

# Family Business Insight for your Agriculture Company January 2016

# **Guiding Principles: Danny Klinefelter**

## By Tanner Ehmke

Since establishing <u>The Executive Program for Agricultural Producers</u> (TEPAP) at Texas A&M in 1991, Danny Klinefelter has made a life of building future farm leaders. Now after 25 years of teaching farmers of all ages how to improve their management skills, Danny looks back on what makes a successful education program.

**Teach a culture of learning:** "Organizational culture is way more important than I thought. I didn't even know the term when I started. One of the best management practices is what I call autopsies. Everyone from the CEO to the successor to the management team periodically sits down and reviews their business plan with questions: Were there things we could or should have done differently even if it was successful? Were we lucky or do we have a process we can repeat? What additional information do we need? The whole idea is to get that information shared between people and get it implemented as quickly as possible. And you have to have buy-in from everyone instead of the top group just telling everyone down the line. The whole purpose is, 'What did we learn?'"

**Keep it safe and confidential:** "Half of the program benefit really comes getting to know and discuss with other participants – not just faculty. But some people are really guarded, especially if they're from big companies. As soon as they've been there for a couple of days, though, they open up about things they'd never talk about otherwise."

Ask for feedback and adapt: "I've been willing to change every year. I listen to the audience and follow through on their recommended changes, and I think they've made it a different program than it originally was. It's a program that reflects what they told me. They're not naïve students. It's not like they're a bunch of college students with unrealistic dreams. They don't come into it with unrealistic expectations."

**Find quality presenters:** "One of the problems in academia is finding academics who are considered the top in their field. The rewards system is based so much on getting grants and publishing journal articles, and a lot of the stuff they put out isn't in a form that a business person can use. Or, they may be really good thinkers but they're not really good communicators. That's one of the reasons that half of the faculty is from the private sector."

**Plan the transition:** "I really ought to practice what I preach, so I have a successor that's taken over. In a year-and-a-half I'll retire. I wanted to be around a couple years to be a resource."

**Have a purpose:** "There's one saying that I've carried around in my wallet for nearly 40 years now: 'The purpose of life is to count, to matter, to have it make some difference that you lived at all.' We've done some surveys of people who have gone through here, and it's been amazing to me how many of their practices have changed as a result of the program. It made me feel good knowing that it had an effect on behavior. The learning didn't end when they walked out the door."

## Give Praise a Chance

#### By Davon Cook

I worked with my father for ten years. He is a perfectionist and an amazing businessman. Even though it might not be reality, when I was in the trenches trying to prove myself, it often *felt* like all I heard was criticism. But I remember one particular day where he stopped what he was doing and told me what a great job I was doing and how proud he was of me. It was so memorable that I recall every detail--I can even tell you what chair I was sitting in! I have heard clients share similar descriptions of "that moment frozen in time" when Dad trusted me, when Dad praised me with heartfelt words.

Giving praise is not our natural inclination, since so many of us, including me, having tendencies towards perfectionism. When observing business owners, I see a generation of entrepreneurs that has grown a business substantially in size and complexity over the last 2-3 decades. Doing that successfully required many hours, intense attention to the details, and a relentless focus on the business.



As you transition new generations into management, it's hard to impart all those years of knowledge and lessons learned fast enough. Here's what I often see play out: Because some of you have the entrepreneurial tendency towards perfectionism and also are intent on "teaching" your successors, your feedback tends to be heavily weighted toward things to improve or what they forgot to do. Less often do you stop to reflect and recognize how much they HAVE learned already and what they ARE doing well. You focus on those million details that made you successful but that those learning the business sometimes forget.

Add in the tricky dynamics of a parent-child relationship, and the impact is more intense. Our job as parents is to shape and mold our children into the best they can be. So of course we like to offer advice and suggestions for improvements! Just don't lose track of how much a word of praise means to them, too.

So here's an idea: challenge yourself specifically and intentionally to share words of praise with your protégés regularly--even better if it's not coupled with a suggestion for improvement at the same time. This is an investment in your business and your relationships that is entirely free and pays off with employees and children that are more confident that they are contributing to the team.

# **Multiplying Generosity**

## By Lance Woodbury

Many of us give money to charities, churches or schools, and that giving is often rooted in our faith and beliefs about how those organizations, workers, ministers and teachers make a difference in the lives of others. Like many of you, I give money throughout the year. But I also wrote a number of checks at the end of 2015. How much more I gave depended, in some respects, on what kind of year I had financially.

As I mailed those checks, I thought about how I could give more to certain causes in 2016.

Then I began thinking about the description of faith in Hebrews 11:1: Now faith is the substance of things hoped for, the evidence of things not seen. I wondered: Was my "waiting" for financial results at the end of 2015 the most faithful response to God's calling to support others?

The more I thought about it, the more I realized that writing those end-of-year checks <u>earlier</u> in 2016 would in many ways be an act of faith. There is no guarantee our business will produce results that support the gifts, without affecting our personal savings, or our financial flexibility, throughout the year.

But then I began thinking about how things usually work out when one "gives first," and if it worked out, we could give *even more* at the *end* of 2016! I realized our generosity could quite likely multiply simply by moving our giving forward. I haven't determined exactly how I'll do it, but the excitement about giving more now is motivating. I would encourage you to reflect on the idea of moving your end-of-year giving up a few months. The potential to multiply your gift may be a real possibility!

# Faith and Family Business: A Different Kind of Productivity

## By Dr. Bill Long

If someone asked you about the productivity of your farm or family business, he or she would be expecting an answer in terms of standard metrics of crop yield, return on investment or efficiency of agricultural processes. For example, a quick online search gives us a productivity figure to the effect that the average American farm feeds around 160 people in the world.

Sole emphasis on productivity as measured in economic terms, however, may make us deaf to a remarkable verse in Proverbs that speaks about a different kind of productivity. "The lips of the righteous person feed many" (Proverbs 10:21). Normally when the verb translated "feed" is used in the Old Testament, it is translated "to shepherd" or "to watch a flock." Thus, the full contours of this word include the protection as well as the nurture of a flock.

When Proverbs says that "the lips of the righteous person feed many," it is pointing to another philosophy of what provides nourishment that people need. In a word, Proverbs here and elsewhere is committed to the notion that your words and how you use them are central to whether you nourish or destroy relationships, whether you nourish or weaken other people. Indeed, proper and improper use of words divides the wise and the fool, the two central categories of Proverbs.

In future months I will explore the importance of selecting good words for our faith and our daily living. For now, however, resolve this year to think of ways that your words, as well as your fields, can nurture and feed the world and your family business.

