

# Family Business Insight for your Agriculture Company March 2015

## **Guiding Principles: Kip Tom**

#### **By Tanner Ehmke**

Leadership has less to do with DNA than it does with attitude, says Kip Tom, CEO at Tom Farms in Leesburg, Indiana. In his 42 years since starting his career after high school as the 7<sup>th</sup> generation of his family to farm, the family corn and soybean operation grew from 525 acres to nearly 20,000 acres and now employs 25 people including three of his five grown children and his sister. The farm is also one of the major seed corn producers for Monsanto.

Kip identifies six values that define the culture of growth and success at Tom Farms.

**Show Humility and Respect**: "You may disagree with somebody, but we need to show deep respect for employees, our neighbors, our community and the industry."

**Engage Employees:** "We want to have good employee engagement and treat them like they're family. If they've got some issues at home that they need to take care of, we all chip in together to try to fill that gap when that person's gone. We want them to know we care."

**Build Family Relationships**: "Make sure you have the right kind of relationship between family members. If your employees don't see any closeness between family members, they may question your desire to keep the operation going."

**Improve Yourself:** "Self-improvement is critical to us. Whether you're family or staff, we spend money on education and we make sure people understand that we expect improvement from them. If someone walks in the door, and five years later they're doing the same job or have only their original skill set, they haven't grown. They need to build themselves along the way."

**Innovate:** "Innovation in agriculture is overlooked so often because too many people are doing things the way we've always done it. That's not acceptable if we're going to keep feeding a growing global population. Innovation is critical to us and our industry, whether it's adapting to new data science technologies, agronomic practices, or business models."

**Treat the Farm as a Business**: "We believe this is a business. This isn't a lifestyle. I may have a deep passion in my heart, but I know this is a business and we're going to do it the right way."

#### Work Elsewhere First

#### By **Davon Cook**

Are you planning for young family members to join your business, with the goal of an eventual management role? Do yourself, and them, a favor by requiring them to work elsewhere first — a minimum of one year but ideally at least three. It's helpful from multiple perspectives:

- 1. It builds their <u>credibility</u> with others in the business, which is important when you consider the baggage of being the boss' child or relative.
- 2. It boosts their <u>confidence</u> in themselves, enhancing their contribution to the business. In my own experience, working away from the family business gave me the assurance that I could identify and solve problems, as well as provide the leadership that would be valuable back home.
- 3. It confirms the decision for both of you. Time away provides the opportunity to clarify whether in fact the family



member wants to return to the demanding work of the agricultural operation. If they want a different lifestyle than what your business can offer, shouldn't you find out sooner rather than later?

The range of skills they can acquire elsewhere is wide: accountability to show up on time and work for a new (unrelated) boss; understanding of finance, marketing, supervision, agronomy, or technology; and knowledge of systems for personnel management that will include annual evaluations and development plans. Bringing those capabilities and experiences home builds value in your business.

If the time has past where a person (including you) can realistically spend a long period away from the family business, there are still several options for this "off the farm" experience. For example, you might swap an employee with another business for a period of time, work elsewhere in the off-season, take a sabbatical, or pursue off-site leadership and management training. The skills and off-site experience build value in the business, while the higher levels of confidence and credibility confirm your investment.

### **Planting Generosity**

#### **By John Stanley**

"Remember, it's all about your soil." That's ringing in the back of my mind as the seed catalogs started arriving last month. We pore over them, making lists and reading about new varieties of fruit and vegetables to plant in the gardens at home and at the farm. There are some tried and true seed varieties that we return to every year, like tomatoes and peppers. And then there are some that we always experiment with, such as pumpkins and squash. What we have learned through experimenting is that good seeds are very important.....but do I need to amend my soil?

Like good seeds, we see our charitable gifts and volunteering as something valuable. We plant these seeds in the lives of others through organizations we believe in. And when we plant these acts of generosity, we hope we are planting in good soil.

There are three qualities of a great recipient of our generosity that can never be compromised: leadership, leadership, leadership. A beautiful facility, compelling plan, or beautiful brochures all pale in comparison to effective staff and board leadership. When we plant in the good soil of a well-led, healthy organization, we can be confident that the harvest will be plenty.

I'm curious, is a "soil test" in order for the charities that receive your acts of generosity? Are the leaders accessible and do you know and trust them? And finally, do they match your Generosity Gameplan?

# Faith and Family Business: Listening for Wisdom

By Dr. Bill Long

The Book of Proverbs is convinced that wisdom is the most important possession in the world—more valuable than gold and silver (16:16). But what is it? And, how do we obtain it and use it well? The questions are easy to frame but harder to answer.

Using 21<sup>st</sup> century language, Biblical wisdom is both a *process* and a *product*. That is, there is a way *to go* about getting it and a way *to identify it* when you get it. According to Proverbs, wisdom results from a *lifelong* diligent quest: "if you look for it as for silver and search for it as for hidden treasure, then you will...find the knowledge of God. For the Lord gives wisdom" (2:4-6). Perhaps the most important companion on your wisdom quest is *listening*. Sounds simple, but those who listen well are few. Proverbs stresses the centrality of listening—to God, to instruction, to others, to life. Proverbs says: "Wisdom calls aloud in the street" (1:20). Will we hear it in our families? In our family businesses?

But Biblical wisdom is also a *product*, that is, something that can ultimately be crystallized in insights and practiced in action. The wise person will know how to *say* the right thing and *live* the way of justice. Wisdom brings with it two hugely important concepts: *understanding* and *discretion* (2:9,11). Wisdom engages both thought and action, ideas and living. We need this kind of wisdom, as individuals, families and family businesses.

