

**PROVIDING QUALIFICATION OFFERS IN THE FIELD OF  
ENTREPRENEURIAL SKILLS AND KNOWLEDGE IN AGRICULTURE****Case study experiences from Germany and Austria**

*Prof. Dr. Rainer Langosch*

*University of Applied Science Neubrandenburg, Mecklenburg-Vorpommern,  
Germany*

**Abstract**

*The European agricultural sector is exposed to a variety of social, technologic, economic and political changes with high dynamic and significant impact on farmers' business concepts. Managing change requires hard and soft entrepreneurial skills. Not surprisingly qualification measures meet an interested demand side. And there is a vivid supply side with qualified offers and topical concepts. Qualification measures have to be designed following the target groups' expectations regarding topics, methods and outcome. The organizational framework must obey the specific preconditions of the branch. Research and development in the field of qualification is not an exact quantitative science. Hence results are to be discussed taking into account the framework and the selection of the sample to be interviewed resp. analyzed. However results from the participating observation research, that is underlying the presented case studies are relevant to quite a degree and have impact for the design, pr and marketing effort of the qualification providers. Three examples show basic mechanisms leading to successful offers with significant benefits for participants. The market says: Qualification measures have to be time- and cost-effective, state of the art regarding topics and methods and providing applicability and direct benefits. The farmers see a growing importance of soft skills for successful entrepreneurship. Finally there are responsibilities and also options for providers on the supply side to generate awareness, interest, decision and action of entrepreneurial minded farmers to participate in high quality offers. The paper comprises the essence of nearly 10 years practical work in the field of qualification and in directly related research and development measures. SWOT-analysis, field research and conceptual work have been important activities to contribute to qualitative and accepted offers to a market of growing importance.*

**1 Introduction**

Management basically enables and safeguards business success. Sustainable Management requires continuous strategic and operative decisions in order to bring useful products and services to the markets. Moreover production processes have to be organized usually in a well defined regulatory framework and under the conditions of a competitive market-environment. Particularly the agriculture sector has experienced accelerated speed and intensified depth of change in markets as well as in social, technological and political respect. To cope with such far going changes management and personal skills are necessarily needed.

The question is: What do farmers do to meet those needs and what has to be done in order to provide them with the skills, knowledge and tools requested. This paper lines out a few trends that stand for the changes farmers have to face. Three examples from Germany and Austria show expectations and requirements and how to bring qualification-offers to the market.

The author is involved into the market as he is closely co-operating with Andreas Hermes Akademie, the central training institution of the German agricultural corporations. He owns a specified consulting company in Hamburg and is professor for management, consulting and communication at Neubrandenburg University of applied science.

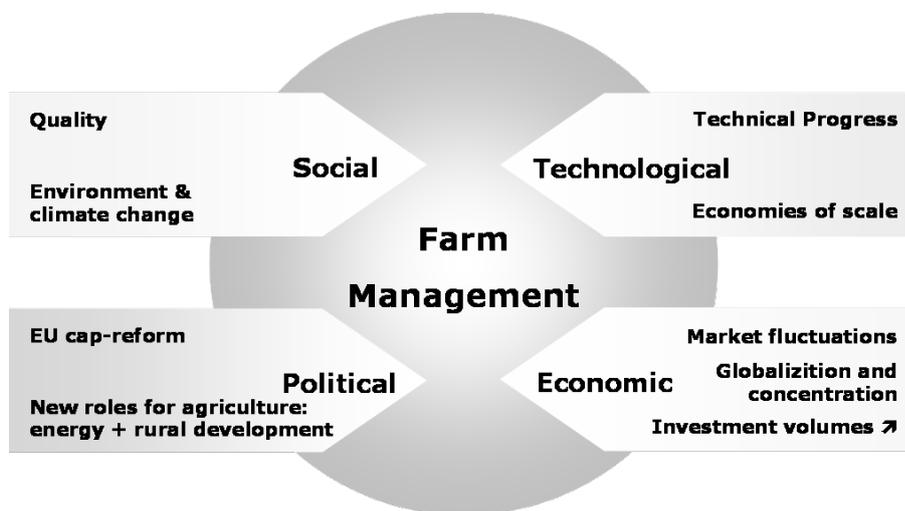
Dealing with research in the field of qualification and training requires application-oriented methods. It is much more evaluation by active participation than scientific exact desk research. Hence results and conclusions presented follow the logic of participating observation.

