

Family Business Insight for your Agriculture Company

March 2018

Culture is one of those buzzwords that can evoke a lot of different definitions and reactions. This month the Ag Progress team takes a multi-generational look at what culture is, why it matters, and how it can be leveraged in any business. Thanks for reading and please feel free to forward!

Defining Your Company Culture—First Steps

By Lance Woodbury

In early March I had the chance to spend several hours with a small group of business owners and noted author <u>Jamie Notter</u>. In addition to writing about the culture of the American workplace, Notter is an accomplished speaker on generational diversity in the business as well an insightful observer on how millennials are shaping the future of work. In one sentence, Jamie defines culture as "*The collection of words, actions, thoughts and "stuff" that clarifies and reinforces what is truly valued inside an organization.*"

It follows that <u>what you value as an organization ultimately attracts and keeps people</u>. With the specific labor and workforce retention challenges facing the agriculture industry today, being clear about what you value as a company is vital in identifying who should be, and who should stay, on the team.

In a January 2018 <u>Harvard Business Review article</u>, authors Groysberg, Lee, Price and Cheng, identify eight types of company cultures, ranging from stable to flexible and independent to interdependent. If you are thinking about how best to describe your culture, the article, which include several worksheets, offers a good guide.

Their point, and Jamie's point in his writings, is that to improve your culture, you must understand what kind of culture you actually have – which is sometimes different than what you say (or think) you have! For instance, if you asked your key staff (including family members) "What is valued by our company?" what would they say? How would they articulate what is most important to your family business? What words and actions clarify what is truly valued? Would their definition match yours?

Having a great team – and adding to it – is not just about finding people. It's about finding the *right* people, those who share similar values but bring different skills, and who appreciate what you are trying to accomplish. Strategy is important, but culture reinforces and sustains performance for the long-haul.

The Riverview Way

By Davon Cook

I find it's easier to understand the impact of an organization's culture by citing a specific example, and <u>Riverview</u> <u>LLP</u> is a good one within production agriculture. Riverview operates twelve dairies and runs a substantial cow-calf herd across five states. Riverview's leadership team has been quite intentional in defining a set of core values and operational focus that is intended to guide every employee every day. Kevin Wulf, an educator at the company, explains why being intentional about culture became so important for Riverview:

"The founders raised their family in the business starting in the 30s. Culture—what's appropriate and what's not appropriate--was taught on a daily business around the dinner table. As the company grew, those early employees shared the noon meal and interacted with the founders such that the norms still were passed on directly. But we eventually reached the size that the influencers can't directly touch every person every day. We realized in 2007 that we must intentionally define our culture and norms on paper so that we're using the same words and examples to teach. Otherwise, we'd have gradual cultural drift that becomes significant over a length of time. If it's not taught, the culture becomes a combination of every individual's thoughts and behaviors."

Part of defining one's culture is to have a mission statement. Riverview's mission is to "provide a culture of opportunity for passionate people and innovative ideas." If you've ever visited with one of their managers, *passion*



is exactly what comes through. They are passionate about the business they're in, but more uniquely, about *how* they go about it.

Riverview identifies five core values for the business: strong work ethic, spirit of humility, keep it simple, integrity, and candor. It's easy for any of us to write down a great list of values, but it's harder to live them consistently every day with 1,200 team members. I doubt Riverview's team gets it right *all* the time, but I'm impressed with how the values have been evidenced in my interactions with several managers over the past years and in the facilities I've toured. I've seen humility in the drive to constantly learn from others and get better, and not to assume they have it all figured out. The mantra to keep it simple has contributed to decisions on how much to automate milking. And, with a spirit of humility, they've admitted that candor isn't always easy, but necessary! They truly try to hold each other accountable for mistakes or inconsistencies--no matter the position or tenure in the company.

These values--plus their "hedgehog" focus (see <u>Good to Great</u> by Jim Collins) and reminders to "BE SAFE" and "BE KIND"--are literally summarized on one piece of paper. They describe it as the one-page employee manual, meaning all the rules and do's and don'ts boil down to this essence. You'll see it in poster format throughout facilities. It's used regularly in employee training; in fact, within 90 days after starting work, every new employee attends a class on how to be successful at Riverview. Their piece of paper is not just a piece of paper--the concepts are used in operations and conversation every day. When an employee describes the company, there's a passionate commitment to that vision.

I'm not suggesting Riverview is perfect, nor would they be comfortable with that insinuation. What's impressive to me is the commitment to proactively define and reinforce that "collection of words, action, thoughts, and stuff" that defines the Riverview way.

Family Business Culture—A "Next Generation" Perspective By Alleah Heise

Ask the managing generation of a family business about the importance of an organization's "culture." Likely responses might be, "Culture is important," or "We have a clearly defined culture, but don't wear it on our sleeves." A response in exasperation might even be, "Can you believe those millennials? They are ruining our culture!"

If the same question were put to a next generation family member, they might respond that culture is important and that it be summed up in the following words: "purpose," or "gratitude," or "flexibility," or "compassion."

Culture exists in every operation; we are either defining or being defined by it. The challenge in a family business relating to culture centers around generational differences in how to describe and change the culture. How can the next generation help shape (or shift) company culture? Three ideas come to mind.

Telling Stories. The next generation needs to seek out the stories that have shaped the culture of your business. At our recent <u>Progress Coach</u> meeting, I heard inspiring family stories shared by many members about the purpose of their organizations. While many of my peers talk about changing the way we do things, weaving the rich history of the family operation with the opportunities and energy of the next generation is one way to bridge gaps between how generations understand culture.

Ongoing Conversation. Stories link us to our past, but we must invite connection to the future through an ongoing conversation on the importance of defining culture. For example, why is gratitude important? How do we show it in the business? Why do we think flexibility is an important part of our culture now, when historically, our industry has not been defined by a "normal" work day? This conversation is the best way to bridge gaps between the way generations define culture.

Linking Story and Conversation. When we connect the stories and the way things have been done historically with the proposed way of moving forward, a rich conversation about culture arises. One of my mentors uses the phrase "include and transcend" to describe the evolution between generations. We can include all those things that made the operational culture successful to this point while transcending those things that either no longer serve the organization or that need to be updated.

Defining culture is not something that is done once. Instead, it's an ongoing conversation that skillfully weaves past, present and desires for future. Such a conversation can strengthen both the family and the family business.

