Dairy Farm Business Success in Turbulent Times

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Farm Business Success in Turbulent Times

What is the greatest change in how you lead and manage as a result of the increased variability? The answer = increased urgency

“The $64,000 Question”: How do we create a sense of urgency without hurting farm culture, motivation, productivity, and job satisfaction? The answer = Positive urgency

**Negative and Positive Urgency**

<table>
<thead>
<tr>
<th>Negative Urgency</th>
<th>Positive Urgency</th>
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</thead>
<tbody>
<tr>
<td>Pervasive, insidious but not true urgency.</td>
<td>Rare but powerful, even necessary.</td>
</tr>
<tr>
<td>Created by failures and short-term problems</td>
<td><em>Focused determination on critical issues</em></td>
</tr>
<tr>
<td>“What a mess this is.”</td>
<td>“<em>Great opportunities and hazards are everywhere.</em>”</td>
</tr>
<tr>
<td>Leadership has short term focus.</td>
<td>Emanates from leadership; Make progress on critical issues each day.</td>
</tr>
<tr>
<td>Workforce is feeling lethargic, disinterested and/or sad. Everyone is anxious, stressed and often angry; blaming is common.</td>
<td>The workforce is feeling the energy, vitality, and sense of well-being from having their <em>autonomy, relatedness and competence</em>.</td>
</tr>
<tr>
<td>Frenetic activity, people are running around “like chickens with their heads cut off.”</td>
<td><em>Urgently focused on important activities</em>; fast moving, externally focused decision; relentless purging of the irrelevant.</td>
</tr>
<tr>
<td>We are in trouble; <strong>do more and more with less and less.</strong></td>
<td>We will overcome; <strong>do more of what is important and less of what is unimportant.</strong></td>
</tr>
<tr>
<td>Change is viewed as a loss creating more stress.</td>
<td>Change tends to be viewed as an opportunity.</td>
</tr>
<tr>
<td>Change is viewed as an event.</td>
<td>Change is viewed as continuous.</td>
</tr>
</tbody>
</table>

1 Adapted from *A Sense of Urgency* by John P. Kotter
The Required Mindset Changes

**Key #1: Leadership**

Great leaders rally people to a better future (Marcus Buckingham)

Different from management – our traditional focus

<table>
<thead>
<tr>
<th>Management</th>
<th>Leadership</th>
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<tbody>
<tr>
<td>Great managers excel at turning one person’s talents into perfection</td>
<td>Great leaders rally people to a better future</td>
</tr>
<tr>
<td>Management is efficiency in climbing the ladder</td>
<td>Leadership determines whether the ladder is leaning against the right wall</td>
</tr>
</tbody>
</table>

The chief executive role has more leadership and relatively less management than the operations manager role

Leadership: Workforce leadership beginning with vision and farm business leadership to continually define a winning strategy

**Key #2: View change as opportunity**

Research verifies that we follow one of two patterns of behavior following any change in our personal or work life

– change as loss
– change as opportunity

Which pattern of response to change – loss or opportunity – is more likely in our agrarian culture?

**Change as loss**

Which pattern of response to change – loss or opportunity – is more needed in turbulent times?

**Change as opportunity**
Key #3 - Focus on what is Important

A Compelling Vision for the Farm Business

- Significant purpose: This is your purpose. This is WHY you do what you do. This clarifies from your customer’s viewpoint the business you are in. For example Disney is in the happiness business; not the theme park business.
- A picture of the future. This is the mental image of what you are seeking to create. John F. Kennedy’s “to place a man on the moon by the end of the 1960s and bring him home safely” was a great example of a picture of the future. The problem for the space program has been the lack of a vision and, thus, progress has been slow and frustrating since accomplishing the picture of the future.
- Clear values. The values provide guidance on how everyone in the organization will behave every day on the journey to the compelling vision and achieving the picture of the future.

A winning strategy: For decades, strategy development – often referred to as a strategic plan – has been an annual event. In today’s turbulent world strategy must be an ever evolving direction for the business. It is crucial that at least one owner have strategy as his or her highest priority. I often say “one owner must role out of bed in the morning thinking about the future of the business.” The crops, etc. can wait.

Business goals and employee performance expectations developed to implement the strategy and fulfill the compelling vision. Leaders and managers continually communicate the vision and implement the strategy. This requires an effective goal setting process and a performance management system based on the vision and the strategy.
# Compelling Vision Worksheet – Draft Statement

## Significant Purpose

[Blank space for significant purpose]

## Picture of the Future

[Blank space for picture of the future]

## Values:

- [Blank space for value 1]
- [Blank space for value 2]
- [Blank space for value 3]
Avoiding Being Blindsided

Blindsided

- Being adversely impacted because a competitor (including new entrants) recognized and/or responded more quickly to change.
- Avoid by understanding the business environment.
- The chief executive must have an external focus

<table>
<thead>
<tr>
<th>Economic/Social/ Political/ Technological Change</th>
<th>List the top 3 external factors that will impact agriculture and beef in the next decade and beyond</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Developing country beef production and consumption</td>
<td>2.</td>
</tr>
<tr>
<td>3. Consumer attitudes and preferences</td>
<td>3.</td>
</tr>
<tr>
<td>4. US population demographics</td>
<td></td>
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<tr>
<td>5. Sustainability – global warming</td>
<td></td>
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<tr>
<td>6. Food safety and security</td>
<td></td>
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<tr>
<td>7. Global warming &amp; energy policy</td>
<td></td>
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<tr>
<td>8. Environmental policies – water, air</td>
<td></td>
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<tr>
<td>9. The changing Workforce and immigration policy</td>
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<tr>
<td>10. The debt of the United States and other countries</td>
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<tr>
<td>11. Neighbor and local community attitudes and regulations</td>
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<tr>
<td>12. Information and communications technology</td>
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<tr>
<td>13. Availability of water</td>
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A great strategy is the synergistic intersection of:

- The unique and specific business direction of the business
- The resources – physical and human – available to the business
- The available markets for the business’ products and services
Key #4 - The Workforce is Committed to And Engaged in Farm Success

The following three human resource strategies are critical to positive urgency and are probably a must to have employees with extraordinary job satisfaction and superior productivity:

1. Work must have meaning for each workforce member. This requires shared vision, recognition that everyone is important, encouragement, and positive feedback. Every employee must answer “yes” to two questions:
   a. Am I safe?
   b. Do I feel valued?
2. Everyone must “have a seat at the table” meaning their ideas are encouraged, expected, and seriously considered.
3. Every workforce member is committed to personal growth to learn more about themselves, others, the business, the industry, and their specialty.

The Four Keys to Positive Urgency

Mindset Change
Key #1: Leadership
Key #2: View change as opportunity

Implementing Positive Urgency
Key #3 - Focus on what is Important
Key #4 - The Workforce is Committed to and Engaged in Farm Success
Dr. Bob Milligan’s Reading List


<table>
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<tr>
<th>Topic</th>
<th>Key Insight</th>
<th>Next Step</th>
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