This contribution firstly lines out major driving forces of future development frameworks for entrepreneurial farmers. It draws conclusions regarding the general needs regarding the role of knowledge-acquisition and qualification and it looks at three examples that show how the supply side deals with the resulting requirements.

## 2 Changing times: The framework for farm management in the EU

Speed and intensity of changes in and around the agricultural sector have accelerated. Following the structure of the STEP-analysis four fields of driving forces are to be looked at closer: Social, technological, economic and political drivers result in impacts on the farms environment and thus lead to appropriate reactions in farm management.

**Chart 1:** Selected driving forces challenging farm management in order of STEP analysis



The social framework of farming in Germany and in Europe is characterized by high standards required regarding product- and process-quality. Farm products have to obey the consumers' expectations at the end of the value added chain. This is due to the food quality and food safety level of highly developed societies like the European are. Processes of agricultural production have to be in line with top level standards regarding environment-compatibility, requirements for appropriate livestock-breeding, resource-protecting and low climate-impacts. Not only market forces but also regulatory obligations and budgetary sanctions like EU common agricultural policies (cap) modulation mechanisms are effective means for realizing sustainability in agricultural production.

During the last 20 years a process of growing productivity of work force has lead to new levels of efficiency. According to the German Federal Statistical Office the gross value added per work force employed in the agricultural sector has increased by more than 85 % during the last 20 years. Compared to the average growth of productivity in the German economy in total with a plus of slightly more than 55 % agriculture is one of the productivity-driving sectors in Germany – and as well in Europe as a whole. Technical progress in the fields of plant and animal nutrition and protection resp. healthcare, in power and performance of farm-machinery, in electronic data processing and process-steering and also in organizational know how is one strong driving force of this development. Lifecycles of products, production-processes and of knowledge are in a process of continuing abbreviation. Corresponding to this development technical progress demands increasing input in terms of machinery and highly efficient production means such as plant protection and nutrition, livestock breeding, feeding and healthcare. This is not only a matter of growing investment but also of better knowledge of how to use it. Economies of scale are another important source for increasing productivity as average farm-size in terms of acreage and livestock-herd-size are continuously growing.

EU cap changes will be fully implemented until 2013. Long term change-processes are corresponding to the EU financial period 2006-2013. The cap-reforms since the early 90<sup>th</sup> (starting with the so called McSharry-approach) lead to a quite different type of political framework, finally effective in new types of subsidies. Decreasing influence of political price-finding-mechanisms (intervention) – increasing (world-) market-forces-driven price finding mechanisms for the major farm products like for instance grains, milk or beef: Step by step direct income transfers have replaced product-related subsidies for traditional farm products. Hence the political influence on market-processes and – prices has ceased. An exception from these guidelines could be seen in the nationally designed programs in favour of encouraging the development of renewable energy concepts that are based upon agricultural production to a remarkable extent.

In accordance with the political changes strong, in the end globally influenced forces dominate commodity-markets. Fluctuations in market volumes and market price partly accelerated and multiplied by speculative market-participants, result in wider amplitudes and longer longitudes for important agricultural products. In particular crop and milk producers have experienced price-figures reminding roller coaster journeys with jumps of more than 100 % up and more than 50 % down. Piglet producer had to struggle to survive price-valleys lasting significantly longer than a year, in which there was no chance to realize cost-covering. In addition to and in interaction with these market figures concentration takes place in sell- and in buy-markets which open gates to global markets for commodities and production means. Increasing investment-volumes have to be financed in order to keep pace with the structural changes, corresponding to increased requirements of financing-partners, named “rating in accordance with BASEL II mechanisms”.

Only this limited view upon given, very effective driving forces provides an impression of the social, technological, economic and political environment, in which farm management has to organize entrepreneurial success. In such an environment of political, market-driven and knowledge-driven changes the varying types of farms and farm-concepts in Germany have to prove their viability and their ability to find strategies in order not to lose competitiveness. The agricultural sectors in Germany and also Austria are characterized by small and midsize scale structures to a large extent.

