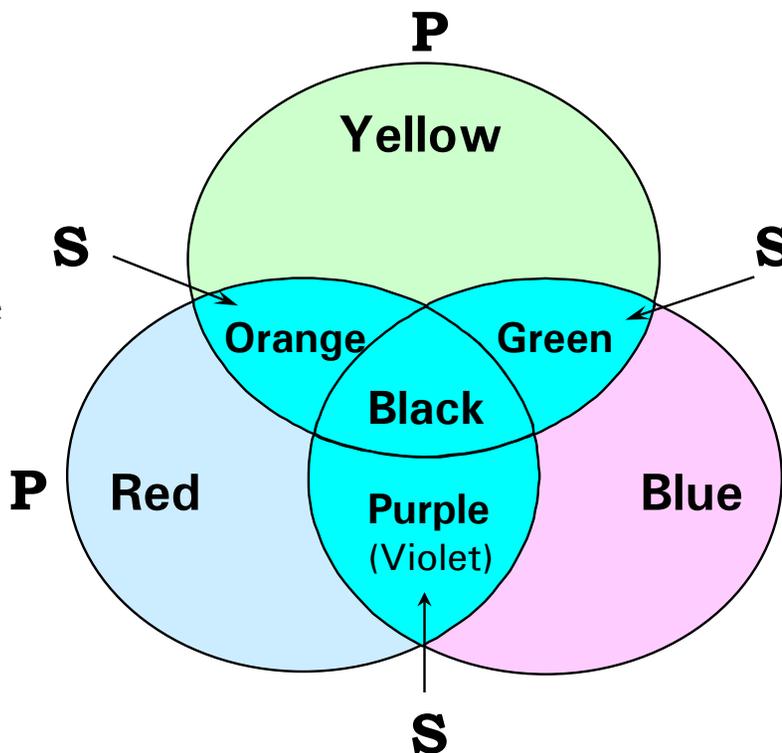
Directly opposite
e.g., red & green

Adjacent Colors

Are next to each other e.g., blue, blue-green, green

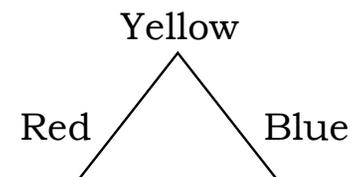
Intermediate Colors

Combining a
P + S
yellow/orange



Triad Colors

Are an equal distance apart on the wheel



The Moods of Color

Warm: red, yellow, orange Cool: blues, violets

Harmonious: orange, yellow, brown

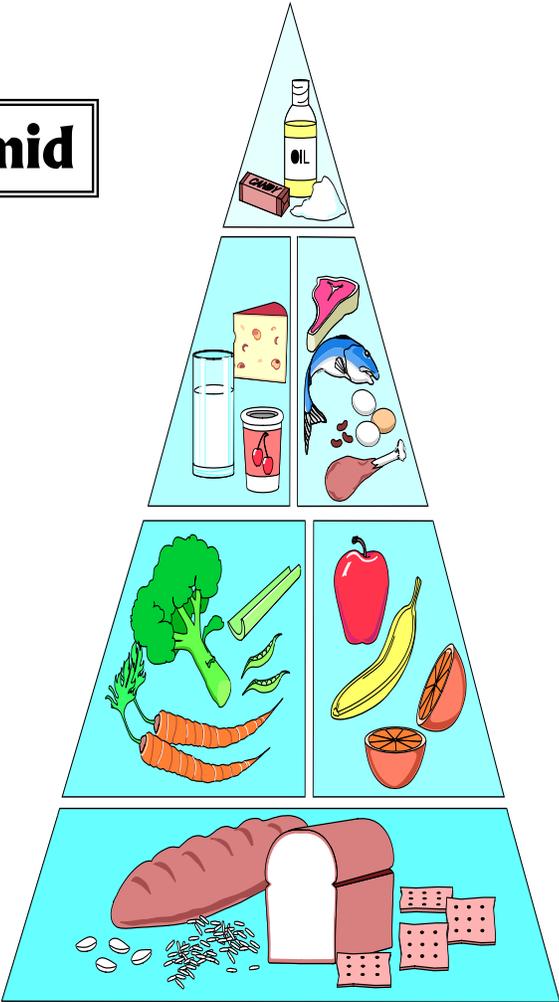
Common Display Arrangement

Dump



Common Display Arrangement

Pyramid



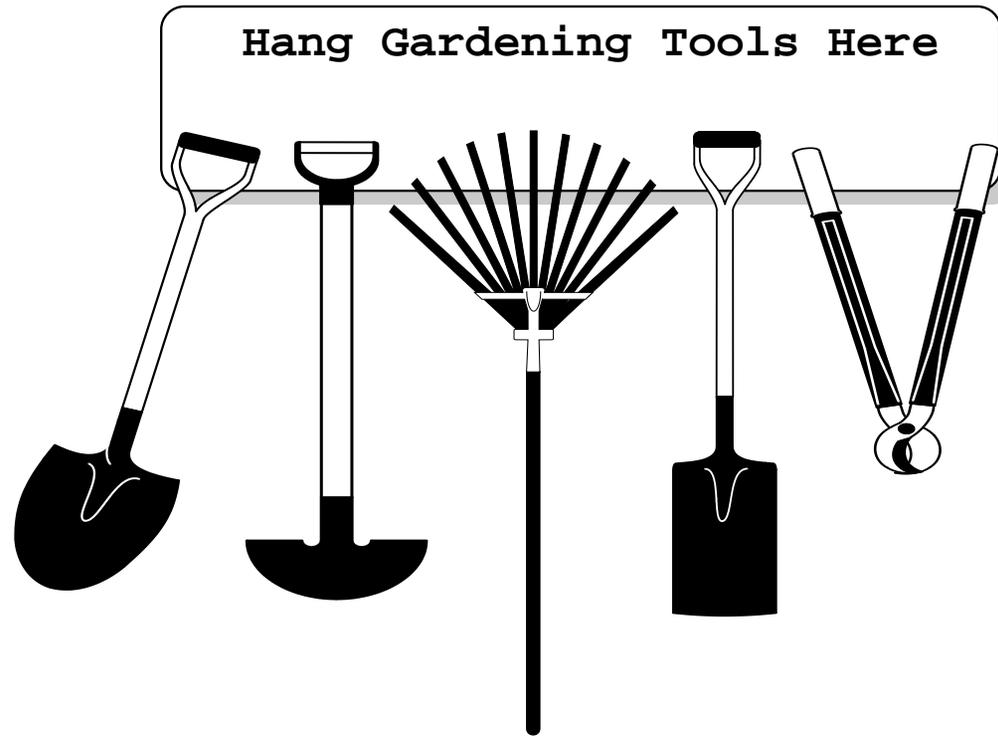
Common Display Arrangement

Stair Step



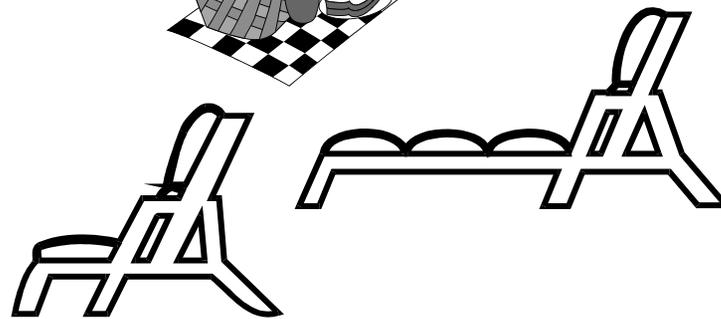
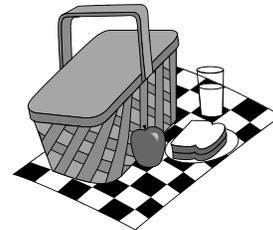
Common Display Arrangement

Repetition



Common Display Arrangement

Zig Zag



Common Display Arrangement

Radiating



**Ag 470 - I: Promotional Techniques
Unit Test**

List the two major types of advertising media and give at least two examples of each.

1. _____
2. _____

List the main types of displays and suggest at least one way in which each could be used.

3. _____
—
4. _____
—
5. _____
—

Multiple Choice

6. The written communication on the advertisement that describes the reasons why you should buy a product or service is called the
 - a. body copy.
 - b. body explanation.
 - c. advertising copy.
 - d. none of the above

7. An effective body copy is one which
 - a. reaches its targeted market with the right message.
 - b. is easy to understand as well as attractive.
 - c. is consistent with the advertiser's image.
 - d. all of the above

8. The arrangement of a display so that equal attention is given to all items and parts of the display is referred to as
 - a. contrast.
 - b. rhythm.
 - c. balance.

d. harmony.

9. Repetition

- a. is using objects in a way so that they seem different and will attract customers' attention.
- b. is the regular occurrence of an object or element throughout the display.
- c. causes the eye to move through a display.
- d. combines items in a display so that they blend and fit together.

10. One important thing to remember as far as the shape of a display is concerned is

- a. to keep the display in balance.
- b. that display elements are large enough to view.
- c. to show grace, informality, and fun.
- d. designers prefer to use squares versus rectangles.

Matching

- | | |
|--------------------------|---|
| ___ 11. Sponsorship | A. A group of activities intended to sell a product, a service or an idea by attracting informing, and persuading customers |
| ___ 12. Personal selling | B. A salesperson informs and persuades another individual |
| ___ 13. Sales Promotion | C. Displayed at fairs, conventions, trade shows, etc. |
| ___ 14. Unity | D. Showing how a product or service works |
| ___ 15. Exhibits | E. Events, competitions or awards sponsored by an agribusiness company |
| ___ 16. Emphasis | F. A newspaper article written about a product or service. |
| ___ 17. Promotion | G. Giveaways with the company's logo and name printed on them |
| ___ 18. Demonstrations | H. A paid, nonpersonal announcement that promotes products, information or services to consumers |
| ___ 19. Advertising | I. Designing one element in a display as focal point |
| ___ 20. Publicity | J. All the parts of a display fit together to give a total continuity |

**Ag 470 - I: Promotional Techniques
Unit Test
Answer Key**

List the two major types of advertising media and give at least two examples of each.

Answers:

Print media; examples - newspapers, advertisements in trade journals fliers

Broadcast media; examples - radio, television

List the main types of displays and suggest at least one way in which each could be used.

Answers:

Outside Displays - Exhibits at trades shows and fairs

Large equipment

Animals

Window Displays - Feature: sale items, seasonal items or services, complete line of goods

Interior Displays - Entrances and exits (just inside the doors)

Point of purchase (checkout counters)

Walls, hanging from ceiling

Shelves, closed cases, shadow boxes

End of aisles

Opposite service counters

Multiple Choice

6. The written communication on the advertisement that describes the reasons why you should buy a product or service is called the
- a. **body copy.**
 - b. body explanation.
 - c. advertising copy.
 - d. none of the above
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- a. reaches its targeted market with the right message.
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 - c. is consistent with the advertiser's image.
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 - that display elements are large enough to view.
 - to show grace, informality, and fun.
 - designers prefer to use squares versus rectangles.

Matching

 E 11. Sponsorship

 B 12. Personal selling

 G 13. Sales Promotion

 J 14. Unity

 C 15. Exhibits

 I 16. Emphasis

 A 17. Promotion

 D 18. Demonstrations

 H 19. Advertising

 F 20. Publicity

- A group of activities intended to sell a product, a service or an idea by attracting informing, and persuading customers
- A salesperson informs and persuades another individual
- Displayed at fairs, conventions, trade shows, etc.
- Showing how a product or service works
- Events, competitions or awards sponsored by an agribusiness company
- A newspaper article written about a product or service.
- Giveaways with the company's logo and name printed on them
- A paid, nonpersonal announcement that promotes products, information or services to consumers

- I. Designing one element in a display as focal point
- J. All the parts of a display fit together to give a total continuity

Business Procedures and Records AG 470 J

Unit Objective

After completing this unit, the student should be able to demonstrate proper procedures for handling sales transactions using business technology and explain why the different business procedures and records are needed in agribusiness. They will be able to demonstrate the proper procedures for handling credit and identify the different types of insurance needed in agribusiness.

