

# Assessing Financial & Risk Management Skills

Financial and risk management skills are essential for the long-term success of your business. Firms that possess human resources with exceptional skills have a long-term focus and are more likely to use their skills to take advantage of emerging opportunities.

How would you rate your financial and risk management skills? They help you focus on preparing financial information, interpreting financial performance, assessing risk exposure, and developing risk management strategies. Use the items below to assess your financial and risk management skills.

	Unsatisfactory	Weak	Average	Good	Exceptional
1. Prepare and interpret basic financial statements (net worth, cash flow and income) and use them in business decisions.	1	2	3	4	5
2. Prepare financial information for credit requests.	1	2	3	4	5
3. Monitor financial trends of the farm business.	1	2	3	4	5
4. Compare the financial performance of your business to other similar operations.	1	2	3	4	5
5. Evaluate the profitability and financial feasibility of investment decisions.	1	2	3	4	5
6. Seek ways of reducing the cost of capital.	1	2	3	4	5
7. Assess the existing risk exposure of the business and its enterprises.	1	2	3	4	5
8. Assess your business and personal ability and willingness to bear risk.	1	2	3	4	5
9. Evaluate the risk exposure of investment decisions.	1	2	3	4	5
10. Develop and implement risk reduction strategies using insurance and income protection.	1	2	3	4	5

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