



Woodbury: Farm Family Business

Time for Your Systems Upgrade?

Lance Woodbury DTN Farm Business Adviser

Fri Sep 4, 2015 07:01 AM CDT

Although agriculture has been practiced for thousands of years, only in the last few decades have a significant number of large-scale production operations emerged. To cope with the changes brought about by recent growth, many farming and ranching businesses are trying to become more professional in their approach, while at the same time implementing new forms of decision-making that involve multiple siblings, cousins or even non-family members.

New approaches to business management -- what I consider "system upgrades" -- include human resource policies and strategies, access to capital, risk management tools, establishing a board, technology platforms and accounting systems. But often overlooked in this process of system upgrades is a "personal upgrade" to take your skills to the next level. Consider the following in your own development.

SELF-AWARENESS

Awareness of how effectively you interact with others is a key to your success. Whether hiring and managing people, working with land owners and neighbors, providing leadership in the community, negotiating with vendors, or governing the business with family members, how people see you has a direct connection to your effectiveness. For example, one family member I know is perceived as a difficult boss with poor listening skills, and his reputation limits the level of interest by prospective local employees. Another business owner is seen as humble, hardworking and attentive to detail. He is continually asked to farm more ground as his neighbors retire.

If you were to ask your staff what they see as your strengths and weaknesses, what would they say? If you asked your family members to identify the one skill you should most improve, do you know what that skill is? How would the vendors you negotiate with describe you to their colleagues? Most importantly, is the answer to these questions the answer you want? Being aware of your strengths and weaknesses can motivate you build on your assets while managing your negative impact.

VISION

Another important skill, particularly in tighter economic times, is a sense of where you want to go, both personally and with your business. What does success look like three or five years from now? Less debt? Increased profitability? Better work-life balance? More or less land or livestock? More family in the business? More diversification of assets? Answers to these kinds of questions provide a foundation for goal-setting and can lead to a better business.

There are varying ways to build your vision-generating capacity. Interacting with other successful business owners through mentoring or peer group relationships gives you a sense of how other people have approached the future, and what might or might not work for you. Conferences and educational workshops, both inside and outside of the agriculture industry, can spur creative thinking. And focused discussions with your trusted advisers, who see how other businesses approach the future, can prod you to develop a clearer picture of what you want.

ORGANIZATION

You may have the greatest ideas in the world, but without some system to identify and take the next immediate steps, it will be difficult to make progress. A system to organize your efforts can take many forms. It can be a person who implements your ideas, like an administrative assistant or an operations manager. It can be an accountability partner, like an advisory board or executive coach that forces you to outline and take specific actions. Or it might be a self-led planning process that offers a useful framework and thus provides

clarity and direction. Whatever the tool, you need to feel accountable to crossing action steps off the list; otherwise, your great ideas will never move beyond the conceptual stage.

Knowing your strengths and weaknesses is critical to your effectiveness. Having a vision for where you want to go helps establish your path forward. Organizing your efforts ensures you make progress. You likely had some combination of these skills that got you to where you are today, but an investment in upgrades will help you reach the next level of success in your family business.

EDITOR'S NOTE: To further your management education, consider applying for a DTN scholarship to attend TEPAP, the mid-career management course for agricultural producers modeled after a Harvard Business School short course <http://tepap.tamu.edu>

Lance Woodbury writes family business columns for both DTN and our sister publication, "The Progressive Farmer." He is a Garden City, Kansas, author, consultant and professional mediator with more than 20 years experience specializing in agriculture and closely-held businesses. Subscribers can access all of his archived columns under News search. Email ideas for this column to Lance@agprogress.com

(MZT/CZ)

© Copyright 2015 DTN/The Progressive Farmer. All rights reserved.

© Copyright 2015 DTN/The Progressive Farmer. All rights reserved