Specific Objectives and Competencies

After completing this unit, students should be able to:

1. Describe why different business procedures and records are needed in an agribusiness.
2. Identify how to make customer transactions.
3. Prepare a sales receipt.
4. Identify the proper procedures for handling credit in an agribusiness.
5. Describe the basic elements of recordkeeping.
6. Identify types of insurance needed by agribusinesses.
7. Demonstrate the use of business technology such as a cash register, adding machine, electronic calculator, EDC machine, UPC input and scanners.

Business Procedures and Records Ag 470J

1. DESCRIBE WHY DIFFERENT BUSINESS PROCEDURES AND RECORDS ARE NEEDED IN AN AGRIBUSINESS.

Terms and Definitions

Business Procedures

Are established ways of conducting business. All agribusiness employees perform some activities and procedures to ensure the smooth operation of the business.

Business Records

Are written statements of all transactions of an agribusiness that are kept to refer to when making decisions, preparing reports, and determining the overall status of the business operations.

Credit

A sum of money, goods or services granted to a borrower with agreement to repay the value amount within a certain time period.

Exempt

Free from a requirement, a responsibility or a liability to which others are subject to. For example, in agribusiness anything that is used in the production process is exempt from sales tax with some exceptions.

Extension

Is the amount listed in the last column of a sales slip that may indicate the unit price of a single item sold or the combined cost figured by multiplying the amount sold times the number of units sold.

Inventory

An itemized list of goods to be sold or kept for operating the business including their estimated value.

Sales Slip (Ticket)

A list of merchandise sold including the customer's name and address; quantity sold; unit cost and total cost; tax; and terms of the sale which may be used as a permanent record by the customer and the business.

Terms of Sale

The payment time frame and late payment penalties stated on a sales slip/ticket or invoice.

Questions for Discussion

1. List some reasons why agribusinesses need business procedures and records.
2. Why are business procedures important?
3. What are some of the most common business procedures and describe them?
4. What other kinds of records are kept by agribusinesses and give a short description of each?
5. Why do agribusinesses need to keep good records?
6. What are some recordkeeping activities?

AG 470 J

Teacher Answer Sheet

Answers to Questions for Discussion

1. List some reasons why agribusiness's need business procedures and records.

- Employee Productivity ⇒ A way to track the amount of work, time and the quality of employees' jobs
- Departmental Productivity ⇒ To analyze department records in determining their efficiency
- Financial Analysis ⇒ To keep financial records in order to know if they are making a profit or losing money
- Government and Industry Regulations ⇒ To ensure that information such as tax returns, etc. are available for governmental reporting
- Other Reasons ⇒ To know the status of inventory so they know when to order goods and supplies
⇒ To help prevent errors
⇒ To provide information to stockholders, owners and institutions
⇒ For overall efficiency of the operation

2. Why are business procedures important?

The success or failure of an agribusiness is closely related to how its business procedures are carried out.

3. What are some of the most common business procedures and describe them?

- Handling Communications ⇒ Incoming and outgoing: telephone calls, email, written communications, discussions with customers, business colleagues, suppliers, governmental agencies, financial institutions, etc.
⇒ Internal - exchanging information and face-to-face interaction with fellow employees
- Billing and Credit Collection ⇒ Setting procedures for accurate recording of transactions such as preparing sales receipts/tickets, extending credit, preparing statements and collecting money due the business
- Controlling Inventory and Merchandise ⇒ Maintaining accurate records of goods to be sold (merchandise) so that a supply is available to fill customer orders
⇒ Keeping accurate records of goods or property owned by the agribusiness (inventory)

AG 470 J
Teacher Answer Sheet

Answers to Questions for Discussion

3. What are some of the most common business procedures and describe them?

- Keeping Records ⇒ The nature of the business determines the kinds of records that an agribusiness keeps. The four main areas are:
 - *Production Records - purchases of raw materials; labor; maintaining machinery; quantity produced
 - *Marketing Records - product sold, amount sold, salesperson who sold it; salaries and commissions; amount of products returned
 - *Financial Records - Credit given and received; everything related to the economic status of a business
 - *Personnel Records - Employee information compensation and taxes, benefits, length of service, performance reviews, personal data, qualifications
- Preparing Reports ⇒ Kinds of reports prepared by agribusinesses:
 - *Financial Reports - balance sheets are used to show the financial status of a business (i.e., what they own and owe
 - *Production Reports - shows the amount productivity output compared to production costs
 - *Marketing Reports - periodic reporting of sales and commissions
 - *Personnel Reports - show employee head count
 - *General Reports - usually an annual reporting of the overall status of the business (e.g., corporate reporting to the stockholders
- Storing and Accessing Information ⇒ An important procedure, required by law, to keep business records and information easily accessible in physical filing systems and computer data systems

4. What other kinds of records are kept by agribusinesses and give a short description of each?

- Equipment and Supply Records ⇒ Equipment and supplies common to most agribusinesses include:
 - *Equipment - cash registers; office and store furnishings; computers; vehicles; photocopiers
 - *Supplies - business/transactions forms; pencils and pens, floppy diskettes; cleaning products; copier paper
- Tax and Insurance Records ⇒ Tax Records other than personnel records include:
 - unemployment, federal, state, and local income taxes; social security taxes
 - ⇒ Insurance Records - fire, automobile, theft and liability

AG 470 J
Teacher Answer Sheet

Answers to Questions for Discussion

5. Why do agribusinesses need to keep good records?

- To save time and money
- To know their cash balance
- To know customer account status
- To keep track of business debts
- To correctly file their taxes
- To assess their financial standing
- To help make business decisions

6. What are some recordkeeping activities?

Recordkeeping involves the handling of forms to gather, record and summarize information; checking and verifying computations for accuracy.

Gathering Information: information is provided to or secured by record technicians, accountants, or bookkeepers to handle payroll expenditures and taxes; to compile and summarize daily sales and purchases.

Summarizing Information: record technicians, accountants, or bookkeepers make financial information such as sales and purchases useful by grouping by types then putting them into a form so that profits or losses can be easily determined (information is summarized periodically).

Reporting Information: record technicians, accountants, or bookkeepers use these summaries to compile reports such as profit and loss statements, income and expense statements.

**Business Procedures and Records
AG 470 J**

- 2. IDENTIFY HOW TO MAKE CUSTOMER TRANSACTIONS.**

- 3. PREPARE A SALES RECEIPT.**

- 4. IDENTIFY THE PROPER PROCEDURES FOR HANDLING CREDIT IN AN AGRIBUSINESS.**

- 5. DESCRIBE THE BASIC ELEMENTS OF RECORDKEEPING.**

- 6. IDENTIFY TYPES OF INSURANCE NEEDED BY AGRIBUSINESSES.**

AG 470 J

Teacher Information Sheet

Customer Transactions: HANDLING SALES TRANSACTIONS

Sales Slips (receipts/tickets)

A sales slip is the first record of merchandise sold and of services rendered which provides a permanent record of each transaction and serves as the basis for the accounting system.

The information written on a sales slip provides:

- | | |
|---------------|--|
| \$ Customers | <ul style="list-style-type: none"> → a record of expenses for income tax reporting → proof of purchase when returning merchandise → a legal record in case of an account dispute |
| \$ Businesses | <ul style="list-style-type: none"> → a legal agreement to pay a debt → information for inventory management → information for sales tax reporting → the needed information to update customer accounts → information to make a daily cash balance |

Steps For Properly Completing A Sales Slip

1. Write the correct date.
2. Write the customers/businesses' correct name, address, telephone number, and fax number (if applicable).
3. Give a complete description of each item sold or service rendered:
 - The quantity and unit sold should be written as one item, for example: 50lbs. or 20 gal.
 - A clear description of the *type* of merchandise being sold
 - Include the price per unit on all merchandise
 - Extensions must be mathematically accurate
4. Subtotal the extension.
5. Calculate the sales tax on all taxable items (if there are any) and enter it under the first total.
6. Calculate any service charges such as: delivery, grinding, mixing or shelling and enter them under the sales tax amount.
7. Add the extension column to obtain the total charges for the sale.

AG 470 J
Teacher Information Sheet

Customer Transactions: HANDLING SALES TRANSACTIONS

Steps For Properly Completing A Sales Slip

8. Mark the customer's method for payment.
9. Note any payment agreement made at the time of the sale that may differ from the calculated amount on the sales slip, for example: if paying by check, write the amount of the check on the face of the sales slip with the calculation of the charge to be given.
10. Have the customer sign the sales slip when not paying with cash.
11. A sales receipt must be made out when a customer pays on their account indicating what they are paying for.
12. Write VOID on the original copy of all sales slips that have been ruined by the employee then place that copy with the other slips.
13. The employee must initial the sales slip in the appropriate area.
14. Give the customer a copy of the sales slip.
15. File the original copy of the sales slip as the permanent record of sales and all other copies of the sales slip in their appropriate files.

Properly Counting and Giving Change

1. Repeat the amount of the sale and the amount of money the customer gives you
2. Place the money from the customer on the ledge of the cash register in case the customer questions the size of bill they gave you.
3. Count money three times for accuracy:
 - a. Count the money given by the customer to yourself
 - b. Count the change (to yourself) as you take it from the cash register to give to the customer
 - c. Count the change back to the customer making sure that they see each denomination
4. Begin counting from the sale amount up to the amount given by the customer. Use the least amount of coins and bills possible.

For example: Money from customer = \$30.00 Sale amount = \$25.50

Say: "Twenty-five fifty out of thirty."

Count back each coin: "Here is 50 cents to make twenty-six dollars."

Count back each bill: "Here is one, two, three and four dollars to make thirty."

AG 470 J Sales Tax

Every business is required to charge sales tax. The amount of sales tax for a particular state depends on how much is added at the local level. Both the city and the county may charge a tax.

In agriculture, anything that is used in the production process is exempt from sales tax with some exceptions:

Exempt

- Grass seed for a pasture
- Agricultural machinery for production like: tractors, combines and haybines
- The way some items are used such as drain tile used in a field to increase crop production

Exception

- Grass seed for a lawn
- Pieces of equipment such as storage devices and containers, hand-powered tools
- Accessories such as air conditioners
- Using the drain tile in a farrowing house for drains

Figuring Sales Tax

- ❶ Total the customers bill
- ❷ Use the tax table (see handout: Idaho Tax Table) to find the amount of tax due
**The amount of tax to charge is in the right column of each box*
- ❸ Add the amount of tax due to the subtotal to arrive at the total sales amount

Certified Sales Slip								
PHONE # ADDRESS								
TERMS OF SALE								
CUSTOMER'S ORDER NO.			PHONE NO.			DATE		
SOLD TO								
ADDRESS								
CITY / STATE / ZIP CODE								
Sold by	Cash	COD	Charge	On Acct	Mdse Retd	Paid Out	Take	Deliver
Quantity	Description					Price	Amount	
1.								
2.								
3.						Tax	❷ →	
4.						❶ →	Total	❸ →
Slip No.		<i>Thank You!</i> Received By						

