

January 2015

Guiding Principles: Steve Irsik

By [Tanner Ehmke](#)

Steve Irsik knows the value of family and business. As the general manager of Irsik Family Partnership from 1975 to 2013, Steve managed a family agribusiness in Ingalls, Kan., that began with the family farm and ranch and expanded into controlling interests in two dairies and various private equity investments. The value of the partnership grew more than 400% during his tenure, and he managed to do it while keeping 45 family members together and invested in the family legacy that is now being passed on to a new generation of leadership. Steve offers five principles that guided him during his years growing a diversified family business.

Keep Capital Together: “I like the idea of keeping your capital together. Most families split their capital up and go their own way. That’s a less-than-ideal way to treat your capital or run a business. There are opportunities to do really exciting things if the family’s getting along and have a shared vision. If a family member comes up with a crazy idea, the capital can be there to try to start these ventures. That’s pretty exciting, whereas it’s harder for an individual to do that.”

Diversify the Balance Sheet: “You need to have diversity of the balance sheet. The business needs to be involved in lots of other enterprises. That’s about risk. That’s about opportunity. That’s something by and large that agriculture completely misses.”

Integrate Vertically: “I want it to be as vertical as possible and as close to the consumer as possible. That’s easier if you’re a multi-generation business because it takes more capital, vision, people and connections to do it.”

Don’t Overleverage: “My father started with zero. The first money he borrowed was a hundred dollars and he didn’t know how he’d ever pay that back. He told me, ‘Steve, one thing you never want to do is get yourself over extended.’ So, we never get overextended. If we’re doing a deal, you have a Plan A. And if that doesn’t work, we have B, and C and D. We’re never all in.”

Get Along With Family: “My father always told my four brothers and me, ‘You boys need to get along. You need to work together.’ That’s the way he and his brothers operated and that philosophy was handed down to us.

Announcing Ag Progress

Lance Woodbury and Davon Cook are pleased to announce the creation of **Ag Progress**, a professional services firm offering family business consulting, education and facilitation.

Our monthly newsletter brings you Tanner Ehmke’s profile of a family business member’s guiding principles, Davon’s observations from a consulting perspective, John Stanley’s wisdom on generosity, and Dr. Bill Long’s reflections on faith and family business. Please give us your feedback!

Upcoming Events

The Progress Coach is a unique, ongoing educational experience for a limited number of family business participants. Held in Kansas City three times per year, our next session begins in March. For more information and dates visit agprogress.com.

Contact Info

Ag Progress, LLC
203 Grandview Circle
Garden City, KS 67846
913.647.4064



Wise, Kind and Strong

By [Davon Cook](#)

A few years ago, a friend shared his philosophy on raising his three young boys. His mantra, of which he reminded them daily, was a simple question that could apply to almost every situation in life. “Are you being wise, kind, and strong?” I loved it! When you think about it, it encapsulates so many of the attributes we strive for. You want your kids to make smart choices, you want them to be kind, and you want them to be capable and stick up for themselves.

Does this also apply to our business lives? Obviously, you want to make wise decisions for your business. That’s your job—to weigh the pros and cons, run the spreadsheets, consider the financials, build long-term strategy, maximize the yield—all to make smart and wise business moves.

You may not often think of being kind as a top business priority. But most of the business-owning families we work with have core values guided by strong morals and faith. Every day we see you being kind to your family, your employees, and your community. You often recognize kindness as a factor in –and obligation of – your success.

And strong? It applies to many aspects of your business. You aim for a strong financial footing to weather the difficult years. You want strong team members capable of problem-solving and leading others. And of course it takes mental strength to weather the stresses of agricultural business and physical strength to complete the long seasons.

So yes, there are lots of books full of helpful business advice out there. But every once in a while, remember that it all boils down to some basic lessons we teach our kids.

Double-wide Smiles

By [John Stanley](#)

Have you ever watched the TV show *American Pickers*? Two guys from Iowa travel the country scouting and buying (“picking”) antiques and collectibles. Mike and Frank make deals on these treasures and resell them for a living.

Most of the time another team member arranges meetings with sellers, but sometimes they free-style, driving the highways and stopping by homes, farms, and ranches that look like the owner has lots of stuff.

One of my neighbors at our farm is a free-style candidate. Sally, 75, lives in a double-wide on the same farm where she was born. Two generations of treasures clutter her place.

It’s a property only Sally or a picker could love, and at first blush it’s a turnoff to drive by, but not if you know Sally. **Everything has a story and a past and is connected to a person in Sally's life.** Sally is the first to offer an engaging smile, a conversation, and her penetrating eye-to-eye presence.

I haven’t made up my mind about whether Sally has any money or not. She could be the millionaire next door. But never mind, she has taught me to slow down and do more than wave as I pass by. I stop, get out of my pickup, put my watch in my pocket, have a cup of tea, and visit.

I wonder, as we spend our relationship currency, if we are willing to take the time to be really present? And what treasures are waiting for us when we do?



Faith and Family Business: The Heart of the Book of Proverbs

By [Dr. Bill Long](#)

If you were to ask almost anyone in American society today what their personal goals were, most would respond that they wanted a successful business, a loving family, a long life, good friends. All of those things are affirmed in Scripture, but what is missing from that catalogue is the central virtue of the central verse of the central chapter of the Book of Proverbs: wisdom. Indeed, from the first verses of Proverbs (1:2) to almost the last (31:26), as well as the middle verse (16:16), wisdom is to be prized above all things.

In the typical language of Proverbs, where the second half of the verse repeats the first half but in different words, we have (16:16):

“How much better to get wisdom than gold!
To get understanding is to be chosen rather than silver.”

But what is this wisdom? What is its definition? Its contours? How do you get it? How do you keep it? What is really the benefit of Biblical wisdom? And what does it mean in the context of family business, where frustration and conflict coexist continually with visions of opportunity and feelings of love? The questions flow like a mountain stream after the Spring thaw. And, that will be the quest of this column for the next several months—to try to understand and make personal the Biblical concept of wisdom in our lives and closely held companies. Remember, wisdom is at the heart of Proverbs. Let’s pray that it will be at the center of our lives.

