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Families deal with many complex issues as they manage a farm business. Besides changing markets, technologies and farm programs, families deal with different generational perspectives, issues of gender, and bringing in different perspectives through marriage. This publication doesn't address these complex issues of management; it rather takes a more simple approach toward thinking of your family as serving on a management team.

To help you think about management, please consider the metaphor of a bus which has been used by Jim Collins in his book *Good to Great*. You can think about your business as a bus filled with family members and possibly non-family employees. A crucial management decision is who gets on and off the bus. This is a decision about who gets to work and participate in the family business. A second management decision is where individuals sit in the bus - what are their roles and responsibilities in the business.

Another author who is useful in thinking about your farm management team is Ernesto Sirolli who wrote *Ripples from the Zambezi*. Sirolli identifies three functions within a successful business – production, marketing and financial management. He emphasizes delegating someone to each core function based upon their passion. It is unlikely one person will have the passion to excel in all three activities. Hence it becomes important to develop a management team and make sure each person is sitting in the right seat in your bus.

Just as passion is important in determining who does what in your farm business, recognizing individual strengths and weaknesses is another key to successful management. Marcus Buckingham and Donald O. Clifton, based on the research involving two million interviews, write in *Now, Discover Your Strengths* that your business “must not only accommodate the fact that each employee is different, it must capitalize on these differences.” They recommend building on the strengths of the individuals in your business and managing around their weaknesses.

The following management charts identify the three core functions - production, marketing and financial management - within your farm management team. The first chart provides an example of how you might use this planning tool. This next planning chart is empty, so together with your management team, you can fill it out as you identify the passions, strengths and weaknesses with team members.

Family Farm Business Management Chart (Example)

There are three core functions in farm management: production, marketing and financial management. As the owner, your challenge is to build a management team that performs well in each of these areas. In the boxes below, identify specific tasks that can be delegated to family members in each of these three core functions of your farm business. As you assign these areas of responsibility, build on the strengths and passions of individuals. If you still have management gaps in your business, find employees or advisors to fill out your management team.

Production

Who has a passion and the individual strengths to do this well?

Bob

Mechanical maintenance
 Keeping service records and schedules
 On-farm repairs
 Negotiations with repair businesses

Sue

Livestock health & reproduction
 Grazing and feeding operations
 Monitor health & vet communications
 Make breeding decisions
 Keep livestock records

Steve

Crop management and records
 Plan crop rotations
 Make fertility, weed control and harvesting decisions
 Coordinate field operations

Marketing

Who has a passion and the individual strengths to do this well?

Sue

Direct beef sales to farm customers
 Work with a local locker with processing
 Coordinate beef promotions
 Customer services

Sue

Cattle sales - Sue works with Bill at the feedlot to develop a marketing plan for cattle that are finished in the feedlot

Steve

Crop sales - Steve works with Craig at the local co-op to develop a market plan for grain sales

Financial Management

Who has a passion and the individual strengths to do this well?

Julie

Bookkeeping records for farm
 Julie communicates directly with Hank, KFMA economist
 Everyone tries to meet with Hank when he does a farm visit

Sarah

Julie and Bill work with Sarah, our family financial advisor, with retirement planning and creation of a college saving plan for Heather and Jake

Julie and Bill

Estate planning - talk with the family about their plans to pass on the farm. They work with our attorney, KFMA economist and financial advisor to develop an estate plan.

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Production

Who has a passion and the individual strengths to do this well?

Marketing

Who has a passion and the individual strengths to do this well?

Financial Management

Who has a passion and the individual strengths to do this well?

References

Buckingham, Marcus and Donald O. Clifton. 2001. *Now, Discover Your Strengths*. The Free Press. New York, New York.

Collins, Jim. 2001. *Good to Great: Why Some Companies Make the Leap and Others Don't*. HarperCollins Publishers. New York, New York.

Sirolli, Ernesto. 1999. *Ripples from the Zambezi*. New Society Publishers. Gabriola Island, British Columbia.

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The Kansas Rural Center is a private, nonprofit organization that promotes the long-term health of the land and its people through education, research and advocacy. The Kansas Rural Center cultivates grassroots support for public policies that encourage family farming and stewardship of the soil and water. The Rural Center is committed to economically viable, environmentally sound, and socially sustainable rural culture. For more information, contact the Kansas Rural Center at P.O. Box 133, Whiting, Kansas 66552 or (785) 873-3431.