**State of Idaho
Sales and Use Tax Schedule - 5% Rate**

0.01 -- 0.11	0.00	9.06 -- 9.25	0.46	18.26 -- 18.45	0.92
0.12 -- 0.25	0.01	9.26 -- 9.45	0.47	18.46 -- 18.65	0.93
0.26 -- 0.45	0.02	9.46 -- 9.65	0.48	18.66 -- 18.85	0.94
0.46 -- 0.65	0.03	9.66 -- 9.85	0.49	18.86 -- 19.05	0.95
0.66 -- 0.85	0.04	9.86 -- 10.05	0.50		
0.86 -- 1.05	0.05			19.06 -- 19.25	0.96
		10.06 -- 10.25	0.51	19.26 -- 19.45	0.97
1.06 -- 1.25	0.06	10.26 -- 10.45	0.52	19.46 -- 19.65	0.98
1.26 -- 1.45	0.07	10.46 -- 10.65	0.53	19.66 -- 19.85	0.99
1.46 -- 1.65	0.08	10.66 -- 10.85	0.54	19.86 -- 20.05	1.00
1.66 -- 1.85	0.09	10.86 -- 11.05	0.55		
1.86 -- 2.05	0.10			20.06 -- 20.25	1.05
		11.06 -- 11.25	0.56	20.26 -- 20.45	1.02
2.06 -- 2.25	0.11	11.26 -- 11.45	0.57	20.46 -- 20.65	1.03
2.26 -- 2.45	0.12	11.46 -- 11.65	0.58	20.66 -- 20.85	1.04
2.46 -- 2.65	0.13	11.66 -- 11.85	0.59	20.86 -- 21.05	1.05
2.66 -- 2.85	0.14	11.86 -- 12.05	0.60		
2.86 -- 3.05	0.15			21.06 -- 21.25	1.06
		12.06 -- 12.25	0.61	21.26 -- 21.45	1.07
3.06 -- 3.25	0.16	12.26 -- 12.45	0.62	21.46 -- 21.65	1.08
3.26 -- 3.45	0.17	12.46 -- 12.65	0.63	21.66 -- 21.85	1.09
3.46 -- 3.65	0.18	12.66 -- 12.85	0.64	21.86 -- 22.05	1.10
3.66 -- 3.85	0.19	12.86 -- 13.05	0.65		
3.86 -- 4.05	0.20			22.06 -- 22.25	1.11
		13.06 -- 13.25	0.66	22.26 -- 22.45	1.12
4.06 -- 4.25	0.21	13.26 -- 13.45	0.67	22.46 -- 22.65	1.13
4.26 -- 4.45	0.22	13.46 -- 13.65	0.68	22.66 -- 22.85	1.14
4.46 -- 4.65	0.23	13.66 -- 13.85	0.69	22.86 -- 23.05	1.15
4.66 -- 4.85	0.24	13.86 -- 14.05	0.70		
4.86 -- 5.05	0.25			23.06 -- 23.25	1.16
		14.06 -- 14.25	0.71	23.26 -- 23.45	1.17
5.06 -- 5.25	0.26	14.26 -- 14.45	0.72	23.46 -- 23.65	1.18
5.26 -- 5.45	0.27	14.46 -- 14.65	0.73	23.66 -- 23.85	1.19
5.46 -- 5.65	0.28	14.66 -- 14.85	0.74	23.86 -- 24.05	1.20
5.66 -- 5.85	0.29	14.86 -- 15.05	0.75		
5.86 -- 6.05	0.30			24.06 -- 24.25	1.21
		15.06 -- 15.25	0.76	24.26 -- 24.45	1.22
6.06 -- 6.25	0.31	15.26 -- 15.45	0.77	24.46 -- 24.65	1.23
6.26 -- 6.45	0.32	15.46 -- 15.65	0.78	24.66 -- 24.85	1.24
6.46 -- 6.65	0.33	15.66 -- 15.85	0.79	24.86 -- 25.05	1.25
6.66 -- 6.85	0.34	15.86 -- 16.05	0.80		
6.86 -- 7.05	0.35			25.06 -- 20.25	1.26
		16.06 -- 16.25	0.81	25.26 -- 20.45	1.27
7.06 -- 7.25	0.36	16.26 -- 16.45	0.82	25.46 -- 25.65	1.28
7.26 -- 7.45	0.37	16.46 -- 16.65	0.83	25.66 -- 25.85	1.29
7.46 -- 7.65	0.38	16.66 -- 16.85	0.84	25.86 -- 26.05	1.30
7.66 -- 7.85	0.39	16.86 -- 17.05	0.85		
7.86 -- 8.05	0.40			26.06 -- 26.25	1.31
		17.06 -- 17.25	0.86	26.26 -- 26.45	1.32
8.06 -- 8.25	0.41	17.26 -- 17.45	0.87	26.46 -- 26.65	1.33
8.26 -- 8.45	0.42	17.46 -- 17.65	0.88	26.66 -- 26.85	1.34
8.46 -- 8.65	0.43	17.66 -- 17.85	0.89	26.86 -- 27.05	1.35
8.66 -- 8.85	0.44	17.86 -- 18.05	0.90	27.06 -- 27.25	1.36
8.86 -- 9.05	0.45			27.26 -- 27.45	1.37
		18.06 -- 18.25	0.91	27.46 -- 27.65	1.38
				27.66 -- 27.85	1.39
				27.86 -- 21.05	1.40

28.06 -- 28.25	1.41
28.26 -- 28.45	1.42
28.46 -- 28.65	1.43
28.66 -- 28.85	1.44
28.86 -- 29.05	1.45
29.06 -- 29.25	1.46
29.26 -- 29.45	1.47
29.46 -- 29.65	1.48
29.66 -- 29.85	1.49
29.86 -- 30.05	1.50
30.06 -- 30.25	1.51
30.26 -- 30.45	1.52
30.46 -- 30.65	1.53
30.66 -- 30.85	1.54
30.86 -- 31.05	1.55
31.06 -- 31.25	1.56
31.26 -- 31.45	1.57
31.46 -- 31.65	1.58
31.66 -- 31.85	1.59
31.86 -- 32.05	1.60
32.06 -- 32.25	1.61
32.26 -- 32.45	1.62
32.46 -- 32.65	1.63
32.66 -- 32.85	1.64
32.86 -- 33.05	1.65
33.06 -- 33.25	1.66
33.26 -- 33.45	1.67
33.46 -- 33.65	1.68
33.66 -- 33.85	1.69
33.86 -- 34.05	1.70
34.06 -- 34.25	1.71
34.26 -- 34.45	1.72
34.46 -- 34.65	1.73
34.66 -- 34.85	1.74
34.86 -- 35.05	1.75
35.06 -- 35.25	1.76
35.26 -- 35.45	1.77
35.46 -- 35.65	1.78
35.66 -- 35.85	1.79
35.86 -- 36.05	1.80
36.06 -- 36.25	1.81
36.26 -- 36.45	1.82
36.46 -- 36.65	1.83
36.66 -- 36.85	1.84
36.86 -- 37.05	1.85
37.06 -- 37.25	1.86
37.26 -- 37.45	1.87
37.46 -- 37.65	1.88
37.66 -- 37.85	1.89
37.86 -- 38.05	1.90
38.06 -- 38.25	1.91
38.26 -- 38.45	1.92
38.46 -- 38.65	1.93
38.66 -- 38.85	1.94
38.86 -- 39.05	1.95
39.06 -- 39.25	1.96
39.26 -- 39.45	1.97
39.46 -- 39.65	1.98
39.66 -- 39.85	1.99
39.86 -- 40.05	2.00
40.06 -- 40.25	2.05
40.26 -- 40.45	2.02
40.46 -- 40.65	2.03
40.66 -- 40.85	2.04
40.86 -- 41.05	2.05
41.06 -- 41.25	2.06
41.26 -- 41.45	2.07
41.46 -- 41.65	2.08
41.66 -- 41.85	2.09
41.86 -- 42.05	2.10
42.06 -- 42.25	2.11
42.26 -- 42.45	2.12
42.46 -- 42.65	2.13
42.66 -- 42.85	2.14
42.86 -- 43.05	2.15
43.06 -- 43.25	2.16
43.26 -- 43.45	2.17
43.46 -- 43.65	2.18
43.66 -- 43.85	2.19
43.86 -- 44.05	2.20
44.06 -- 44.25	2.21
44.26 -- 44.45	2.22
44.46 -- 44.65	2.23
44.66 -- 44.85	2.24
44.86 -- 45.05	2.25
45.06 -- 40.25	2.26
45.26 -- 40.45	2.27
45.46 -- 45.65	2.28
45.66 -- 45.85	2.29
45.86 -- 46.05	2.30
46.06 -- 46.25	2.31
46.26 -- 46.45	2.32
46.46 -- 46.65	2.33
46.66 -- 46.85	2.34
46.86 -- 47.05	2.35
47.06 -- 47.25	2.36
47.26 -- 47.45	2.37
47.46 -- 47.65	2.38
47.66 -- 47.85	2.39
47.86 -- 48.05	2.40
48.06 -- 48.25	2.41
48.26 -- 48.45	2.42
48.46 -- 48.65	2.43
48.66 -- 48.85	2.44
48.86 -- 49.05	2.45
49.06 -- 49.25	2.46
49.26 -- 49.45	2.47
49.46 -- 49.65	2.48
49.66 -- 49.85	2.49
49.86 -- 50.05	2.50
50.06 -- 50.25	2.55
50.26 -- 50.45	2.52
50.46 -- 50.65	2.53
50.66 -- 50.85	2.54
50.86 -- 51.05	2.55
51.06 -- 51.25	2.56
51.26 -- 51.45	2.57
51.46 -- 51.65	2.58
51.66 -- 51.85	2.59
51.86 -- 52.05	2.60
52.06 -- 52.25	2.61
52.26 -- 52.45	2.62
52.46 -- 52.65	2.63
52.66 -- 52.85	2.64
52.86 -- 53.05	2.65
53.06 -- 53.25	2.66
53.26 -- 53.45	2.67
53.46 -- 53.65	2.68
53.66 -- 53.85	2.69
53.86 -- 54.05	2.70
54.06 -- 54.25	2.71
54.26 -- 54.45	2.72
54.46 -- 54.65	2.73
54.66 -- 54.85	2.74
54.86 -- 55.05	2.75

Teacher Information Sheet

Customer Transactions: HANDLING SALES TRANSACTIONS**Properly Counting and Giving Change**

5. Place the money received from the customer in the cash drawer and close it.
6. If interrupted, it is best to count the change again.
7. Don't argue with the customer or accuse them of lying.
8. Give the receipt to the customer.
9. Any requests by the customer to exchange coins for bills and vice versa should be handled after the transaction to avoid any confusion.

General Rules to Follow When Accepting or Cashing Checks

Follow the store policy for handling check transactions.

Note: Cash two-party or personal checks according to store policy

- a) Make sure that the printed information is not altered and includes:
 - customer/business name, address (local?), check number, account number
- b) Check the date making sure that it is not stale dated or post dated
- c) Verify that the written amount and figure amount are the same
- d) Ask for an identification (e.g., driver's license) and compare the signatures
- e) Have the customer initial next to any corrections they make on the check
- f) Make sure that the check is made payable to the appropriate company
- g) Check with the manager if there is a question about the check or if approval is required
- h) Initial the check
- i) Treat the check as a cash sale (if it is for the full amount of the order)
- j) Immediately endorse the check according to store procedure, and place in the cash register

Handling Credit Card Transactions**Method**

- ① Using a standard imprint credit card machine (EDC) and carbon-copy bankcard sales slip

- Call for a sales authorization if:
 - The amount of the sale is greater than the credit card limit
 - The card number is on the stolen cards list
 - A telephone order exceeds the store limit amount
 - The person using the card is someone other than the card owner
- Check the expiration date on the card

AG 470 J
Teacher Information Sheet

Customer Transactions: HANDLING SALES TRANSACTIONS

Method

- ❶ Using a standard imprint credit card machine (EDC) and carbon-copy bankcard sales slip
- Write the authorization number given on the bankcard sales slip.
 - Complete the bankcard sales form: brief description of merchandise, all charges, and taxes then total the sales amount.
 - Imprint the bankcard sales slip in the imprint machine.
 - Write the authorization number given on the bankcard sales slip.
 - Have the customer sign the completed slip.
 - Give the customer their card and their copy of the bankcard slip.

Method

- ❷ Using an electronic draft capture device with a standard imprint credit card machine (EDC).
- Ring up sales amount on the register.
 - Key the sales total on the device.
 - Write the authorization number from the device on to the bankcard sales slip.
 - Imprint the bankcard slip with the credit card.
 - Have the customer sign the bankcard slip, return their card to them and hand them their copy of the sales slip.

Method

- ❸ Using an electronic draft capture device (which is attached to its own printer or to the cash register) that prints the bankcard transaction slip.
- Ring up the sales amount on the register (if the device is separate from the register, key the sale into the device).
 - Slide the bankcard slip through the slot in the device so that it can read the magnetic strip.
 - Print out the bankcard slip from the register when the sale clears or from the device's printer. Destroy any carbon copies of the sales slip so that it cannot be used illegally.