The prevailing work force model is one in which the farm staff is provided by the owning farmer and his family. Since the year 1990 and in corresponding to the German reunification big-size farms in Germanys east with remarkable staff-figures add to a company size structure from very small in terms of part time up to very big in staff figures of up to 300.

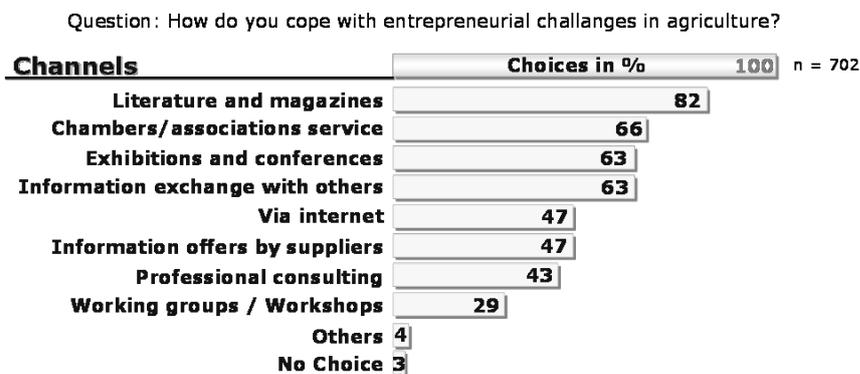
### 3 Facing the challenge by management-qualification and human resources development

Every single farmer has to find his specific strategy to facing the market forces. This is not a naturally given competence for everyone. It has to be developed and trained.

Analyzing the consequences of the major trends outlined above reveals that adaptivity obviously has risen as a core competence on all levels of running a farm. Adaptivity in this context means to focus on mechanisms that keep the structures and the processes of a business enough flexible to cope with an environment in change. Such mechanisms are useful on varying levels and throughout the whole company life cycle. Running the business, making decisions and leading on staff successfully require knowledge of managing change. Obviously education and training are key-factors to cope with the need for well qualified farmers - on the entrepreneurial level as well as on the work force level. Even without explicit growth strategies but only keeping in touch with political, technological, economic and social changes force entrepreneurial farmers to strengthen their management-skills and professional expertise.

The basic activity to prepare for coping with the challenges of an environment in change is information. Chart 2 gives an overview about information channels that German farmers prefer.

#### Chart 2: German farmers' preferred info channels



Source: AHA-CMA-Weiterbildungsstudie 2008

Multiple choices accepted

Actively dealing with specific knowledge and skills as means for business administration and handling productions processes goes further beyond general information activities. A general comprehensive model for acquiring such knowledge and skills by farmers offers three basic types of co-operation with external experts. Chart 3 shows that continuing qualification can be seen as one of those types.

**Chart 3: Three-type model for knowledge and skills acquisition**

Based upon source: Quiring, A.: Themen, Formen und Methoden unternehmerischer Weiterbildung in der Landwirtschaft, Berlin 2008

The interfaces between these three types are not exactly defined; methods and measures are overlapping and crossing fluently. Therefore providers in these fields are in charge to listen carefully to the market and to answer with consistent or, even better, integrated concepts that allow for efficient use of the entrepreneurs time. Consulting, training and coaching are not (only) competing, often they are completing and resulting in a toolbox for those farmers, who accept future business administration as increasingly based upon labour division and integration into value added chains. Acquiring knowledge and skills is an economic activity that requires resources in terms of time and money – and hence needs to be of high efficiency and top quality.

Gaining information regarding preferences and attitudes towards education and training and also in evaluate effects of qualification measures are not a matter of basically scientific methods. Correlations, input-output-Ratios and derived models are not consistently measurable. It is a matter of participating field research, of opinion polls and of dialogue oriented information exchange. Hence this paper presents three examples of dealing with this matter:

- The first example is a closer look upon a German nationwide survey about preconditions and requirements for qualification measures. In 2007 the field research had been done to find out, which items farmers, multipliers and super-multipliers see as important in each case. The study has been presented in 2008 by the German Andreas Hermes Akademie in Bonn,
- The second example gives impressions about the outcome of a one-day-workshop in Hamburg, which the author realized in order of the State Hamburg in the year 2009.
- The third example reports the conceptual base of an awareness and image campaign to promote qualification offers made in Austria from the year 2003.

