



Ranching For Profit

Healthy Land, Happy Families & Profitable Businesses

Touchy Feely Mumbo Jumbo?

Mission statements have become sort of a new age management mantra. We see them everywhere. And when companies like Enron talk about things like “respect, integrity, communication and excellence” they can ring pretty hollow. But just because some companies talk the talk and fail to walk the walk doesn’t mean that identifying your business’s core purpose isn’t important.

Why is this so critical and what good does it do for a business to have and work to fulfill a mission statement? Research shows it increases profit. How can words on a page increase profit? First, the statement has to be more than words. It has to have real meaning to the people working in your business.

As important as profit is to business, people are not motivated by money. In fact, money is a negative motivator. Underpay someone and they’ll be upset. Pay someone more than they’re worth and you won’t get more or better work from them. Stan Parsons once told me, you can buy someone’s hands, but you can’t buy their heart and that’s where their loyalty lies, nor can you buy their mind, and that’s where their creativity originates.

So how do you earn loyalty and unleash creativity? Recognition, assigning responsibility and delegating authority are big pieces of this picture. In fact that’s why a monetary bonus program can be effective. It isn’t the bonus that motivates people as much as the recognition of achievement that the bonus implies. Another huge piece of the motivation puzzle is purpose. People want to work toward something bigger than themselves and bigger than you. Employees don’t go to work each day because they want to make their boss rich. They go to work because they need a paycheck. But they show up on time, do quality work enthusiastically, come up with ideas to improve their own performance and stay until the job is done, when they believe in the purpose behind their work. People aren’t motivated by money to reach for the stars. They are motivated to reach for the stars, because the stars excite them. The passion this creates is key to keeping energy high when times get tough.

Economics is the heart of a business. But a business without purpose doesn’t have a soul. A sustainable business has to have a heart, but it’s also got to have a soul.

ProfitPoints

The preceding article is one in a new series of bi-weekly e-mail messages I’ll be sending Ranching For Profit School alumni called *ProfitPoints*. The articles and stories will be short (one page or less) and are intended to keep RFP principles fresh in your mind. If you are already receiving the newsletter on-line you should automatically start receiving *ProfitPoints* soon. If you receive your newsletter in the mail, as opposed to e-mail, and would like to receive *ProfitPoints*, please contact us to make sure we have your e-mail address. Your

computer's spam blocker may prevent you from receiving these e-mails. In order to permit *ProfitPoints* through your spam blocker we suggest you add our E-mail address rmc@ranchmanagement.com to your address book or safe Email list. Contact our office by phone or E-mail if you haven't received the first *ProfitPoints* E-mail by the end of May and we will be happy to help troubleshoot the problem.

Making It Safe To Talk About Anything

I've been so impressed with the recent New York Times best seller, *Crucial Conversations* that as soon as I finished reading it I enrolled in their hands on (ear's open?) 2-day training and am purchasing copies of the book for all of our EL members. The book and course offer practical suggestions to help people discuss nearly anything with the people you care about.

The authors define a "*crucial conversation*" as one in which people's opinions vary, the stakes are high and emotions run strong. Humans aren't designed well to hold effective conversations under these conditions. When things get emotional our adrenal glands start pumping adrenalin into the blood stream. Our brain diverts blood from activities it deems non-essential (like thinking) to higher priority tasks like fighting or fleeing. Our arms and legs get more blood and the higher-level reasoning sections of our brain get less. The result: when the conversation matters the most, we often do our worst.

When things get emotional some people respond with what the authors call "*silence*". We may mask our true feelings, avoid sensitive subjects altogether or completely stop communicating. Sometimes we respond with "*violence*" trying to control the conversation, putting a label on someone else's idea to make it easier to dismiss or verbally attacking others.

We resort to these behaviors to protect ourselves, but they only make matters worse. If you are trying to reach an agreement in an emotionally charged environment and you respond with silence, you are unlikely to have much of a voice in the outcome. Respond with violence and you may have a voice in the outcome, but the outcome is usually bad.

The authors say that we react with violence or silence (fight or flight) as defense mechanisms when we don't feel safe. The key is to make it safe to have a potentially emotionally charged conversation so that we don't get to the point where the adrenalin is pumping. The authors suggest that when you see someone responding with silence or violence, that you step back from the content of the conversation and focus on rebuilding safety.