AG 470 J
Teacher Information Sheet

Customer Transactions: HANDLING SALES TRANSACTIONS

Making Customer Refunds

Businesses make customer refunds for many reasons some of them happen because of:

- ✓ Merchandise returned by customers
- ✓ An overcharge made on the cash register at the time of the sale
- ✓ Billing errors
- ✓ A mistake was made when filling out a sales slip

Procedure for handling customer refunds

- ☞ Know the store policy, most businesses require:
 - The original sales receipt
 - Returns made within a specific time frame
 - Credit given on charge sales
 - Refunds to be made by a designated department
 - Signed documentation of the refund to be kept on file

- ☞ Follow the store policy:
 - Count money back on cash refunds including sales tax on the returned item
 - Exchange the merchandise and collect more money if the exchanged item cost more and refund money if the item cost less
 - Refunds on charge sales: complete a credit slip on charges made with their store credit card or bank card; or provide them with a credit slip for future purchases.

- ☞ Use good customer relations skills
 - Be courteous
 - Prompt
 - Accurate

- ☞ Notify management of merchandise returned because of damage

Preparing Sales Slips with Discounts

Some businesses give discounts on their sales. There are four main types of discounts that an agribusiness may give:

Cash Discount

Is given if the customer paid with cash at the time they picked up their merchandise or when it was delivered

Quantity Discount

Is given when a large volume of merchandise is purchased in one sale
a large volume = merchandise bought in barrels, drums, tons of feed

Bulk Discount

Is given when merchandise is bought in bulk such as a truckload of corn seed instead of buying individual sacks

Early Season Discount

When merchandise is purchased before the season in which it will be used

Figuring Discounts

Certified Sales Slip								
PHONE #								
ADDRESS								
TERMS OF SALE								
CUSTOMER'S ORDER NO.			PHONE NO.			DATE		
SOLD TO								
ADDRESS								
CITY / STATE / ZIP CODE								
Sold by	Cash	COD	Charge	On Acct	Mdse Retd	Paid Out	Take	Deliver
Quantity	Description					Price	Amount	
1. 20	50# Bags Fertilizer					4.50	90	00
2. 10	Tons Grass Seed					176.00	1760	00
3.	Less early season discount \$3/ton						- 30	00
4.	Less tonnage discount \$4/ton						- 40	00
5.							1690	00
6.	Less 2% cash discount \$ 33.80					Subtotal	1656	20
7.						Tax 5%	82	81
8.						Total	1739	01
Slip No.		<i>Thank You!</i>						
		Received By						

Certified Sales Slip PHONE #								
								ADDRESS
TERMS OF SALE								
CUSTOMER'S ORDER NO.			PHONE NO.			DATE		
SOLD TO								
ADDRESS								
CITY / STATE / ZIP CODE								
Sold by	Cash	COD	Charge	On Acct	Mdse Retd	Paid Out	Take	Deliver
Quantity	Description					Price	Amount	
1.								
2.								
3.								
4.								
5.								
6.						Tax		
7.						Total		
Slip No.		<i>Thank You!</i> Received By						

Completed Sales Slip

Certified Sales Slip PHONE #										
ADDRESS										
TERMS OF SALE										
CUSTOMER'S ORDER NO.			PHONE NO.			DATE				
SOLD TO										
ADDRESS										
CITY / STATE / ZIP CODE										
Sold by	Cash	COD	Charge	On Acct	Mdse Retd	Paid Out	Take	Deliver		
Quantity	Description					Price	Amount			
1. <input checked="" type="checkbox"/>	Bales of twine					00.00	000	00		
2.	Less discount @\$.50/bale						- 0	00		
3.							000	00		
4. <input checked="" type="checkbox"/>	30 ct. Blank Tags					00.00	00	00		
5.	/Check \$ 000.00									
6.	Purchase 000.00						Tax			
7.	Change 00.00						Total			
Slip No.		Thank You! Received By								

Customer Name & Address →

Customer Signature →

Clerk's Initials →

Quantity →

Description of Items Sold →

Payment Transaction →

Correct Date ←

Unit Price ←

Amount of Discount ←

Subtotal ←

Extension ←

Sales Tax ←

Grand Total ←

AG 470 J

4. IDENTIFY THE PROPER PROCEDURES FOR HANDLING CREDIT IN AN AGRIBUSINESS.

This objective can be found in

AG 460-G

Agribusiness Management and Marketing

Unit: Agricultural Credit

AG 470 J

5. DESCRIBE THE BASIC ELEMENTS OF RECORDKEEPING.

This objective can be found in

AG 460-H

Agribusiness Management and Marketing

Unit: Agricultural Records

&

AG 660-G

Agribusiness Management and Marketing

Unit: Agricultural Credit

(Pages 660G 17-21 #XVII-XXIII, 660G 34-39)

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6. IDENTIFY TYPES OF INSURANCE NEEDED BY AGRIBUSINESSES.

This objective can be found in

AG 460-M

Agribusiness Management and Marketing

Unit: Insurance

AG 470 J

7. Demonstrate the Use of Business Technology.**Cash Registers and Point of Sale Systems**

Cash Register: is a machine with components designed to calculate sales transactions while tracking the date and time of a transaction and prints a sales receipt to document purchases and tax.

Computerized Cash Register: (Point-of-Sale System)

- ◆ Equipped with scanners to read bar codes
- ◆ Have visual displays of per-item costs, tax, and totals
- ◆ Sales information directed to a central accounting base
- ◆ Sales information directed to inventory control systems

Procedures for operating the cash register in an agribusiness:**⇒ Check the daily cash balance**

Beginning of the day:	+ Cash and checks on hand	
During the day:	+ Cash and checks taken in	
	+ Cash and checks taken out	
	cash paid out and bank deposits made	
End of the day	=	The new cash balance

⇒ Set-up the cash register

- Count the cash on hand
- Change the date
- Make sure you have enough tape on the register
- Unlock the cash register
- Count the cash balance at the end of the day

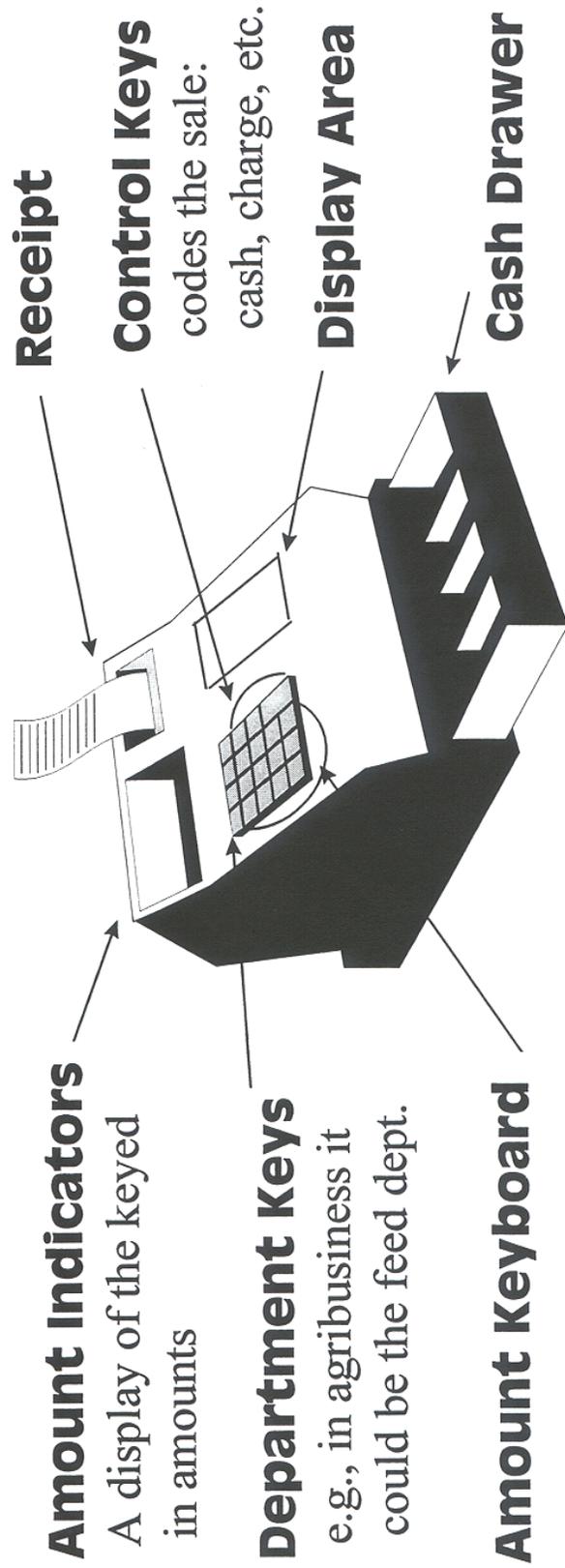
⇒ General procedures required by agribusinesses

- Keep a limited amount of money in the cash drawer
- Follow the procedures for depositing money when your limit has been reached
- When giving someone change only, press the **change balance key** to open the drawer
- Use the correct procedures for making change and taking checks
- Many items in agriculture may be nontaxable **☛ remember not** to hit the taxable key
- It is best to leave the empty cash drawer open at night, in case of a burglar, that way
- there would be no reason for them to break open the register

⇒ Operating the cash register. (see: handout)

Operating a Cash Register

- * Check cash on hand * Set the date and time * Unlock the machine
- 1. Press keys in their proper order
- 2. Key in taxable and nontaxable items
- 3. Follow the procedure for accurately handling keying errors
- 4. Ring up the sale
- 5. Follow the procedures for giving customer's their change
 - *press the "amount tendered" key
 - *press the "change balance" key



AG 470 J**Student Activities****Running Business Machines**

Arrange to have the students spend time in the business machine skills classroom so they can practice using the machines. Have them complete the exercises on the assignment sheets using the various machines. Create other story problems for the students to solve using a calculator

Job Shadowing

Have students form into teams of two and have them schedule an appointment to job shadow at an agricultural sales business (perhaps spend 2-3 hours on site). They are to give the agribusiness, in advance, a list of general questions about their business procedures. Their notes should include information on the nature of the business, the types of transactions handled, general business procedures, the type of business machines they use and how they are operated. Each team is to write a report and give a class presentation on their findings.

Bookkeeping Project

Have the students set up and run a small sales project, for example, a bake sale or a car wash. They are to set up a basic bookkeeping system to keep record of their transactions and are to include (have them duplicate samples of forms for their use):

- Sales slips
- Bankcard transaction forms
- Checkbook (and check registers)
- Bank statement
- Refund slips
- Journals & Ledgers
- Play money

AG 470 J

Assignment Sheet**Operating an Electronic Calculator Using the Touch Method**

Note to Instructor: Refer to the operator's manual for calculators available to the class to be used as a guideline in teaching the following exercises.

Procedure:

- ✓ Clear your work space
- ✓ Place the materials you will be working from to the left of the calculator
- ✓ Carefully read the directions before beginning the calculations
- ✓ Turn on the calculator
- ✓ Set the decimal selector to the proper setting
- ✓ Place your fingers in the home row position
FYI: The small raised dot (on the #5) is to help you stay oriented to the home row keys
- ✓ Keep your fingers oriented on the home row keys
- ✓ Practice striking every number keeping your fingers in line as they move either up or down.
- ✓ Practice striking the "0" key with your thumb
- ✓ Use your pinkie finger to practice striking the operational keys (right of the numeric keypad)
they include: plus (+), minus(-), subtotal, total keys
- ✓ Practice using the operational keys with your pinkie finger
- ✓ Practice using the operational keys (left of the keyboard) like the C/CE key (pressing once clears the entry, pressing twice clears everything).
- ✓ Practice using the multiplication and division keys with your index finger.
(Press the = key to the left of the keyboard *not* the one to the right of the keyboard, to get a total from multiplication or division.)

- ✓ Practice using the percent key with your index finger.

***Remember** that the functions on a calculator vary, so refer to the operating manual.

AG 470 J
Assignment Sheet

Operating an Electronic Calculator Using the Touch Method

Complete the Following Problems

Use calculators with a roll tape then submit the tapes for each type of mathematical calculation problem (i.e., addition, subtraction, etc.), write your name on them, date the tape (if the calculator has a date function), and turn them in to the instructor.

