

# San Francisco Agricultural School

## Fundación Paraguaya

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# Educational-Productive Business Plan



Self-Sufficient Agricultural School (2003-2008)

# **November 30, 2007**

## **29 students graduated**

- Returned to the family farm: 8
- Hired by agro-businesses: 8
- Instructors in agricultural schools: 2
- Entered universities abroad: 3
- Entered local universities: 8
- All graduates:
  - Developed own business plans
  - Recieved own lines of credit

## **20 Graduates the Previous Year (Class of 2006)**

- ✓ Returned to their home communities: 3
- ✓ Hired by agricultural firms: 11
- ✓ Studying at university: 2
- ✓ Working as agricultural extension agents: 4

## December 31, 2007: School Reached Financial Self- Sufficiency

US\$	2003	2004	2005	2006	2007	2008
Income	42,814	45,182	97,434	233,601	253,016	336,112
Costs	199,239	223,261	277,993	316,110	250,710	323,931
Balance	<b>-156,424</b>	<b>-178,079</b>	<b>-180,559</b>	<b>-82,510</b>	2,306	12,180
Self-Sufficiency	21%	20%	35%	74%	101%	104%

# Mission

- Provide a practical, entrepreneurial education to poor farmers which allows them to achieve economic success.
- Disseminate the Self-Sufficient Agricultural School Model in Paraguay and the rest of the world.



## 3 Expected Outcomes

- (1) Graduates prepared to.
  - a. Return to family farm
  - b. Find jobs in agro-industry
  - c. Become extension agents
  - d. Teach in other schools
  - e. Enter university
  
- (2) School's Financial Self-Sufficiency
  
- (3) Replication in other schools in Paraguay and rest of world.



# Our Value Proposition

- For poor, rural youth who are structurally unemployed,
- The FP's Agricultural School is an innovative educational institution
- Which offers a high-quality, technical-entrepreneurial education & post-graduation follow-up.
- In contrast to traditional schools, which don't promote practical skills that facilitate immediate employment or placement in agro-industry, universities or the family farm,
- Our Agricultural School promotes learning –not only required knowledge, but also entrepreneurial attitudes and practical experience– and provides credit so that graduates can start or strengthen their own agricultural enterprises.



# Clients & Beneficiaries



- (1) Students who attend our Agricultural School
- (2) Businesses and Farms which employ our graduates
- (3) Consumers who buy our products and services
- (4) The Community in which our School is located
- (5) Schools and NGOs which adopt this new education model

# Process for Developing an Educational-Productive Business Plan

1. Identify competencies that Rural Entrepreneurs should possess.
2. Determine type & size of enterprises in which students will acquire competencies.
3. Analyze market for the goods & services to be produced, taking account of market demand & competition.
4. Analyze the School's productive capacity, taking into account its inventory, infrastructure, location, teachers, students, experience & financial resources.
5. Develop business plans for profitable income-generating enterprises.
6. Implement work plans & investment plans.
7. Evaluate results achieved.

# 6 Main Competencies

- 1. Learn to Be**
  - a. Autonomy
  - b. Moral judgment
  - c. Personal Responsibility
  - d. Communication
  - e. Leadership
  
- 2. Learn to Get Along Together**
  - a. Cooperation with others
  - b. Group participation
  - c. Democratic leadership
  - d. Acceptance of socio-cultural differences
  
- 3. Learn to Know**
  - a. Use of cognitive strategies (selection, comprehension, memory, integration & monitoring)
  - b. Use of meta-cognitive strategies (planning, regulation & control of own learning)

# 6 Main Competencies

## 4. Learn to Do

- a. Decisive action
- b. Technical-vocational training

## 5. Learn to Be an Entrepreneur

- a. Initiative, Self-management, setting personal goals
- b. Inquiring and analytical mind
- c. Capacity to deal with the unexpected and develop alternative opportunities
- d. Pro-active persons who seek improve own life and those of others

## 6. Learn to Earn Money

- a. Develop business plans
- b. Analyze break-even point,
- c. Balance sheet, income statement, & cash flow



# Integrating High School Subjects with Income-generating

Standard High School Subjects	Enterprises	Junior Achievement
Physics-Chemistry-Mathematics	Small and Large Livestock	Entrepreneurship
Ethics-Psychology	Agriculture	Banks in Action
Spanish-Guaraní-English	Horticulture	Business Simulators
Sociology-Anthropology	Pastures	The Company
History-Geography	Fruticulture-Forestry	La Cooperative
Economics	Equipment-Tools	Sales at Fairs
Personal & Social Development	Agricultural Machinery	Entrepreneurship Conferences
Physical Education	Rural Bus. Administration	Internet
Community Service	Rural Administration	Internships

# Business Plan's Emphasis on Competencies

1. Description of the business
2. Market
3. Competition
4. Location
5. Management
6. Personnel
7. Required investment & expected results
8. Source of financing & loan application
9. List of essential equipment
10. Balance sheet
11. Analysis of break-even point
12. Projected income and costs
13. Cash Flow
14. CVs of key executives
15. Job descriptions
16. Declaration of assets
17. Credit reports
18. References
19. Contracts
20. Risk Analysis