All three examples have in common their dealing with the “market needs”, the farmers’ attitude and decision making preconditions regarding their use of qualification offers.

### **3.1 Responding to the demand: From market analysis to quality management: Andreas Hermes Akademie**

Nearly 50 % of the work force employed in the German agricultural sector owns the farm he is working at. As Human Resource Management (HRM) and Human Resource Development (HRD) basically have to look different for varying types of farm staff. As the awareness for the benefits of continuing qualification is not very developed on the employees’ level in general the focus of

qualification-offers is directed towards the farm owner himself. That to a large extent means development of entrepreneurs’ skills and competences. Due to this fact the design of training programs tends towards farm-management qualifications.

One of the most important continuing training programs in this field is the bus-training program of the Andreas Hermes Akademie (AHA) in Bonn. This academy is the central training facility of the German agricultural sectors organizations. Chart 4 shows the members of the club “Bildungswerk der Deutschen Landwirtschaft e.V.” (I.e. board for qualification in German agriculture) running the AHA.

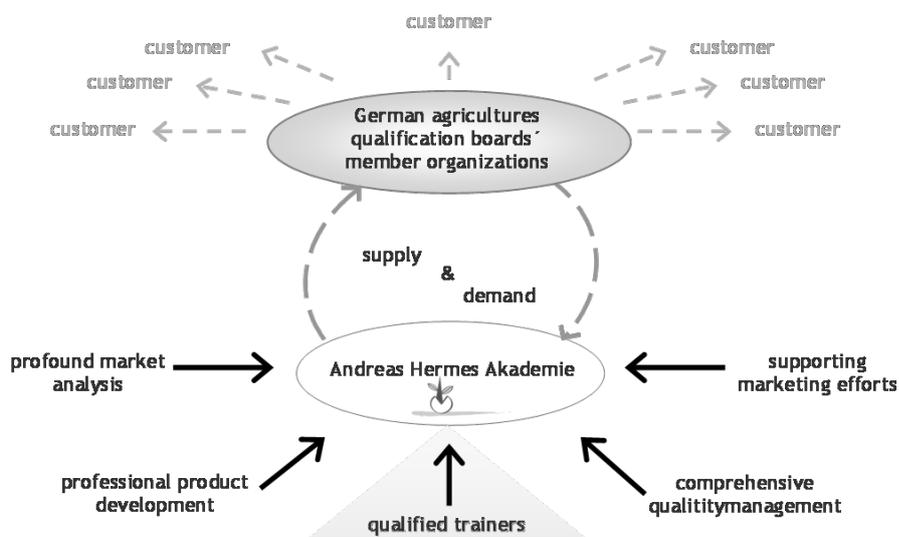
**Chart 4: Andreas Hermes Akademie’s shareholding organizations**



Source: Andreas Hermes Akademie

In terms of size, volume, history and institutional integration Andreas Hermes Akademie is a central and one of the very most important providers of continuing qualification offers for the agricultural sector. It also is engaged in parts of the food and agricultural services sectors. Profound market analysis, professional product development and an effective quality management are basic activities in order to provide the market with sustainable qualification offers.

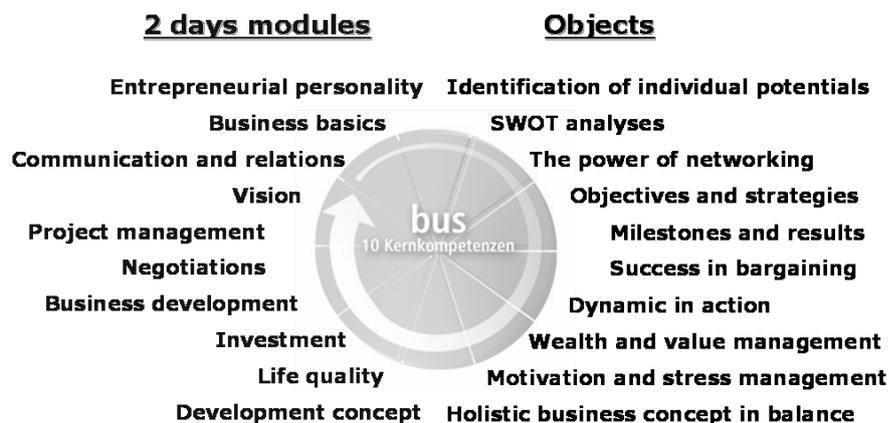
**Chart 5: Andreas Hermes Akademie’s “quality to market” flow**