There are two things people need in order to feel safe: Mutual Purpose and Mutual Respect.

1. Mutual Purpose

If our purpose is to blame the other person, win an argument or hide the truth, others are likely to respond with silence or violence. On the other hand, if our purpose is to achieve some common objective we've got a much better chance of success. In fact, when others see your motives as positive, they are usually willing to listen to things that can be very difficult to say and hear. When people respond to you with silence or violence take a momentary mental time out from the content of the conversation, to re-establish mutual purpose. The core questions are "*Do you care about the goals of the other people in the conversation?*" and if you do, "*Do others believe you care?*"

2. Mutual Respect

Once someone feels like they aren't respected, their purpose in the conversation changes from discussing content to defending their dignity. The disrespect doesn't have to be spoken. Rolling your eyes at someone's idea may be louder than any spoken words.

*Respect is like air.
You don't think about it until it's gone.
Once it's gone—it's all you think about.*
Crucial Conversations

The authors offer several techniques to restore mutual purpose and respect.

1. **Apologize.** If you've done or said something you shouldn't have, own up to it. Be direct and sincere. "I'm sorry you were offended by my remark." is not an apology.
2. **Use contrasting statements.** The authors suggest using what they call a "don't/do statement" to clarify your intent if there has been a misunderstanding. A don't/do statement starts by explaining what you didn't intend and ends by stating clearly what you do intend. For example, "I don't want you to think that I don't value your opinion. I think you've had excellent ideas. I do have concerns about how you are expressing your ideas."
3. **Commit to Seek a Mutual Purpose.** Stepping out of the content of a conversation to say something like "It seems like we're both trying to force our view on one another. I am committed to discussing this until we have an answer we are both happy with" can make it much safer for others in the discussion and can help move things forward.
4. **Separate "Positions" from "Interests."** A position is a statement of what we say we want. Our interest is the need it will satisfy. There is usually more than one position that will satisfy our interest, but in most conversations we never identify each other's core interest. Instead we argue about our positions. Simply asking "Why do you want that?" is a very effective way to move from discussing positions to discussing interests.
5. **Invent a Mutual Purpose.** Sometimes you'll find that the core interests are incompatible. In that case you'll have to begin at a level where you can agree. "I feel like we have to cut labor costs and you are absolutely opposed to laying off any employees, can we agree that we want to treat people fairly and run a profitable business?"

Crucial Conversations is an easy read and loaded with helpful ideas to achieve better results in conversations when the stakes and emotions run high. EL members, your books should be in your mailboxes in about 2 weeks.

School in Tulsa

The Ranching For Profit School July 24-30 in Tulsa may be just the thing to brush up and move forward. It was for Steve Oswald who repeated the school in Colorado. He wrote to me to say, "Thanks for the great week. This school is without question one of the most challenging and thought provoking experiences I've had. And sooooo much better the third time around." Whether it'll be your second or seventh time in class, we'd love to see you back. The repeat fee is still only \$100 (\$200 Can.)

You can enroll on-line by visiting our website at www.ranchingforprofit.com. If you haven't seen our web site recently you'll find a lot of good reading in the newsletters and articles section.

If you have family, friends, neighbors and colleagues that would benefit from participating in the school please tell them about it. If you benefited from the school, you'll be doing them, and us, a favor. If you give us their names and addresses we'd be delighted to send them a letter with our complete information packet and CD in the next day's mail.

UPCOMING RANCHING FOR PROFIT EVENTS

Ranching For Profit Schools <i>(It is still only \$100 (\$200 Can.) to repeat the school.)</i>	
Tulsa, OK, July 24-30, 2005	Colorado Springs, CO, Dec. 4-10, 2005

Executive Link Meetings
Joint Meeting of all four Executive Link Chapters, July18-21, 2005, Riverton, WY

KIT Days <i>(Call 707-429-2292 to RSVP)</i>
May 25, Crown Cattle Company (Mat & Jennifer Carter) Seneca OR
June 20, Arrow Land & Livestock (Terry Bucher & Bart Story), Wisdom, MT
June 21, Cirde Pi Ranch (Troy Olson) May, Idaho.

**If you would rather receive this newsletter electronically,
please e-mail us at rmc@ranchmanagement.com.**

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