Addition

Practice using the 4, 5 and 6 keys on the home row:

A.
$$\begin{array}{r} 564 \\ 446 \\ 645 \\ \hline 546 \end{array}$$

B.
$$\begin{array}{r} 455 \\ 565 \\ 456 \\ \hline 444 \end{array}$$

C.
$$\begin{array}{r} 656 \\ 666 \\ 464 \\ \hline 446 \end{array}$$

Practice using the home row 4, 5, 6 and the top row 7, 8, and 9:

A.
$$\begin{array}{r} 744 \\ 576 \\ 879 \\ \hline 655 \end{array}$$

B.
$$\begin{array}{r} 479 \\ 565 \\ 944 \\ \hline 789 \end{array}$$

C.
$$\begin{array}{r} 555 \\ 879 \\ 658 \\ \hline 765 \end{array}$$

Practice using the home row 4, 5, 6, the bottom row 1, 2, 3, and the "0" key:

A.
$$\begin{array}{r} 124 \\ 233 \\ 112 \\ \hline 201 \end{array}$$

B.
$$\begin{array}{r} 600 \\ 451 \\ 322 \\ \hline 115 \end{array}$$

C.
$$\begin{array}{r} 530 \\ 104 \\ 455 \\ \hline 616 \end{array}$$

Practice using all the rows:

A.
$$\begin{array}{r} 536 \\ 478 \\ 903 \\ \hline 214 \end{array}$$

B.
$$\begin{array}{r} 689 \\ 901 \\ 314 \\ \hline 768 \end{array}$$

C.
$$\begin{array}{r} 414 \\ 200 \\ 608 \\ \hline 976 \end{array}$$

AG 470 J
Assignment Sheet

Operating an Electronic Calculator Using the Touch Method

Complete the Following Problems

Add and Subtract Dollars and Cents

Practice adding dollars and cents:

$$\begin{array}{r} \text{A.} \quad .79 \\ \quad .59 \\ \quad 2.39 \\ \quad 1.49 \\ \quad \underline{.49} \end{array}$$

$$\begin{array}{r} \text{B.} \quad 2.00 \\ \quad 3.50 \\ \quad 2.95 \\ \quad 6.49 \\ \quad \underline{3.69} \end{array}$$

$$\begin{array}{r} \text{C.} \quad 12.95 \\ \quad 19.95 \\ \quad 12.00 \\ \quad 4.99 \\ \quad \underline{6.49} \end{array}$$

$$\begin{array}{r} \text{D.} \quad 119.00 \\ \quad 239.00 \\ \quad 99.99 \\ \quad 69.50 \\ \quad \underline{16.95} \end{array}$$

$$\begin{array}{r} \text{E.} \quad 12.15 \\ \quad 34.10 \\ \quad 24.75 \\ \quad 3.18 \\ \quad \underline{117.65} \end{array}$$

$$\begin{array}{r} \text{F.} \quad 13,432.95 \\ \quad 7,119.00 \\ \quad 239.00 \\ \quad 458.00 \\ \quad \underline{15.50} \end{array}$$

Practice subtracting dollars and cents:

$$\begin{array}{r} \text{A.} \quad 36.86 \\ \quad \underline{- 17.32} \end{array}$$

$$\begin{array}{r} \text{B.} \quad 6,893.98 \\ \quad \underline{- 468.66} \end{array}$$

$$\begin{array}{r} \text{C.} \quad 86,357.73 \\ \quad \underline{- 9,432.51} \end{array}$$

$$\begin{array}{r} \text{D.} \quad 747.44 \\ \quad \underline{- 374.77} \end{array}$$

$$\begin{array}{r} \text{E.} \quad 22,222.22 \\ \quad \underline{- 13,491.33} \end{array}$$

$$\begin{array}{r} \text{F.} \quad 138,499.18 \\ \quad \underline{- 17,643.61} \end{array}$$

Multiplication and Division

Practice multiplying:

$$\begin{array}{r} \text{A.} \quad 10 \\ \quad \underline{\times 7} \end{array}$$

$$\begin{array}{r} \text{B.} \quad 350 \\ \quad \underline{\times 15} \end{array}$$

$$\begin{array}{r} \text{C.} \quad 1.25 \\ \quad \underline{\times 25} \end{array}$$

$$\begin{array}{r} \text{D.} \quad 2.69 \\ \quad \underline{\times 10} \end{array}$$

$$\begin{array}{r} \text{E.} \quad 19.95 \\ \quad \underline{\times 6} \end{array}$$

$$\begin{array}{r} \text{F.} \quad 680 \\ \quad \underline{\times .4} \end{array}$$

$$\begin{array}{r} \text{G.} \quad 749 \\ \quad \underline{\times .20} \end{array}$$

$$\begin{array}{r} \text{H.} \quad 1,119.75 \\ \quad \underline{\times 4} \end{array}$$

Practice dividing:

$$\text{A. } 125 \div 5 =$$

$$\text{B. } 650 \div 8 =$$

$$\text{C. } 1,495 \div 5 =$$

$$\text{D. } 6,738 \div 16 =$$

$$\text{E. } 466 \div 7 =$$

$$\text{F. } 3,333 \div 3 =$$

$$\text{G. } 15.5 \div 5 =$$

$$\text{H. } 46,577 \div 5 =$$

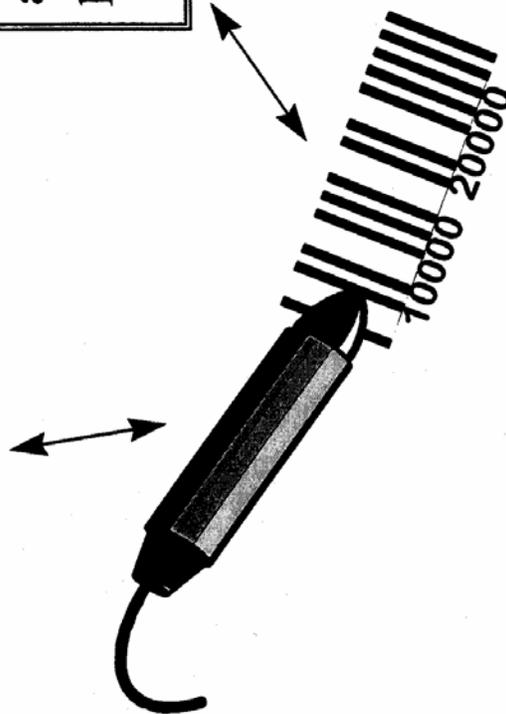
Scanners and Bar Codes

Scanner

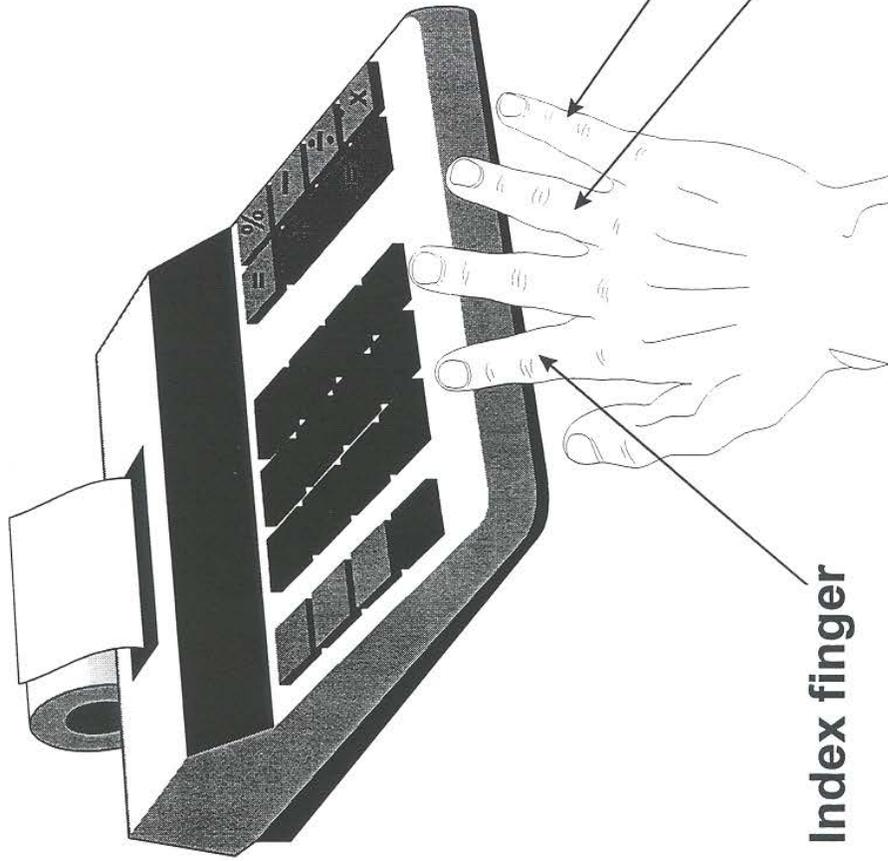
A counter-top or hand-held instrument that reads bar codes.

Bar Code

UPC (Universal Product Code)
Printed symbols made up of bars and spaces (of different thicknesses) that represent a set of numbers to identify a product, the manufacturer, and the price when read by a proper scanner.



Using the Touch Method



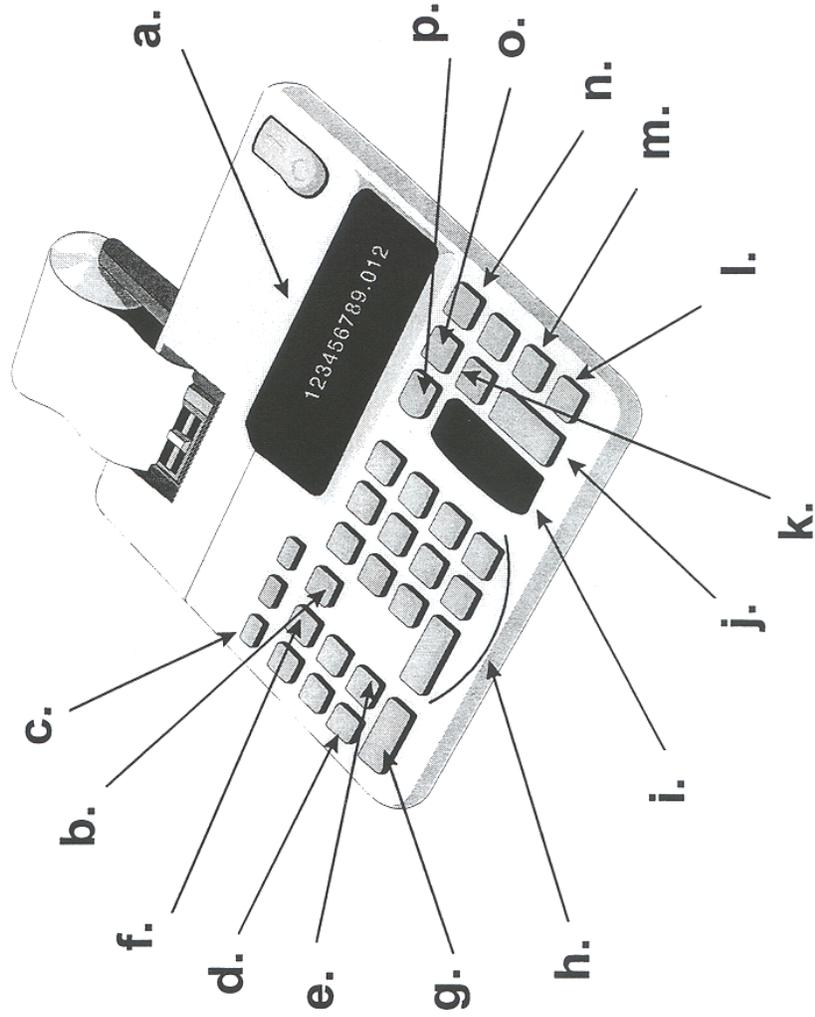
Home Key Position	
Thumb	- "0"
Index	- "4"
Middle	- "5"
Ring	- "6"
Pinkie	- "+/=

This technique promotes speed and accuracy when using number-key systems like calculators, cash registers and computer keyboards.

The Electronic Calculator

A device used for performing mathematical calculations electronically.