Based upon source: Quiring, A.: Trends in der Weiterbildung, Hamburg März 2009

A flagship product of the AHA is the so called bus-training (i.e.: farmer & entrepreneur qualification). It has been created in 1987. Continuing improvement in content and methods kept bus topical and a well-trained trainer pool allows for a significant market acceptance all over German speaking European countries. Bus is a continuing farmer training comprising at least 10 two-day-lasting modules. Over a period of three to four years regional groups of 12 to 20 farmers meet two to 4 times a year during the annual winter season. In AHAs understanding bus is a development process in a group of colleagues, guided by coaches and trainers for enforcing the own entrepreneurial competences. Typical participants are seen as people who think and act in an entrepreneurial manner and are open minded for innovative ways. Beyond business work-life balance plays an important role. Chart 6 gives an impression about the basic 10 two-day modules and their objects.

### **Chart 6:10 bus modules featuring entrepreneurial core competences**



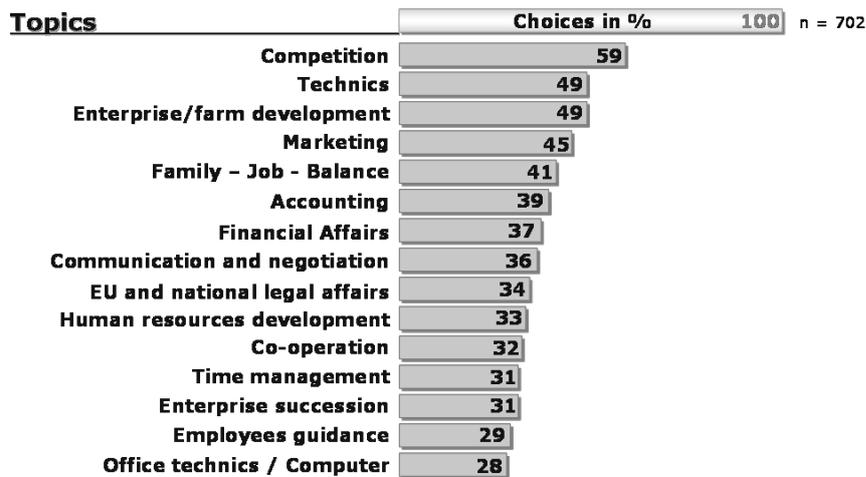
Based upon source: AHA 2010

In 2008 the AHA published the results of 2 field studies dealing with qualification in the agricultural sector performed during 2007. In co-operation with the former central marketing agency for agricultural products (CMA) these field studies gained information about awareness, attitude and behaviour regarding decisions and participation in qualification measures. They followed a preceding survey from the year of 2001 that reported on results from field research done in 1999. In the 2007-studies about 900 farmers in total have been interviewed by phone-calls, in workshops and in in-depth-interviews.

One of the 2007 studies, focusing on the farmers, asked for their demand for qualifications, their estimation of how to meet the expectations and analyzed their qualification behaviour. The other 2007 study, focusing on about 180 multipliers, experts and officials in charge for qualification matters in vocational institutions like associations, chambers, authorities and qualification suppliers by personal interviews, asked for the demand from the supply sides' point of view and the need for their own qualification-request. Due to the regional and structural range together with the samples size of the studies, the results can be seen as representative. Chart 7 shows a ranking of the topics that farmers are interested in.

**Chart 7: Top training topics in German agriculture**

Question: Which topics regarding vocational or professional skills are you interested in?



Source: AHA-CMA-Weiterbildungsstudie 2008

Multiple choices accepted

Market, production techniques and farm development play the most important roles. General results of the studies are to be comprised as follows:

Requested are offers with a high degree of applicability. The demand for qualification topics is either driven by topical items or directed towards basic skills. Overall stands the criteria of immediate benefits and applicability.

