

“Shape up or Ship Out”

With balance date for most of my clients now a good two months past, we're looking at Financial Accounts and leading annual reviews to evaluate last season and assess what lies ahead. For over 10 years now, we have been running these for our clients as an Annual General Meeting attended by accountants, financiers and consultants. These meetings have proven an invaluable sounding board for each business.

I'm always encouraged by the collective creativity that results from a multi-disciplined discussion. I'm firmly convinced that if farmers aren't getting their professionals together at least once a year, they're not going to get the best value from them.

The synergy comes from combining the different disciplines. As a consultant I'm privileged to hear the professional opinions of a number of accountants and financiers on similar issues. That enables me to take ideas from situation to situation and to challenge other professionals and ensure everyone is delivering to potential.

Releasing Potential

But that's not the only strategy to unlock potential. There's a real gold mine in lifting performance – especially for those who operate in the top 75% to 90% performance group. Often this reflects lack of knowledge, analysis, organisation and planning.

This 'hit home' to one of my clients recently when at an annual review, it was pointed out that if he were to lift his performance to nearer the top 10% group, his 70,000 kgs MS, 235 cow operation could increase its profit by \$120,000 and grow in value by \$440,000.

Often I'll find farmers with a conservative view on the environmental impact of Nitrogen, limited knowledge of feed budgeting and a generally reserved approach to herd management and genetics. They apply all the enthusiasm and energy required for top physical management but haven't come to grips with the technologies available in the field.

I've found some practical and simple advice on farm policies can make a huge difference. Getting the timing right or a word of advice to build confidence can make all the difference.

The Consequences

What's evident is that these operators really have to move up or move out. The benchmarks for sustainability are getting more and more demanding.

The average age of farmers well into the 50's means that changes in skill sets and attitude are more difficult to achieve. Often the right approach is to employ the skills and technologies required. Perhaps many of these operators could best make progress by joint venturing or sharefarming with a “top 10%” operator who may take the extra profit for the privilege but would still add value to the farm – not a bad combination!

Identifying Opportunity

Experience has shown me that getting the professional team together unleashes opportunity in the most unlikely circumstances. But it does require professionals who are open to teamwork rather than preciously guarding their area of expertise. Sadly, I can report there are some professionals similar to the middle group of farmers – sleepwalking through their professional life. Make sure you are getting top advice or a move forward will be very difficult to achieve. I've seen so many examples where top advice has fast tracked the business and mediocre advice has held the business back.

In both good times and not so good, get information on time, get the team together and take a good practical look at the strengths and weaknesses of the business. The time for anything else is fast running out

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THE LONELINESS OF LEADERSHIP

As we move into a downward trend for farm returns, your effectiveness as a leader will dictate progress or plateau for your businesses. Being in the hot seat brings out the best in some and magnifies the limitations of others. Finances, weather, seasonal workloads and staff management can make life tough at the top. It can certainly be lonely so self-management and perspective are critical to success.

As a consultant I get a close up view of various styles. Some choose to make obvious all of the emotion and stress associated with leadership. They don't need to say how they're feeling – you pick up the vibes by their manner and tone. This "Misery Bags" style is self centred, destructive and a hand brake on the business and its people.

Contrast this with those who are proactive and positive. Faced with the same set of circumstances these leaders focus on their areas of control – the things they *can* change. They accept you can't change the weather but you can change your management. You can't change the milk price but you can cut your costs. You can't change people but you can challenge, empower or discipline them to get results that everyone can be proud of.

Perhaps the difference is acceptance of reality. I think it's well summed up in the first paragraph of Scott Peck's book "***The Road Less Travelled***" This very worthwhile read begins – "***Life is difficult!***"

There's no explanation, excuses or comment. It's as simple as that. Acknowledging that fact seems to make the rest more manageable. I believe that's what the positive have done and what the misery bags have yet to do. Thriving on rather than avoiding challenge is what results. So what can you do to thrive in leadership? There's a lot to work on but I suggest two key areas:

Self-Management

A basic challenge for all human beings is to accept that our response to difficulties dictates our success – it's all about how we choose to react. This contrasts with the mindset some operate with that seems to imply the world owes them a living. Harnessing opportunity this way is all about getting outside your comfort zone and dealing with issues and welcoming the challenge.

Our personality styles can make some tasks seem daunting. If you are a peacemaker then resolving conflict or disciplinary discussions with staff may seem too hard. If your action oriented your drive for autonomy will make doing your budgets something you'd rather avoid. Recognise the limitations of your personality and behaviour patterns and don't let them be a limiting factor!

This proactive style of leadership is all about putting your immediate needs on hold and modifying your behaviour to move a situation forward. It means encouraging others, expecting the unexpected and dealing with issues without destroying relationships.

Such a role is draining and demanding. If your day constantly involves this type of pressure you need to re-evaluate your role. Perhaps your plan (if there is one!) is unsound. Perhaps your skills or capital structure are not right. Perhaps it's time to get some help to improve the balance for the sake of your profits, health, relationships and sustainability.

Make sure you get the best support outside the business and doing your homework. Up to date information and communication with your professional team will be a key resource. This will ensure you are being realistic and using all available ideas. Keep the balance between work and play so life is enjoyable and in perspective.

Communicating Confidence

The second key ingredient is convincing others that your plan can work. This means rising above the self-doubt and negativity to encourage others through affirmation and enthusiasm.

This needs to go further than simply 'lip service'. It means more than just saying the right things. It must translate to doing the right things. Leaders who constantly talk as if they are on the verge of failure are like airline pilots announcing an anticipated crash. That's hardly a way to keep the passengers and crew focused. Sure you'll have concerns and doubts - but passing them on to your team in the hope that fear will bring better performance is a destructive strategy. It will only promote desertion.

The key is open and regular communication. There's no better technique than asking your staff for help and telling them what they can do to make a difference. Too often I find team leaders haven't asked their team for help and yet they still complain their people are not contributing.

I have the privilege of working for some dynamic leaders. Being in their company can be like touching the electric fence. There's a charge of energy and optimism from the time we meet. They live in no different world to you and me - the one thing they have mastered is their attitude, their response and therefore their leadership.

Without goals, vision and a supportive team the pressures on you can seem insurmountable. Understanding yourself and communicating confidence will mean as leader you can turn negative to positive, turn apprehension to profit.

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