

Transferring Business Management Skills

Canadian Farm Business Management
Council

Conference on Family Farm Succession

Winnipeg, MB

May 10, 2002



Outline

- Transferring management
- Change & transition
- Managing risk - integration
- Decision making
- Advisor's role
- Successful managers



WANTED

A successor to the family farm

No specific skills needed. Must be related to the owner by blood (or marriage, if you meet approval of owner). Hours are set by owner and not negotiable. Must be willing to sacrifice evenings, weekends and holidays for job. Pay, if any, has no relation to job skills or ability. Will be under constant supervision of owner. Will not be expected or allowed to make important decisions. No vacations for five years. Must be willing to talk business (always). Clean, outdoor working environment (maybe).

Applications taken by the cranky-looking gentleman at the end of the kitchen table.



WANTED

ASSISTANT FARM MANAGER

- Responsible for learning to manage and develop the family farm business. Will focus on the grain operation and the financial management of the farm in cooperation with the owner. Will contribute to overall farm operating plan by researching and planning cropping strategy and marketing opportunities. Will use farm records and financial information to contribute to the overall farm plan. Will assist with scheduling and completing all daily farm work.
- Skills required include willingness to learn, ability to work in cooperation with others, ability to work as part of a team with other family members and employees, desire to be responsible for the overall management of a farm business and strong communication skills.



WANTED . . .

ASSISTANT FARM MANAGER cont. . .

- Salary and benefits including profit sharing comensurate with skills and experience.
- This position is the first step in managerial training. Responsibilities will change and increase over time as proficiency is demonstrated in this research and planning.
- Resumes by e-mail to:
general.manager@progressivefarms.com



Transferring Management

- Necessary for scale of operations
- Minimize wrecks
- PROCESS not event
- Succession = continuation
- Respect?
- Covey?

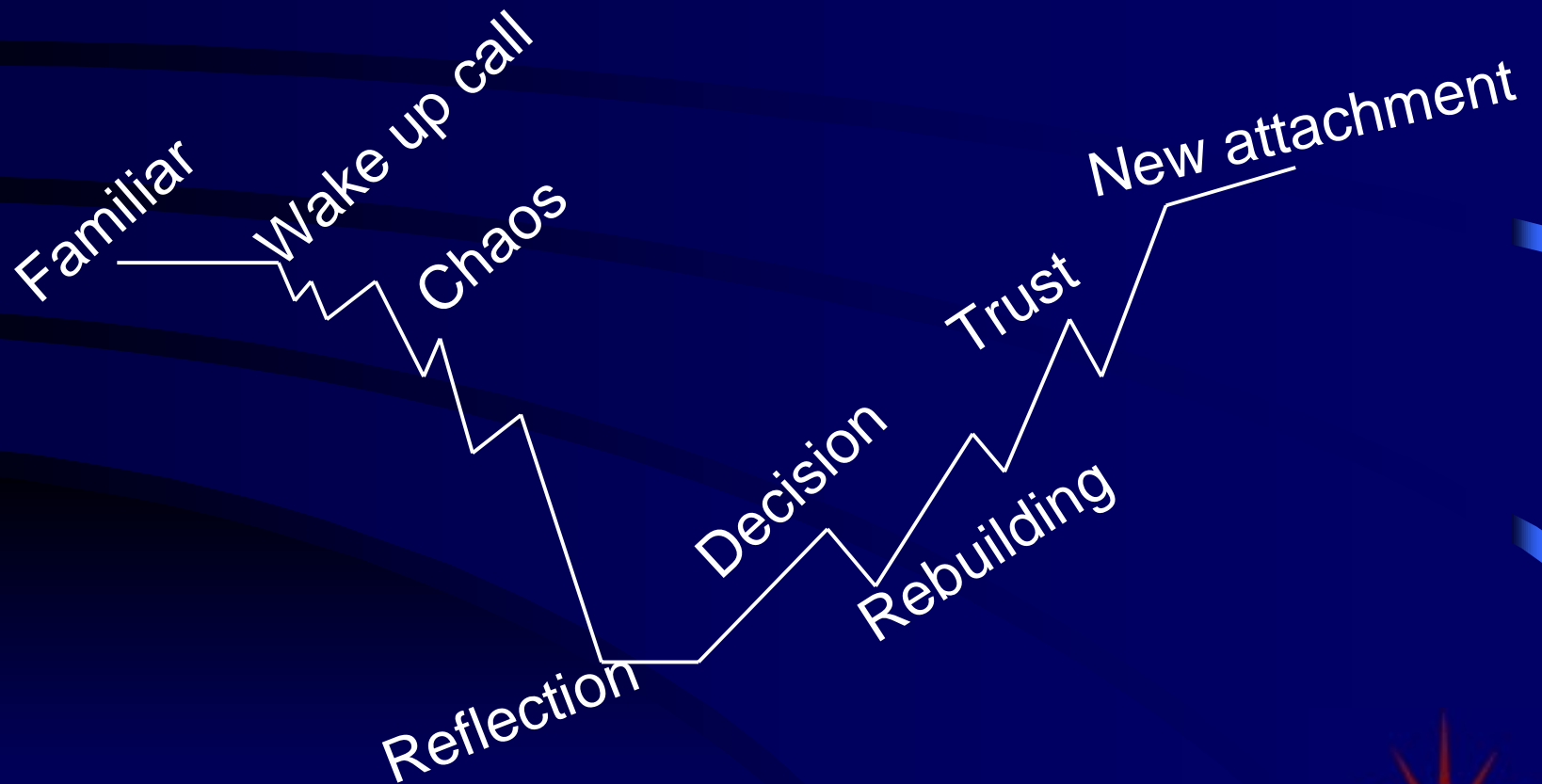


Change & Transition

- Eckes:
 - negative 70%
 - neutral 25%
 - additive 5%



David Irvine's transition model



Managing Risk - Integration

- Management start - protected areas
- Older risks capital
- Younger risks future
- Evolution of responsibilities
- Managing risks - 10% margins



Decision Making Processes

- Communication & culture
- Styles of decision making
- Skill (H.R.) assessment



Advisor's Role

- Catalyst
- Independent accountability
- Assessing communication
- Identifying goals
- Assessing skill needs
- Establishing business processes
- Benchmarks & milestones



Successful managers

- Proactive - have choices
- Know why - goals
- Anticipate change
- Network
- Resource managers not producers
- Do what NEEDS to be done

