

Family Business Insight for your Agriculture Company February 2016

Guiding Principles: Bob Dykhuis

By Tanner Ehmke

After nearly 40 years of growing the <u>family hog operation</u> in Holland, Michigan, Bob Dykhuis and his wife, Lorrie, are transitioning leadership of the 16,000-sow farrow-to-finish operation to their four children after starting in 1978 with 80 sows. Bob points to 10 principles that have guided the family operation with 150 employees and 40 contract growers on a path of success.

Have a purpose: "I'm from a Calvinist background and we're taught that everything we do is part of how we worship. How we glorify God drives everything."

Maintain finances: "If you get into a bad financial position, it's hard to carry out your mission and honor agreements. We don't want to be backed into that position, so we maintain our financial ratios, we do a lot of hedging and risk management, and we have a good relationship with the banks we deal with."

Adopt technology: "We want to be early adopters of technology. We use improved genetics for higher quality, leaner hogs. We're going to electronic sow-feeding in our gestations. We have computerized record-keeping and fully integrated production and accounting records. We're always weighing pigs and doing manure testing, soil testing and feed ingredient testing. In a sense, it's a big research project."

Do quality work: "It's important to take the time to do a quality job. We take time breeding sows properly or loading pigs so we don't get them fighting, injured or overloaded. It's about workmanship. We want to be stewards that take care of things and see this as significant work that we're doing."

Build teams: "It's amazing how we're wired to work in teams, and if you don't have a certain person who will take risks and lead, other people can just get mired down. We look for the right person for the right position, and we test to find out how people approach work and what team role they would play."

Give and receive feedback: "Whether it's written evaluations or just sitting down with people, we're trying to find the things that need to be improved or if they need to be in another team. There's a lot of value in that because everyone is different and they approach things differently."

Develop relationships: "We try to be patient in developing relationships over time. If you have a good reputation, opportunity comes to you."

Add value: "It's beyond just dollar and cents. It's about adding true value. We're trying to be a good brand of people who do a good job taking care of pigs."

Be a good neighbor: "We want to enhance the community by being good neighbors. We provide a lot of jobs, give meat for a number of food kitchens and organizations, manage our manure and take care of our soil."

Improve communication: "It takes work to continue to get along, so we have coaching with family on communication. No one likes to do that, but it's really, really important for developing people."

Preparing for the Job Interview (Not Your Own!)

By Davon Cook

How good are you at assessing a candidate's skills accurately in a job interview? You may be thinking, "Interviewing is just sitting down to a conversation--why would I need to prepare for that? I know what I want, and I'm a good judge of character." Yet most of us have experienced the disappointment of a poor hiring decision—whether the due to lack of technical competence, cultural fit, or ability to work with the team. Significant preparation is required for an interview to assess the candidate thoroughly.

If you have done your homework of writing a thorough job description, use the interview to allow a candidate to discuss their applicable skills and raise questions of their own. (And if you haven't, stop here and read my previous columns about <u>strategic hiring</u> and <u>job descriptions</u>.)

Start with an open-ended warm-up question like "Tell me about yourself and why you're interested in this job." This provides a first glimpse of how they present themselves, plus it gives a nervous candidate the chance to get their prepared spiel out so they can relax!



Then use questions that ask for a <u>specific example</u> of a competency you are looking for. In the HR world, this is called 'competency based interviewing'. First, think of which competencies are important to you--problem solving, communication, adaptability, delegation, to name a few. Then ask for an example. "Tell me about a time you identified and solved a problem on your own." Ask follow-up questions to probe their answer: "What did you learn? What would you do differently next time? What did not work well?" Usually during these types of questions, the candidate shares their strengths and weaknesses in a more genuine way than if you had asked directly.

You may have obvious questions about prior jobs that you can sprinkle in throughout, and you may also discuss the logistical details of this position.

Always leave ample time for the candidate's questions. You want to recruit someone that knows what they are getting into. Besides, encouraging them to ask questions is another way to assess their thinking. If a candidate doesn't have any questions, I get concerned. Are they unassertive or uninterested?

Finally, consider a skills test to help you assess the technical competency required for the position. Use a 5-question math test for a scale clerk who needs to be able to subtract tare from gross weight. Ask a production employee to hook up a piece of equipment. Ask a financial analyst to perform a simple task in spreadsheet or accounting software. Through this, you observe both whether they have the specific expertise and how flustered they get under pressure.

A successful interview *can* be a relaxed conversation, but it's a conversation for which you should prepare. Precise questions, allowance of ample time for response and candidate questions, testing of specific competencies—these will help you assess the skills you require.

Generosity Over Generations

By Cori Wittman

Our family recently celebrated the 95th birthday of my grandfather: faith-filled farmer, rancher, pilot, inventor, woodworker and, perhaps most importantly, generous giver. As we celebrated his decades of building and passing down this rich legacy, I was amazed at the impact his life and sustained generosity has had on my parents' generation, my generation (the "grands"), and undoubtedly on the generation of ankle-biting "greats" that kept us entertained at the party.

For Grandpa, generosity has never been simply a rule to follow or one of a long list of values to tout. It hasn't been a way of getting his name in the papers or feeling good about himself. I believe his generosity stems from his faith, a deeply rooted humility, and a commitment to serve rather than be served, no matter the circumstance.

Grandpa's generosity wasn't predicated on, nor limited by, the state of the economy, the farm's financial position, the number of kids he and grandma were sending off to school, or his (lack of) spare time. The method of expressing his generosity may have varied throughout the decades based on those conditions, but his commitment to it never did.

This grand celebration of his 95 years left me re-energized to find ways that I, my family and our farm can commit to carrying on this legacy no matter our circumstances. The question is not *if*, but *how*, we will choose to live generously in our generation.

Faith and Family Business: Guarding Your Tongue, Saving Your Life

By Dr. Bill Long

Last time we explored an unexpected productivity metric in Proverbs—that by taking care of our words, and not simply our farm management techniques, we nourish or feed many. We become productive to the extent that our lips or words nourish life. Today's proverb continues the focus on our words, but it stresses how good words actually *save us* and not simply feed those around us. "**Those who guard their lips save their lives**" (Prov. 13:3).

Think for a moment of the scope of relationships in your family business. You have family members, employees, suppliers, the professionals with whom you deal, your community. Each of these relationships has its own dynamics and potential pitfalls. Words rashly spoken or even gestures inappropriately given can set back relationships, and productivity, considerably. And, as we all know, sometimes it is so very difficult to hold back those words or gestures.

Yet the Book of Proverbs emphasizes that what saves us in these situations is not our brilliant mind or our negotiating skill—what saves us is our <u>care with words</u>. Elsewhere Proverbs says: "**Do you see the person who is rash with words? There is more hope for a fool than for him**" (Prov. 29:20). The fool is one who answers at once, without thinking through what she or he wants to say, while the wise person weighs or ponders a response. Take time to calibrate your words with as much care as you measure other things essential to you. You just may discover that your words will save your life.

