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Farm Family Business

Beyond the Dollars

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: Making money is important, but it isn't always the most important: The chance to work with family members, the sense of satisfaction in growing a crop or raising an animal, or the opportunity to grow and pass on a legacy are seen as equally valid indicators of success. (DTN file photo)

One of the reasons I enjoy working with closely held agriculture businesses is that many families take a holistic view of success. Making money is important, but it isn't always the most important: the chance to work with and influence family members, the sense of satisfaction in growing a crop or raising an animal, or the opportunity to grow and pass on a legacy are seen as equally valid indicators of success. In this spirit of a more rounded view of achievement, consider the following dual goals:

PROFITABLE AND PURPOSEFUL

Profits are clearly needed to sustain an enterprise, and with current commodity and livestock markets, profitability is no easy feat. Meeting your current cash needs to satisfy lenders, vendors and family living expenses increases your sense that you are pleased with your current circumstances. Profits provide, in a word, happiness.

Happiness, though, is an emotion often tied primarily to the satisfaction of present needs. In the last few years, researchers and authors in the field of positive psychology have explored people's associations with happiness. One result is that "meaning," or a sense of purpose, are greater contributors to long-term well-being than just feeling happy. And as I think about family businesses I know, many that are successful do indeed see a greater purpose, or can connect a certain meaning, to their business endeavors. While a public company might say they exist to provide value to shareholders, a family company might more readily add several other reasons beyond shareholder value. Feeding the world, improving the land, or contributing to the community are examples of such meaning.

The next time your family is together, talk about the reasons you choose to be in business together. My hunch is that making money is only one of several reasons, and those other reasons create a strong desire to stay together even during

the tough times.

EMPLOYED AND ENGAGED

In a recent Progressive Farmer column, I describe the idea that having adult children return to the business is only a surface-level indicator of success. If children return but are miserable, if they view the work as "only a job," or they never achieve a sense of satisfaction from their work, how successful is the multi-generational family business? Lots of family members may give the appearance of a flourishing enterprise, but under the surface, a lack of engagement suggests a nagging sense of failure.

The more complete notion of successful generational involvement includes family members who are engaged in their work. Engagement means they have an understanding of their unique contribution to the organization. They see, and are motivated by, the difference they make in the operation. They approach their role with enthusiasm despite the required hard work. And they participate in making the business a good place to work. In short, they see their employment opportunity as a career or vocation and their overall contribution is positive.

To gauge your family employment success, consider your family members' perspective on their work: Do you sense that they are truly engaged?

CALCULATED AND CARING

Operating a successful agriculture business in today's complex and fast-changing environment requires strategic thinking. Nowhere is this sense of strategy more important than in your approach to attracting, motivating and retaining staff. The difficulty in finding qualified help in rural communities affects almost every family business with which I'm familiar. Being intentional and calculating in your approach to working with people is a basic requirement.

For all the necessary strategy, however, your care for others is a deeply attractive quality to most employees. Many business owners treat their staff as if they are family members by getting to know their families, helping them through difficult circumstances, providing great fringe benefits and offering flexibility in work arrangements. When these gestures come from a true sense of care, the recipient is genuinely grateful, and, in my observation, the reciprocal commitment by the employee is stronger than if motivational and benefit strategies are approached as a transaction or quid-pro-quo.

Consider your approach to people. Do you come at the relationship with staff from both your heart and your head? What evidence demonstrates that your employees know just how much you care about them?

While the additional dimensions of success listed here may be hard to quantify, I see such elements time and time again in family businesses that radiate triumph at a deeper level. Consider evaluating each component, and develop others for discussion, at your next business meeting among family members. The discussion will generate some good ideas on how your family business defines success.

To comment on this topic, see the Minding Ag's Business blog at <https://www.dtnpf.com/...>

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EDITOR'S NOTE: Lance Woodbury writes family business columns for both DTN and our sister magazine, "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. Email questions for this column to Lance@agprogress.com. Find all of DTN farm business columnists online at <https://www.dtnpf.com/...>

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