# Competencies of an Agricultural Technician

## Small and Large Livestock

Classify according to use  
Management Plan  
Health Plan  
Nutrition  
Reproduction & fattening  
Pastures

## Equipment & Tools

Drive tractors  
Operate equipment  
Maintenance  
Construction

## Agriculture, Fruticulture & Forestry

Evaluate topography  
Seeds  
Irrigation & drainage  
Harvest & post-harvest  
Industrialization

## Rural Administration

Formulate Business Plans  
Select and Plan  
Purchase inputs  
Hire human resources  
Financial Management  
Evaluate financial results & environmental impact



# Income-generating Enterprises

	Animals	Plants	Industries	Services
1	Milk	Organic Garden	Milk-processing	Hotel
2	Pork	Field Crops	Prepared food	Road-side Store/ Restaurant
3	Chickens/Egg	Animal fodder	Bamboo	Tourism
4	Goats			Technical Assistance
5	Rabbits			
6	Tilapia			
7	Bees			

# Integrating Competencies and Income-Generating Enterprises

1. Extract practical Learning Objectives from competencies for each subject.
2. Establish frequency of practical activity to be carried out.
3. Check relation between enterprises and competencies.
4. Check sequence in which competencies must be acquired.
5. Determine which subjects are complementary
6. Coordinate practical activities, reinforcing most important ones, eliminating unnecessary duplication of others.

# Integrating Competencies and Income-Generating Enterprises (2)

7. Establish level of competency to which each activity corresponds:
  - Demonstration-Observation: Professor or student performs activity & class observes
  - Practice: Student must perform activity correctly, but no quantitative requirements imposed
  - Mastery: Students perform activity & meet quality & quantity standards
  - Skill Maintenance



# Integrating Competencies & Income-generating Enterprises (3)

8. Analyze physical requirements of each enterprise (land area, number of animals, trees, machines, etc).
9. List practical activities to be carried out during year & decide which class will carry them out.
10. Verify that all students can develop all necessary skills in all enterprises.
11. Set up work teams, based on number of students in each class, learning opportunities, and necessities of each enterprise.
12. Set up rotation of work teams among all of the enterprises.
13. Name final year students as monitors to supervise work teams.

# Delineating Responsibilities

- **Accounting software** keeps daily records on each enterprise
- **Students** responsible for filling out daily information
- **Professors** responsible for one or more enterprises:
  - Propose budget (income and costs)
  - Develop list of essential equipment and necessary investments
  - Participate in marketing & sales
  - Have performance goals & must generate new businesses

## Delineating Responsibilities (2)

- **School Director** responsible for Sales, Technical Assistance to other schools, employment of graduates & school's financial performance:
  - In charge of school's chief priority: economically successful graduates.
  - In charge of sales: ensures that school produces what market demands.
  - Transmits market information to Academic Department, so that competencies taught reflect market demand.
  - Not only executes budget, but generates it.



## Delineating responsibilities (3)

- **Academic Director:**
  - plans, supervises and evaluates official curriculum
  - coordinates learning in classroom and in field
- Each enterprise has learning and financial objectives



# Distribution of Income

- Livestock: 49%
- Crops: 2%
- Hotel: 17%
- Event & Courses: 23%
- Student tuition: 5%
- Roadside Store: 2%
- Milk Plant: 1%
- Technical Assistance: 31%
- Others: 4%



# Distribution of Costs

- Salaries: 45%
- Depreciation: 18%
- Animal feed: 13%
- Food: 8%
- Electricity, Internet, Telephone: 6%
- Maintenance: 4%
- Fuel & Transportation: 4%



# Sustainable Advantage



1. **Ability to recruit students who are “winners”** from big applicant pool.
2. **Ability to produce** a continuous supply of graduates who enter the workforce.
3. **Business focus and practices,** ensuring permanent innovation and cost control.
4. **Important asset for agro-business** community, which looks to School for qualified professors and well-trained, entrepreneurial students.
5. **Superior quality** of goods and services produced, due to professionalism of personnel.
6. **Independent of government subsidies** & distortions they create.
7. **School’s outstanding reputation** is its most important asset

# Sustainability of the Model

- **Financial**
  - Works with viable markets
  - Growing client base
  - Inflow of financial resources to the School
- **Operational**
  - Strong managerial/administrative model
  - Strong governance
  - System for measuring cost-benefit
- **Programmatic**
  - Support systems
  - Use of impact evaluations to identify “lessons learned” and make adjustments

# Paradigm Shift

- **“Innovation Revolution”**
  - Model can be replicated
  - Replication can be carried out by others
  - Innovation generally accepted
  - Exponential increase in primary & secondary beneficiaries
  - Benefit has monetary value
  - Evidence that the problem is being solved
- **“Generalized Movement”**
  - High-quality alliances
  - Media attention
  - Change in public opinion
  - Change in public sector policies
  - Integration of activism, direct services & social entrepreneurship