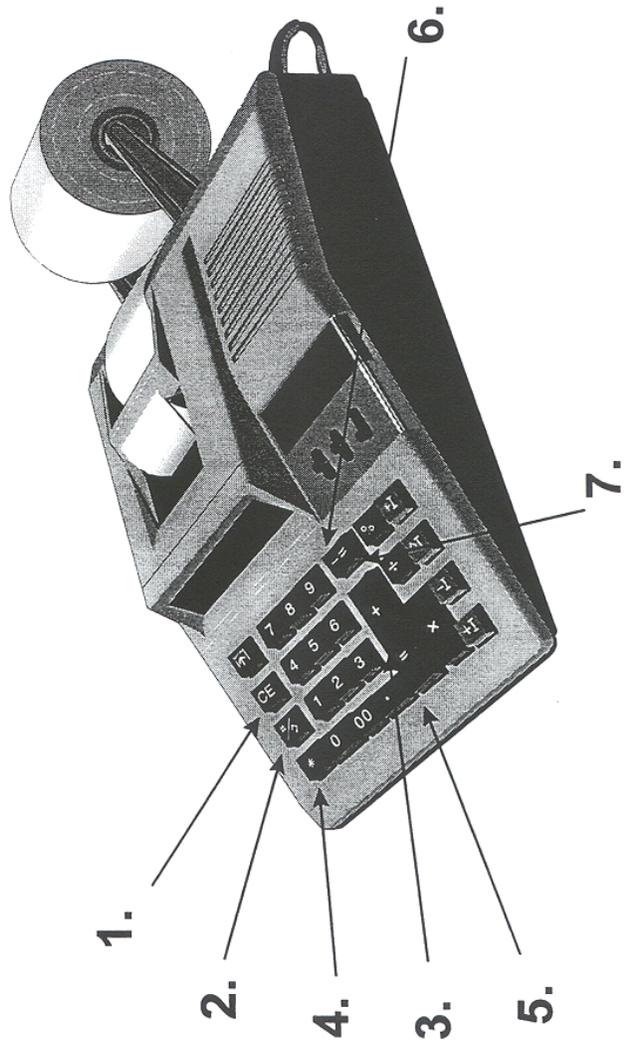
- a. Display
- b. Clear Error Key
- c. On/Off Switch
- d. Memory+
- e. Memory-
- f. Clear Key
- g. Decimal Key
- h. Number Keys
- i. Addition Key
- j. Total Key
- k. Subtotal Key
- l. Multiplication Key
- m. Subtraction Key
- n. Percentage Key
- o. Division Key
- p. Number/Date Key



The Adding Machine

A mechanical ten-key device used to make numerical calculations.

- | | |
|---------------------------|----------------------------|
| 1. Correction (clear) Key | 5. Subtotal Key |
| 2. Non-add Key | 6. Total Key |
| 3. Plus Bar | 7. Subtraction (minus) Key |
| 4. Repeat Key | |



Unit J References

Resources Used in Developing Unit J

Lee, D. W. and Lee, J. S. (Ed.). (1980). *Agribusiness Procedures and Records*.
Mississippi: McGraw-Hill.

Curriculum Guide for Agricultural Science and Technology 460-Agricultural Management and Marketing and 660-Consumer Economics/Agricultural Business and Economics. Idaho State Division of Vocational Education.

Other Resources to Supplement Unit J

Ragan, R. C. and Iqgal, M. Z. (1985). *Financial Recordkeeping for Smal Stores*.
Washington D. C.: U. S. Small Business Administration.

Wood, G. (1988). *Ag Executive Business Manager*. Missouri: Doane Information Services.

Handouts

Sales Tax HO 470 J-2.
State of Idaho Tax Schedule HO 470 J-2a.
Preparing Sales Slips with Discounts HO 470 J-2b.
Operating a Cash Register HO 470 J-7.
Using the Touch Method HO 470 J-7a.

Transparencies

Completed Sales Slip TM 470 J-3.
The Adding Machine TM 470 J-7.
The Electronic Calculator TM 470 J-7a.
Using the Touch Method TM 470 J-7b.
Scanners and Bar Codes TM 470 J-c.

Ag 470 - J: Business Procedures and Records Unit Test

True or False

- ___ 1. Monitoring employee productivity is a way to track the quality and quantity of an employee's work.
- ___ 2. One reason why agribusiness' need business procedures and records is to keep financial records in order to know if they are making a profit r losing money.
- ___ 3. The success or failure of an agribusiness is not determined by the effectiveness of its business procedures.
- ___ 4. A sales slip is optional when handling sales transactions.
- ___ 5. Checks should not be endorsed until they are taken to the business' financial institution.

Multiple Choice

6. Setting procedures for accurate recording of transactions is referred to as
- a. billing and credit collection.
 - b. communications.
 - c. departmental productivity.
 - d. financial analysis.
7. Agribusinesses need to keep good records because
- a. it saves time and money.
 - b. it is the law.
 - c. it helps assess their financial standing.
 - d. both a and c.
8. The first record of merchandise sold and of services rendered is called the
- a. terms of sale.
 - b. sales slip.
 - c. business record.
 - d. none of the above
9. Gathering, summarizing, and reporting information are
- a. sales transactions.
 - b. sales slips.
 - c. proper record keeping activities.
 - d. not proper record keeping activities.

10. Services charges can include such things as

- a. delivery.
- b. grinding.
- c. mixing.
- d. all of the above.

Matching

____ 11. Tax and insurance

____ 12. Business procedures

____ 13. Inventory

____ 14. Handling communications

____ 15. Business records

____ 16. Being courteous, prompt, and accurate

____ 17. Terms of sale

____ 18. Extension

____ 19. Exempt

____ 20. Credit

- A. Established ways of conducting business
- B. Written statements of all transactions kept to refer to when making decisions
- C. A sum of money, goods or services granted to a borrower with an agreement to repay the amount
- D. Free from requirement, a responsibility or a liability to which others are subjected to.
- E. The amount listed in the last column of a sales slip that may indicate the unit price of a single item sold
- F. An itemized list of goods to be sold or kept for operation the business including their estimated value
- G. The payment time frame and late payment penalties stated on a sales slip/ticket or invoice
- H. One of the most common business procedures
- I. Good customer relation skills
- J. Records other than personnel records including unemployment and social security

Ag 470 - J: Business Procedures and Records
Unit Test
Answer Key

True or False

- T 1. Monitoring employee productivity is a way to track the quality and quantity of an employee's work.
- T 2. One reason why agribusiness' need business procedures and records is to keep financial records in order to know if they are making a profit r losing money.
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- c. mixing.
- d. **all of the above.**

Matching

__J__ 11. Tax and insurance

__A__ 12. Business procedures

__F__ 13. Inventory

__H__ 14. Handling communications

__B__ 15. Business records

__I__ 16. Being courteous, prompt, and accurate

__G__ 17. Terms of sale

__E__ 18. Extension

__D__ 19. Exempt

__C__ 20. Credit

- A. Established ways of conducting business
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- I. Good customer relation skills
- J. Records other than personnel records including unemployment and social security

K.

Storage and Movement of Goods AG 470 K

Unit Objective

After completing this unit, the student should be able to complete a purchase order, receive merchandise, fill out a claim form, and identify proper procedures for using warehouse equipment. They should be able to describe the various modes of transportation used in the delivery of agricultural goods.

Specific Objectives and Competencies

After completing this unit, students should be able to:

1. Define storage and shipment terms
2. Describe different types of transportation methods.
3. List factors to consider when selecting transportation.
4. Describe inventory management methods.
5. Complete a purchase order.
6. Describe steps for receiving incoming shipment.
7. Complete a worksheet for receiving merchandise.
8. Describe proper handling and storage of product inventory.
9. Describe safe handling and storage of hazardous materials.
10. List different types of materials-handling equipment with their uses.
11. Describe procedures for loading and securing merchandise.
12. Describe procedures for handling customer deliveries.
13. List the different types of shipping documents.
14. Describe the components of different shipping documents.
15. Describe the purpose of different shipping documents.

Storage and Movement of Goods
AG 470 K

16. List reasons for filing claims against suppliers or shippers.
17. Fill out a claim form.

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2. DESCRIBE THE DIFFERENT TYPES OF TRANSPORTATION METHODS.

3. LIST FACTORS TO CONSIDER WHEN SELECTING TRANSPORTATION.

Q & A

Q What are the different types of transportation methods?

A Air freight Motor carriers
Parcel carriers Pipelines
Rail carriers Water carriers

Q What are the advantages and disadvantages of different types of transportation methods?

A	<u>Type</u>	<u>Advantages</u>	<u>Disadvantages</u>
	Air freight	<ul style="list-style-type: none"> ◆ Speed of delivery, ◆ Efficient way to transport high-cost perishable goods 	<ul style="list-style-type: none"> ◇ Space limitation ◇ High cost ◇ Delayed shipments due to bad weather
	Motor carriers	<ul style="list-style-type: none"> ◆ Door-to-door services ◆ Can handle commodities of various values in smaller lots ◆ More efficient and economical for intermediate or short-distance hauls ◆ Less handling of products may ensure less damage to products 	<ul style="list-style-type: none"> ◇ Bulky items are more expensive to transport via truck ◇ Long hauls and hauls through several states can be more costly ◇ Space limitations to haul larger amounts of commodities
	Rail carriers	<ul style="list-style-type: none"> ◆ Can carry vast quantities of goods in a single shipment which also enables routing of a single item to many locations ◆ Can move materials during adverse weather conditions ◆ More economical than other forms (in car-load lots) 	<ul style="list-style-type: none"> ◇ Slower means due to: delays in switching cars or waiting to have more cars attached. ◇ Full fee charge on a rail car regardless if it is partially filled (LCL - less-than-carload-lot) ◇ Can't provide direct service to many customers
	Water carriers	<ul style="list-style-type: none"> ◆ More economical per ton ◆ Can handle very large shipments ◆ Can haul shipments overseas 	<ul style="list-style-type: none"> ◇ Service may be seasonal ◇ Slower service ◇ Handling costs can be expensive

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- 4. DESCRIBE INVENTORY MANAGEMENT METHODS.**
 - 5. COMPLETE A PURCHASE ORDER.**
 - 6. DESCRIBE STEPS FOR RECEIVING INCOMING SHIPMENTS.**
 - 7. COMPLETE A WORKSHEET FOR RECEIVING MERCHANDISE.**
-
-

Terms and Definitions

Gross Profit

The difference between the purchase price of an item and the amount it will be sold for.

Gross Profit on Investment

The amount of profit on each dollar invested in an item.

Inventory

The number of products and services available for sale or use by the business and their value.

Inventory Reconciliation

Verification of the physical count of goods and supplies and adjusting inventory records.

Profit per Square Foot

The amount of profit earned by each square foot of display space the product occupies.

Purchase Order

A written request for goods, supplies or services which lists the name, number, quantity, price and other costs, a brief description of the items to be ordered or service to be rendered, and the date needed.

Supply Calculations

Determine how long the supply in inventory may last.

Stockturn

The number of times in a given period that the average inventory was sold.

Inventory Value

The amount of inventory and the cost per unit.

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Questions for Discussion

1. What are the five steps in the purchasing process?
2. What are the benefits of using basic inventory principles?
3. List the ways to calculate inventory value and give a brief description of each one.
4. How can a business determine the amount of inventory needed?
5. Identify how businesses track the quantity of merchandise on hand?

AG 470 K**Teacher Answer Sheet****Answer to Questions for Discussion**

1. What are the five steps in the purchasing process?
 - a. Submit a purchase order.
 - Usually done in triplicate: → signed original goes to the supplier/vendor
 - next copy is returned to the purchaser by the vendor and used by the receiving department to verify the shipment and order
 - The last copy is kept by the purchaser
 - b. Keep a copy of the purchase order.
 - To verify inventory adjustments of order not received
 - Helps when determining the next season's orders
 - To plan future expenses, confirm bills, tabulate tax records and record transactions
 - To track open orders
 - c. Follow up on orders.
 - To better assess a vendor's accuracy and reliability, track when, how, and at what price orders are received.
 - d. Inspect the items immediately upon receiving the order.
 - Check for: → Shortages
 - Breakage
 - Damage
 - Overages
 - Shipment of the wrong items
 - e. Pay for the items ordered, if the correct items were received.
2. What are the benefits of using basic inventory principles?
 - Accurate balancing of inventory stock and sales
 - Identification of the items that should receive primary attention
 - The best stock turnover rates for each item can be easily determined

AG 470 K
Teacher Answer Sheet

Answers to Questions for Discussion

3. List the ways to calculate inventory value and give a brief description of each one.

- FIFO (first in first out) → An assumption that the first items in inventory were the first items sold, therefore, use more recent costs to determine the value of the inventory.
- LIFO (last in first out) → An assumption that the last items in inventory were the first items sold, therefore, use older costs to determine the value of the inventory.

