



Fergus O Rourke

## STUDENT

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# STRATEGIC USE OF BENCHMARKING TOOLS

## Focus on Teagasc eProfit Monitor

### BACKGROUND

The increasing uncertainty that characterises the agricultural sector and constant development of technologies, demands sound business management skills [Cerf & Hemidy, 1999].

According to Gloy & LaDue [2003] the most important duty of the farm manager is to monitor and ensure the profitability of the business.

Benchmarking has been noted in literature as potentially giving rise to positive impacts on profitability [Ronan and Cleary 2000]. In an Irish context there are a wide range of financial management tools available from Teagasc to help farmers conduct cost control analysis, financial and physical planning. There has been varying levels of uptake of these tools including the eProfit Monitor [ePM] amongst farmers.

### AIM

This study aims to determine why farmers that consistently complete an eProfit Monitor continue to do so, and examines how the eProfit Monitor analysis is used by farmers in their strategic decision making.

### OBJECTIVES

- > To ascertain the level of utilisation of the eProfit Monitor among farmers
- > To identify characteristics or attributes associated with those farmers who use the eProfit Monitor consistently
- > To identify farmers motivations for using the eProfit Monitor and determine what impact the eProfit Monitor analysis has on their decision making
- > To identify advisors attitudes towards the tool and how they use the eProfit Monitor in delivering their KT message to farmers
- > How could the existing eProfit Monitor tool be modified or improved to allow for better strategic use of the tool and the information it contains

### METHODOLOGY

- > Literature Review
- > Nationwide Postal Survey with Dairy farmers who consistently complete the Profit Monitor
- > Cross reference farmer survey responses and their individual basic Profit Monitor data
- > Online Survey of Teagasc B & T Dairy Advisors
- > Focus groups consisting of sample of surveyed Dairy Farmers

### WORK COMPLETED

- > Regular updating of Literature Review
- > Postal Survey of Dairy farmers who have consistently completed the Profit Monitor since 2006 (n=359)
- > Achieved a 63% response rate
- > Online Advisor Survey currently being completed by Advisors

### PRELIMINARY FINDINGS TO DATE

Based on a qualitative question in farmers survey surrounding improvements which might encourage more strategic use of the eProfit Monitor outputs

- > More use of KPI's and stronger links with KPI's from other applications
- > Auditing of data input process for accuracy of figures
- > Record/Report data on a phone App to allow for 'analysis on demand'
- > Analysis of costing's associated with heifer rearing needs to be revised
- > Inclusion of more detailed cost headings under variable costs
- > Land and Labour charges should be included

### NEXT STEPS

- > Detailed analysis of Farmer Survey
- > Cross reference farmer survey responses with their profit monitor data
- > Complete Advisor Survey research and analysis
- > Use Survey data to develop and inform the design of focus groups