As chart 7 shows explicit personal competences such as HRD, time management and guiding employees obviously are of less importance in the target groups' opinion. However the importance of so called super-specific topics grow corresponding to the degree to what the farmers themselves identify human resources and competences as factor of success. Super-specific topics in the view of these studies are understood as themes that are not immediately directed towards special business departments or functions.

Farmers look at acquisition of knowledge and skills in a holistic manner. The three different basic types consulting, training and coaching (see chart 3) are seen only as parts of a whole. The farmers are not interested in sharply dividing lines between them. Also multipliers see Qualification in a holistic framework.

Most important obstacles regarding participation in qualification measures result from time shortage. Also financial reasons play a role. Farmers are aware of the nature and requirements that HRD means in terms of personal involvement.

Many multipliers have discovered continuing qualification measures as instrument for Customer Relation building resp. Management (CRM). It provides potential for a Unique Selling Proposition (USP) as well as means to strengthen the relation to their customers. Hence those multipliers are interested in modern methods of market analyses and communications to better address, reach and provide relevant benefits to their target groups. Moreover multipliers are interested in co-operation, they are supply-side oriented and prefer cross-institutional collaboration. It is not only to avoid costs

for development of high-quality-products by their own but also to learn from best practices elsewhere.

According to the overall results from the studies guidelines for providing qualification offers are: Farmers do not ask for academic methodical discussions (consulting or coaching or training) but for applicable or - even better - integrated solutions. Due to the individual nature of business challenges and change-situations also qualifications measures should be provided as individually as possible. There is also an emotional part in qualification. It is not just “learning” how to deal with markets and farm-management; participants want to exchange experience and seek for reflection of their own sights. And appetite comes with the food: Former participants are much more open-minded towards attending qualification-programs etc.

### 3.2 In dialogue: Hamburg agricultural entrepreneurs’ day

In March 2009 the chamber for agriculture of the State of Hamburg in northern Germany performed an agricultural entrepreneur’s day in order to discuss with farmers their expectations and requirements for an active-lively qualification offer. After a few impulse-statements four working groups as shown in chart 8 dealt with for questions:

- What do agricultural entrepreneurs need for a successful future?
- What training programs are necessary to keep pace?
- Which good practices from other regions or branches are of interest?
- Which barriers stand between the farmer and his participation in qualification measures?

#### **Chart 8:Hamburg agricultural entrepreneur’s day’s working groups topics**



Based upon source: Landwirtschaftskammer Hamburg 2009

The outcome of the discussion of about 60 participants (which means a remarkable quota from a basic totality of only about one thousand green enterprises comprising agricultural, horticultural and fruit and vegetable growing units in the State of Hamburg) showed a few clear statements:

Hamburgs green branch not only sees “hard facts and figures” as key factors for future successful future entrepreneurship but also expect an increasing contribution from so-called soft factors such as HRD, employees guidance, management- and sales-skills, communication-capability with market-partners, authorities, politicians and associations. Change of generations’ plays a role and also opening up new sources for income. In the participants opinion the ethic dimension of entrepreneurial acting has to be discussed on the farmers’ level, not only by experts and associations. To develop skills and knowledge in the fields of those “soft factors” training is necessary. It is the duty of the institutions to provide the sector with suitable qualification measures. The entrepreneur’s duty is to make use of them and benefit from active participation.

### 3.3 Going public:

#### The Austrian awareness and image campaign for farmers’ qualification

The German bus-program is called BFU (Bäuerliches Familienunternehmen) in Austria. In 2002 the Federal Ministry for agriculture, forestry, environment and water management decided to enforce public relation intensity and marketing for farmers’ awareness and acceptance regarding qualification. Based upon a profound strengthens-weaknesses / opportunities-threats analysis (swot) experts elaborated deficits in public relations (pr) and marketing activities. Consecutively a platform of not only politics and agricultural administration but also important agricultural media partners was formed for one reason: to initiate one of the largest information campaigns for Austrian farmers’ qualification in the recent past. Target was to improve the innovation potential of the Austrian farmers as means to support growth and welfare of the rural areas. This platform for bringing farmers to the training program BFU has been formed under three prevailing guidelines:

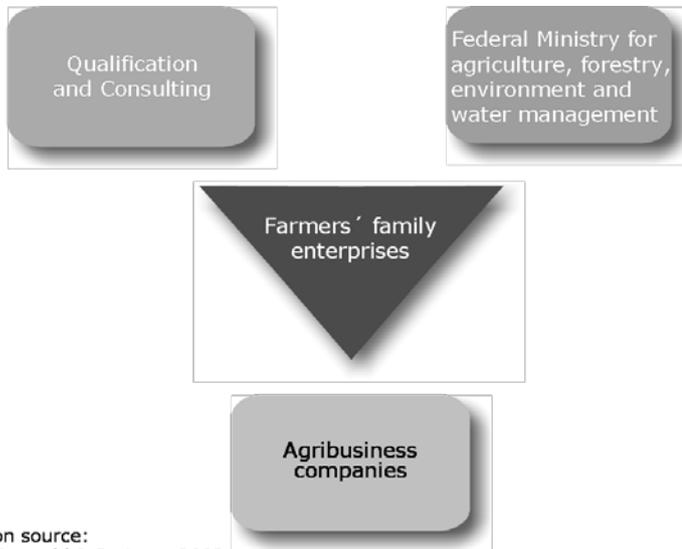
- integration of the main most important participants
- a consequent topical line
- correspond to the specific federal states’ conditions

**Chart 9: Platform for bringing farmers to BFU**



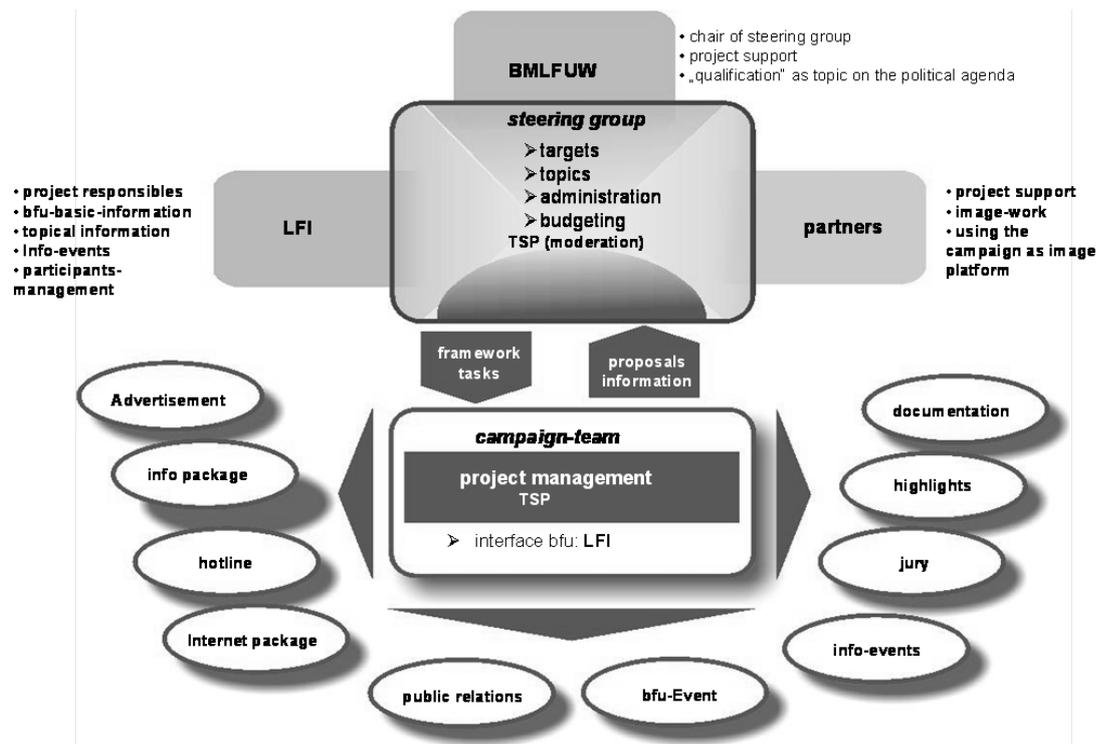
The campaign was designed under the guideline to develop measures always in synergetic relation to long term image- and marketing-concepts. The whole campaign had to focus on the participants benefits from qualification measures. Direct approach of potential participants was one of the qualities the concept had to stand for. The agribusiness companies formed a strategic alliance with a commonly shared message: qualification will be a key for future success.