4. How can a business determine the amount of inventory needed?

The amount inventoried depends on management's desire for cost efficiency. They prefer to keep lower levels to hold down investment in space and inventory. The EOQ is a formula used to determine reorder points:

$$\text{Economic Order Quantity} = \sqrt{\frac{2 \times \text{Annual Demand} \times \text{Order Cost}}{\text{Carrying Cost Per Unit} \times \text{Inventory}}}$$

- Annual Demand = units of item needed during the period
 Order Cost = cost of processing an order
 Cost per Unit = price per unit of product purchased
 Inventory = annual inventory carrying charge as percent of annual inventory value

5. Identify how businesses track the quantity of merchandise on hand?

- a. Physical Count:** A business physically counts and documents each item in inventory. Some businesses do a monthly one during certain seasons while most businesses do them annually (the law requires an annual count for tax purposes).
- b. Perpetual Inventory System:** Beginning inventory is recorded, sales and orders are tracked (to keep a running total on merchandise on hand).

AG 470 K
Objectives 6 & 7

Rules of Receiving Incoming Merchandise

- Remember → it is **Important** to check the shipment against the original order and the invoice!
 Weight it → if it was purchased by weight
 Count it → if it was purchased by the unit
 Open it → if it was purchased by the case

Worksheet for Receiving Merchandise

Receiving Record				No. 00000
Date _____		Order No. _____		
Received From _____				
Address _____				
VIA _____ Returned Goods <input type="checkbox"/>				
Freight Bill No _____ Parcel Express <input type="checkbox"/> Post <input type="checkbox"/> Prepaid <input type="checkbox"/> Collect Charges Paid \$ _____				
	Quantity	Stock No.	Description	
1.				
2.				
3.				
4.				
5.				
Number of Packages	Weight	Condition	Delivered To	
REMARKS				
Checked With Purchase Order By			Credit Memo Issued By	
Received By _____				
Original				

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- 8. DESCRIBE PROPER HANDLING AND STORAGE OF PRODUCT INVENTORY.**
 - 9. DESCRIBE SAFE HANDLING AND STORAGE OF HAZARDOUS MATERIALS.**
 - 10. LIST DIFFERENT TYPES OF MATERIALS-HANDLING EQUIPMENT WITH THEIR USES.**
 - 11. DESCRIBE PROCEDURES FOR LOADING AND SECURING MERCHANDISE.**
 - 12. DESCRIBE PROCEDURES FOR HANDLING CUSTOMER DELIVERIES.**
-
-

Terms and Definitions

Container (Containerization)

Is a large unit that holds packages or bulk quantities of materials. Commonly, containerization is used to ship large “packages” such as entire trailer loads of materials.

Guards

Safety devices located on the most dangerous locations on equipment such as: belts, chains, pulleys, drive shafts and other moving parts.

Materials Handling

The unloading, lifting, moving and loading of goods and equipment.

Materials Handling Equipment

Hand or mechanically powered equipment that is used for physically handling, storing, and moving materials, supplies and products. The following are types of materials-handling equipment: forklift truck, hand truck, pallet handlift truck, conveyer and skid handlift truck

Packages

Are containers, cases or cartons which hold materials. Larger packages may be known as cases or cartons and a case may contain a number of smaller packages.

Pallet

A small movable platform.

Shipper

An individual, business, or organization that sends goods by a common carrier.

AG 470 K

Information Sheet

Storage Requirements for Agricultural Products

Storage needs vary according to the type of product, the methods of handling, and any specialized care needed in handling the goods in order to ensure quality.

☒ Containers, treatment of foods, and refrigeration - some examples:

<p>Grain Products (To be used for food)</p>	<ul style="list-style-type: none"> • Contained and kept away from chemical contamination • Contained to minimize losses from insect contamination • Stored in bulk in bins 	<ul style="list-style-type: none"> • Artificially dried to avoid spoilage • Removal of excess foreign materials for proper storage of grains
<p>Corn</p>	<ul style="list-style-type: none"> • Properly dried so that during the process the output of starch is not affected by the changes in molecular structure 	
<p>Fresh fruits and vegetables</p> <p>Live fish</p> <p>Raw milk</p> <p>Cotton cloth</p>	<ul style="list-style-type: none"> • Refrigeration required with controlled levels of humidity • Packaged in oxygenated water in tanks or plastic bags • Stored in large tanks • Bales of cotton are stored in warehouses 	<ul style="list-style-type: none"> • Certain treatments may be needed to control the various types of diseases like brown rot in peaches • Refrigeration is required • Must be kept dry • Kept where it can't be soiled

☒ Need to know the products that can not be stored in close proximity - some examples:

<p>Eggs and onions</p>	<ul style="list-style-type: none"> • A possibility of cross contamination - may result in onion-flavored eggs
<p>Feed products for livestock</p>	<ul style="list-style-type: none"> • Contamination can occur when gases released by certain chemicals combine with the ingredients in the feed

AG 470 K
Information Sheet

Handling and Storing Goods

Keep →	Handling and movement of goods to a minimum (*tip: keep goods in their original containers)
Use →	The FIFO Rotation System
Store →	Goods by department or type
Keep →	Fast moving foods accessible
Label →	Stock and aisles for quick identification
Keep →	Storage areas clean
Store →	Goods in a dry, cool place
Keep →	Hazardous materials in an area separate from other goods
Stack →	Goods to maximum storage space
Store →	Large or heavy items near doors
Follow →	Proper method to stack a pallet

Handling and Storage of Hazardous Materials

**Many Agricultural Chemicals Are Hazardous
So Check State and Federal Laws for Storage and Transport Regulations**



Store these chemicals in a well-ventilated area and check frequently for leaks: insecticides and pesticides.



Store these in a separate building, and keep tanks upright: oxygen and acetylene.

Store these away from combustible materials and water and use rubber gloves, safety clothing, and check often for leaks: acids.



Store these materials in areas equipped with automatic sprinklers and leave adequate space between stacks: wood and paper.



Post NO SMOKING signs where these are stored: flammable liquids or materials.



Store these in a separate room or warehouse, keep in closed containers, and provide good ventilation: fuel, paint, cleaning solvents.

AG 470 K
Information Sheet

Procedures for Loading and Securing Merchandise:

**Using a hand truck and operating a forklift truck
Do's and Don'ts**

	Do's	Don'ts
Hand Truck	Move through aisles carefully	Load any higher than shoulder level
	Slow for corners and bumps	Overload to prevent the possibility
	Push truck in front of you	of merchandise falling off the truck
Caution: <i>Never operate a forklift truck without prior instruction and approval from a supervisor.</i>		
Forklift Truck	Keep inside when turning sharp corners	Overload to prevent goods from falling off the forks
	Keep forks as low as possible when moving	Start a turn from the middle of an aisle
	Keep forks level when picking up or placing pallets	
	Transport a pallet with the forks tilted slightly backward	
	Spread the forks as wide as possible to distribute weight when moving pallets	
	Keep the tips of the forks touching the floor at a slight angle when handling rolls and drums	

Types of Materials-Handling Equipment And Their Uses

Conveyer

A fixed or mobile mechanical device used to move merchandise between two points in a fixed line of travel.

Forklift Truck (Also known as a pallet truck or lift truck.)

A powered vehicle designed to pick up, move and stack large units of merchandise.



Hand Truck

A hand-powered piece of equipment used for hauling short distances and handling low-volume bulky items.



Pallet Handlift Truck

Equipment used to move pallet loads short distances

Skid Handling Truck

Similar to a pallet truck, except that it has a platform rather than forks and is used to haul skids rather than pallets.



AG 470 K
Information Sheet

General Rules for Handling Customer Deliveries

1. Record information about deliveries use a routing sheet ⇨ 
2. Leave a notice of an attempted delivery ⇨ State where the order can be picked up
3. Make a good impression ⇨ Be courteous and helpful 😊
4. Wear proper attire for the job ⇨ A company uniform and any safety clothing
5. Obey traffic laws ⇨ 
6. Lock the delivery truck when not loading or unloading ⇨ 
7. Never drive through areas such as ⇨ Fields or lawns
8. Do not enter a customer's home or a company's building without prior permission ⇨ 
9. Shut ⇨ gates after deliveries
10. Replace ⇨ Lids on feeders as necessary
11. Leave a copy of the bill with the customer ⇨ 
12. Report any damages made to a customer's property during delivery ⇨ To a supervisor
13. Follow your company's procedures in case of an accident ⇨ Report it to a supervisor

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13. LIST THE DIFFERENT TYPES OF SHIPPING DOCUMENTS.

14. DESCRIBE THE COMPONENTS OF DIFFERENT SHIPPING DOCUMENTS.

15. DESCRIBE THE PURPOSE OF DIFFERENT SHIPPING DOCUMENTS.

Terms and Definitions

Straight Bill

A shipment which is sent directly (*straight*) to a customer using one carrier (transporter).

Order Bill

A shipment sent to directly to a customer using one carrier, but the shipment can be transferred (*ordered*) to another customer.

Waybill

A form used when more than one carrier is involved along the *way* to a destination

Receiving Log

A record which identifies each shipment received by purchase order number, date of delivery, the company that made the delivery, the number of pieces shipped, the weight and types of merchandise delivered, and the initials of the employee who received and processed the shipment.

Invoice Register

Is a record of all invoices received and serves as a permanent document. It is used to check on delayed or misplaced shipments.

Purchasing Agent

The person in charge of purchasing for a business.

Common Types of Shipping Documents

Purchase Order

- A written request for merchandise
- Contains item descriptions, quantity, price, date needed, and a purchase order number
- Serves as a legal contract between the involved parties
- Purchase orders be signed by the purchasing agent for the transaction to be legal

LOGO COMPANY NAME

PURCHASE ORDER P.O. Number:

Purchased From: _____ **Ship To:** _____

Requisition By: _____ Date: _____

Ship Via: _____ F.O.B.: _____

Issued By: _____ Date Issued: _____

Quantity	Code	Description	Unit Cost	Total
Terms and Conditions			TOTAL	
			DATE	AUTHORIZED SIGNATURE

AG 470 K**Student Activities****Tour an Agribusiness Warehouse and Grain Elevator**

Have the students write a report of their visit to an agribusiness warehouse or a grain elevator. The paper should include the following information:

- Discussion of ordering and inventory practices
- Procedure for receiving incoming shipments
- A list of the forms used in warehousing and inventory; and documents used
- in shipping goods
- Samples off all the forms (completed)
- Description of materials-handling equipment
 - ◊ proper and improper use of the equipment
 - ◊ safety rules and regulations
- Forms of transportation
- Procedures for making customer deliveries
- The design and operation of the storage facility

Warehouse Design and Agricultural Storage Facilities

Have students select to either create a design of a warehouse that stores and handles agricultural products and equipment or an agricultural storage facility such as a grain elevator. The illustrations should follow these design specifications:

- Printed and drawn on poster paper
- Use brief descriptions printed in large readable type
- Graphics and illustrations kept simple and relevant
- The warehouse should be laid out in such a way that it can efficiently use of resources available to perform the functions of the business
- Show the different areas of a warehouse (e.g., receiving area) or of a grain elevator and the necessary facilities for sampling and grading, and weighing the product
- Shelving and storage cabinets

AG 470 K

(Information sheet to accompany samples of a bill of lading and a waybill)

Common Types of Shipping Documents

Bill of Lading

(See sample of a bill of lading on a separate page)

A printed form used by the carrier documenting the delivery of merchandise specifying the following information:

- ⇒ Date shipped and date delivered
- ⇒ Location where the delivery should be made
- ⇒ Acknowledgeable of responsibility by the carrier for losses or damages to merchandise en route

There are different types of bills of lading such as:

Freight waybill (See sample of a waybill on a separate page.)

