

Marketing

Make business goals part of new year



Family Business

By LANCE WOODBURY

THE start of a new year almost always brings reflection on the past year and discussion of hopes for the upcoming months. As you begin 2006, what are the goals for your family farm or ranch? Consider outlining your

Key Points

- The start of a new year is a good time to review management goals.
- Ownership, management and family are three systems to analyze.
- Don't forget to take time and improve your own management skills.

goals based on the three primary systems at play in a family business: ownership, management and family.

Ownership

One of the hats you wear in the family business is that of owner. Whether it is land, equipment or livestock, you have accumulated value that is used in the business to produce revenue.

This year, do you intend to acquire more assets, improve the assets you own, change the current mix of assets, or distribute assets to the next generation? Use the slower time in January to consider what you want to accomplish with assets you have acquired. In par-

ticular, consider long-term goals for the business (for example: an eventual sale or transition to the next generation, or exiting old or entering new business opportunities) and determine how those affect goals for the upcoming year. This strategy can help managers accomplish long-term objectives.

Management

Another hat you wear in the family business is that of manager. Supervising others, managing equipment, overseeing a cow herd, marketing a crop, performing a custom service for neighbors or organizing finances are a few management activities you might perform.

What are your goals for improving the major areas of management in your business in 2006? Perhaps a goal is to know or work better with your employees. Other goals may be to reduce equipment repair costs, improve herd health, improve your hedging program, reduce cost of capital, or better understand and track certain financial ratios.

Think strategically about where you want the business to improve. Write your goals on paper to review every few weeks. Don't forget to consider how to improve your own management skills through seminars or reading material.

Family

Many business owners enjoy working with family. However, the cost of working so closely with family is sometimes felt in relationships with each other.

Consider goals that center around improving relationships with other family members in the next few months. Perhaps you need to apologize or forgive a family member for a decades-old grievance. Maybe you have an opportunity as a third party to help two family members talk about their conflict.

Consider an investment of time with family members that could benefit from more communication. Set goals for a family vacation. Or, if you feel you spend too much time together as a family business, set goals for some "get-away" time. The point is to not think only about the business, but consider the family as you set your goals for 2006.

Woodbury works at the Garden City office of Kennedy and Coe.

Shelor suggests changes to LDP

THE grain sorghum loan deficiency payment system administered by USDA's Farm Service Agency appears arbitrary and unfair, Minneola farmer Greg Shelor told the House Ag Committee's Subcommittee on General Farm Commodities and Risk Management in December.

"Our members are frustrated because they do not understand how USDA determines LDPs, and it seems arbitrary to them," said Shelor, an officer with the National Sorghum Producers. "They are especially frustrated when they see large changes in the LDP when the market did not change."

Shelor testified that on Oct. 20 the LDP was the same throughout a region of the Sorghum Belt which produced 95% of last year's crop. "This area is too large for a single LDP level."

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