**Chart 10: Basic idea of the strategic alliance for qualification**



Based upon source:  
Temmel, Seywald & Partners 2003

Media partners have been closely co-operating in order to guarantee a consequently pursued communication concept. Core measure was a road show performed by the Federal Minister for agriculture, forestry, environment and water management. These core activities have been accompanied by a bundle of supportive media-effective actions. The overall concept of the alliances information campaign is lined out in chart 11.

**Chart 11: Platform for bringing farmers to BFU**

Based upon source: Temmel, Seywald & Partners 2003

Operative objectives of the campaign consisted of

- mobilisation of potential BFU participants
- reaching also other institutions and multipliers as consultants and officers, trainers and journalists
- information under use of varying media-channels, in particular high-ranking political presence in large information events, internet-based info-platforms and in articles in major agricultural newspapers
- making BFU an item for farmer to farmer daily discussions

These objectives have been achieved basically by the very active personal engagement of the Federal Minister for agriculture, forestry, environment and water management. This fact was related to the broad alliance the agribusiness sector formed to support the campaign. Image and marketing for qualification needs power to allow for broad awareness and acceptance of the ones it is made for: the farmers who look for strategies and tools that enable them to face the future and to successfully manage the changes on the way into the future.

#### 4 Conclusions

Qualification in terms of consulting, training and coaching is seen as means to cope with the challenge of a significant change in the agricultural framework conditions. Providers for consulting, training and coaching offers meet a demandingly market. Farmers want time- and cost efficient forms in order to acquire knowledge and skills in the fields of market-, business-, management- and HRD-related items. Offers need to be state of the art regarding topics and methods. The role of soft factors seems to be of increasing importance. As appetite comes with the food it is due to the supply

side to address farmers' awareness and willingness to join qualification programs. A broad support from politic, administration, agribusiness and related associations is helpful.

## References

Andreas Hermes Akademie (editor): Weiterbildung aus Sicht haupt- und ehrenamtlicher Akteure

Andreas Hermes Akademie (editor): Weiterbildungsnachfrage und Weiterbildungsverhalten von Landwirten. Eine Marktforschungsstudie der Andreas Hermes Akademie und der CMA, Bonn April 2008

Andreas-Hermes-Akademie, "Weiterbildungsverhalten von Betriebsleiter/innen", Bonn 2001  
Deutscher Bauernverband (editor): Situationsbericht 2010– Trends und Fakten zur Landwirtschaft, Berlin 2009

Ländliches Fortbildungsinstitut (Lfi) (editor), bfu Erfolgskatalog, Wien 2002

Landwirtschaftskammer Hamburg: Unternehmer in Hamburg, Qualifizierung –Schlüssel zum Erfolg, Workshop am 02.03.2009

Langosch, R.: Entscheiden – Handeln – Wachsen, wie aus Trends unternehmerische Gifhorn 2007

Langosch, R. (editor): Wandel erfolgreich gestalten. Fachverband „Gründung, Entwicklung, Nachfolge“ im Bundesverband Deutscher Unternehmensberater (BDU e.V.), Bonn 2010

Quiring, A.: Themen, Formen und Methoden unternehmerischer Weiterbildung in der Landwirtschaft, Berlin 2008

Quiring, A.: Trends in der Weiterbildung, Vortrag, Hamburg im März 2009

Rohrer, G.: Bildungsreihe „bfu“ bietet Antworten auf neue Herausforderungen, in: Ländlicher Raum 2/2003, Wien

Statistisches Bundesamt (editor): Statistisches Jahrbuch und Sonderauswertungen, verschiedene Jahre

Temmel, Seywald & Partner: Konzept zur Ansprache von Weiterbildungsteilnehmer für das Programm bfu. Wien 2003