Straight bill

Order bill

Note: *There is little exchange of paper because many bills of lading are computerized today.*

Storage and Movement of Goods AG 470 K

16. LIST REASONS FOR FILING CLAIMS AGAINST SUPPLIERS OR SHIPPERS.

17. FILL OUT A CLAIM FORM.

(NOTE: See a sample of a claim form on a separate page)

Q & A

Q What are some reasons for filing claims and who should the claims be filed with?

A File claims with the carrier if:

- There is visible damage to the cartons and/or the goods upon receipt
- There are any missing cartons or merchandise from shipment upon receipt

File claims against the vendor if:

- The contents of cartons are short or damaged
- The contents are not specified exactly as stated on the purchase order
- Substitutions were made without your consent and if they are of inferior quality
- The form of transportation was not as specified (e.g., if the merchandise was sent parcel post instead of by air freight)

Q What are the procedures for filing a claim?

A

- Note on the invoice, bill of lading, and the receiving log that a claim will be filed
- Fill out a claim form (use the one required by the specific carrier or vendor)
- Follow the time limit as specified by state laws when filing the claim

AG 470 K

Unit K References

Resources Used in Developing Unit K

Brown, A. B., Lee, J. S. & Oren, Jr., J. W. (1980). *Physical Distribution in Agribusiness*. Mississippi: McGraw-Hill.

Lawver, D. E., Lee, J. S., & Leising, J. G. (1994). *Agrimarketing Technology*. Illinois: Interstate.

Newman, M. E. & Wills, W. J. (1994). *Agribusiness Management and Entrepreneurship*. Illinois: Interstate.

Other Resources to Supplement Unit K

Frey, S. L. (1983). *Warehouse Operations: A Handbook*. Oregon: M/A Press.

Danenberg. (1985). *Introduction to Wholesale Distribution*. New Jersey: Prentice-Hall Inc.

Bibliography of Production and Inventory Control. (1990). Virginia: American Production and Inventory Control Society.

Handouts

Handling and Storage of Hazardous Materials HO 470 K-9

Samples: Bill of Lading, Waybill, Claim Form

Transparencies

Types of Materials-Handling Equipment and Their Uses TM 470 K-10

Common Types of Shipping Documents: Invoice TM 470 K-13, 14, 15

Purchase Order TM 470 K-13, 14, 15a

Packing Slip TM 470 K-13, 14, 15c

Waybill

PLACE SPECIAL SERVICE PAUSE HERE		Form 701 (5 Part)		1-76-606			
FREIGHT WAYBILL							
TO BE USED FOR SINGLE CONSIGNMENTS, CARLOAD, LESS CARLOAD, AND T.O.F.C.							
TRANSFERRED TO	KIND	WEIGHT IN TONS		LENGTH OF CAR			
		GROSS	TARE	Ordered	Furnished		
LOAD DETAILS AND NUMBER	KIND		NET	MARKED CAPACITY OF CAR			
				Ordered	Furnished		
T. TRADE MARK AND NUMBER		PLAN NUMBER		DATE OF SHIPMENT			
O. TRADE MARK AND NUMBER		PLAN NUMBER		WAYBILL NUMBER			
F. TRADE MARK AND NUMBER		PLAN NUMBER		CONSIGNEE AND ADDRESS AT STOP			
C. TRADE MARK AND NUMBER		PLAN NUMBER					
STOP THIS CAR AT _____							
STOP THIS CAR AT _____							
STOP THIS CAR AT _____							
TO NO.	STATION	STATE OR PROV.	FROM NO.	STATION	STATE OR PROV.		
ROUTE (Show each Junction and Carrier in Route order to destination of waybill)			Route Code No.	Shipper, also Shipper's number or B/L of Lading number when available Shipper's complete address and invoice number on COD shipments			
Show "A" if Agent's Routing or "S" if Shipper's Routing				Code No.			
RECONSIGNED TO STATION STATE OR PROV			ORIGIN AND DATE ORIGINAL CAR, TRANSFER FREIGHT BILL AND PREVIOUS WAYBILL REFERENCE AND ROUTING WHEN REBILLED				
AUTHORITY CONSIGNEE AND ADDRESS			Code No.	WEIGHED			
FINAL DESTINATION AND ADDITIONAL ROUTING			C. \$	AT _____			
			FEE	GROSS _____			
ON C. L. TRAFFIC - INSTRUCTIONS (Regarding Lcing, Ventilation, Mding, Weighing, Etc. If lced, Specify to Whom lcing Should be Charged)			O. \$	TARE _____			
			TOTAL	ALLOWANCE _____			
WHEN SHIPPER IN THE UNITED STATES EXECUTES THE NO-RECOURSE CLAUSE OF SECTION 7 OF THE BILL OF LADING, INSERT "YES"			D. \$	NET _____			
				IF CHARGES ARE TO BE FRE PAID, WRITE OR STAMP HERE "TO BE PREPAID"			
No. Pkgs.	Description, Articles, Special Marks and Exceptions	Commodity Code No.	Weight	Rate	Freight	Advances	Prepaid
DESTINATION AGENT'S FREIGHT BILL NO.							
<small>Outbound junction agent and their special marks in space and order provided. Additional junctions and special marks in space and order provided. Destination Agent Will Stamp Hereon After its Name and Date Reported</small>							
FIRST JUNCTION	SECOND JUNCTION	THIRD JUNCTION	FOURTH JUNCTION				

Bill of Lading

ORIGINAL—NOT NEGOTIABLE **STRAIGHT BILL OF LADING—SHORT FORM** Shipper's No. _____
 Carrier's No. _____

NAME OF CARRIER

RECEIVED, subject to the classifications and tariffs in effect on the date of the issue of this Bill of Lading, at _____ From _____

19 _____

the property described below, in apparent good order, except as noted (contents and condition of contents of packages unknown), marked, numbered, and defined as indicated below, which said carrier (the word carrier being understood throughout this contract as meaning any person or corporation in possession of the property under the contract) agrees to carry to the place or places of destination, if on its own route, otherwise to deliver to another carrier on the route to said destination. It is mutually agreed that the carrier shall be subject to all the terms and conditions of the said route to destination, and to each party to this contract shall be bound by the applicable motor carrier classification or tariff in effect on the date of the issue of this Bill of Lading. The carrier shall not be liable for loss or damage to the property described herein which may result from fire, theft, or other causes, unless the shipper hereby certifies that he is familiar with all the terms and conditions of the said bill of lading, including those on the back thereof, and that he has accepted and agreed to by the shipper and accepted for himself and his assigns. The shipper hereby certifies that he is familiar with all the terms and conditions of the said bill of lading, including those on the back thereof, and that he has accepted and agreed to by the shipper and accepted for himself and his assigns.

Consigned to _____ (Mail or street address of consignee—for purposes of notification only.)

Destination _____ State _____ County _____ Delivery Address ★ _____ (★ To be filled in only when shipper desires and governing tariffs provide for delivery thereat.)

Route _____

Delivering Carrier _____ Car or Vehicle Initials _____ No. _____

No. Packages	Kind of Package, Description of Articles, Special Marks, and Exceptions	WEIGHT (Subject to Correction)	Class or Rate	Check Column

Subject to Section 7 of Conditions of applicable bill of lading, if this shipment is to be delivered to the consignee without receipt of the carrier, the carrier shall sign the following statement: The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.

 (Signature of Consignor)

If charges are to be prepaid, write or stamp here: "To be prepaid."

Received \$ _____
 to apply in prepayment of the charges on the property described hereon.

 Agent or Cashier

Per his signature here acknowledged only (the amount prepaid.)

Charges Advanced: _____

Shipper's Import in lieu of stamp, not a part of Bill of Lading approved by the Interstate Commerce Commission.

Permanent post-office address of shipper: _____

Shipper, Per _____ Agent, Per _____

**Ag 470 - K: Storage and Movement of Goods
Unit Test**

List the six different types of transportation methods.

1. _____
—
2. _____
—
3. _____
—
4. _____
—
5. _____
—
6. _____
—

From the above list, choose one and list two advantages and two disadvantages of that transportation method.

ADVANTAGES

7. _____
8. _____

DISADVANTAGE

9. _____
10. _____

Multiple Choice

11. One of the five steps in the purchasing process is
 - a. submit a purchase order.

- b. follow up on orders.
 - c. inspect the items immediately upon receiving the order.
 - d. all of the above
12. One of the benefits of using the basic inventory principles is
- a. the balancing of inventory stock and sales is accurate.
 - b. that the identification of items receives secondary attention.
 - c. their is a limited turnover rate.
 - d. none of the above
13. FIFO stands for
- a. first in first out; an assumption that the last items in inventory were the first items sold and older cost must be must be used to determine the value of the inventory.
 - b. last in first out; an assumption that the last items in inventory were the first items sold and older cost must be must be used to determine the value of the inventory.
 - c. first in first out; an assumption that the first items in inventory were the first items sold and **more** recent costs must be used to determine the value of the inventory.
 - d. last in first out; an assumption that the first items in inventory were the first items sold and more recent costs must be used to determine the value of the inventory.
14. A business can determine the amount of inventory needed by
- a. using the Order Cost formula.
 - b. using the Economic Order Quantity formula.
 - c. using the Cost per Unit formula.
 - d. using the Annual Demand formula.
15. The Perpetual Inventory System is used to
- a. track the quantity of merchandise on hand.
 - b. formulate the amount of inventory needed.
 - c. determine the price per unit of a product purchased.
 - d. reflects the management's desire for cost efficiency

Matching

- ___ 16. Supply calculations
 - ___ 17. Inventory
 - ___ 18. Gross profit
 - ___ 19. Profit per Square Foot
 - ___ 20. Inventory value
- A. The difference between the purchase price of an item and the amount it will be sold for.
 - B. The number of products and services available for sale or use by the business and their value.
 - C. The amount of profit earned by each square foot of display space the product occupies.
 - D. Determines how long the supply in inventory may last
 - E. The amount of inventory and the cost per unit.
 - F. The amount of profit on each dollar invested in an item.
 - G. The number of times in a given period that the average inventory was sold.

**Ag 470 - K: Storage and Movement of Goods
Unit Test
Answer Key**

List the six different types of transportation methods.

1. _____
—
2. _____
—
3. _____
—
4. _____
—
5. _____
—
6. _____
—

Answers:

- Air freight
- Parcel carriers
- Rail carriers
- Motor carriers
- Pipelines
- Water carriers

From the above list, choose one and list two advantages and two disadvantages of that transportation method.

ADVANTAGES

7. _____
8. _____

DISADVANTAGE

9. _____

10. _____

Answers: See curriculum

Multiple Choice

11. One of the five steps in the purchasing process is
- submit a purchase order.
 - follow up on orders.
 - inspect the items immediately upon receiving the order.
 - all of the above**
12. One of the benefits of using the basic inventory principles is
- the balancing of inventory stock and sales is accurate.**
 - that the identification of items receives secondary attention.
 - there is a limited turnover rate.
 - none of the above
13. FIFO stands for
- first in first out; an assumption that the last items in inventory were the first items sold and older cost must be used to determine the value of the inventory.
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 - first in first out; an assumption that the first items in inventory were the first items sold and more recent costs must be used to determine the value of the inventory.**
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- track the quantity of merchandise on hand.**
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 - determine the price per unit of a product purchased.
 - reflects the management's desire for cost efficiency

Matching

 D 16. Supply calculations

 B 17. Inventory

 A 18. Gross profit

 C 19. Profit per Square Foot

 E 20. Inventory value

- A. The difference between the purchase price of an item and the amount it will be sold for.
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- C. The amount of profit earned by each square foot of display space the product occupies.
- D. Determines how long the supply in inventory may last
- E. The amount of inventory and the cost per unit.
- F. The amount of profit on each dollar invested in an item.
- G. The number of times in a given period that the average inventory was sold.

Using Microcomputers and Telecommunications in Agricultural Sales AG 470-L

Unit Objective

After completing this unit, the student should understand the use of microcomputers and telecommunications equipment in agricultural sales.

Specific Objectives and Competencies

1. Identify specific applications of microcomputers in agricultural sales.
2. Identify major components of the microcomputer and their functions.
3. Prepare a computerized spreadsheet.
4. Develop a computerized product database.
5. Prepare a sales flyer using a computer presentation program.
6. Demonstrate the use of a word processing program.
7. Understand the use of telecommunication technologies: Email, Facsimile (FAX) the Internet, wireless devices and Voice mail.