

## The Business Of Farming: Education - a hollow promise?

By S.D.Parsons

About the time this article appears I will be running a short course for parents and their children on the subject of business management – a subject notable for its absence in our schools and universities. I, like millions of others, am a product, and yes even a victim, of that system. As Michael Gerber so correctly points out in his book, *The E-Myth*<sup>1</sup>, we are trained as technicians and then wonder why we fail as business people. As he says the technical work of a business and the business that does the technical work are two totally different things.

The carpenter becomes a contractor. The mechanic opens a garage. The agronomist farms. The hairdresser starts a beauty salon. The engineer goes into the semiconductor business. The accountant does other peoples' books. The doctor opens a practice. All of them believing that because they understand the technical side of the business they are qualified to run a business that does that kind of work, *and that is just not true*. The struggle, as they attempt to learn how to market, finance and manage a successful business, too often results in frustration and frequently in failure.

Our educational system has its genesis in the 18th century and the industrial revolution. Industries needed skilled and semi-skilled employees. People needed jobs and so a new era, the era of the employed technician was born, and with it our modern concept of schooling.

For people who are truly looking for employment working for others as researchers, technicians or white-collar workers the system is fine, but for those who want to be their own boss, and who seek financial independence from the rat race, our educational systems are a trap. The accountants, doctors, lawyers or engineers may earn good salaries but if they stop peddling, stop going to work each and every day, their world collapses.

Gerber puts it very bluntly. He says, "It's easy to spot the technician's business. If you removed the owner from the business there would be no business left. The owner and the business are one and the same thing. You don't own a business. You own a job." The same might be said for most farmers.

Robert Kiyosaki, whom I referred to in my last article, paints a picture of four broad options open to people today who need to earn a living – and there are few who don't.

The options are: 1. Employees who work for other people and earn wages and salaries. 2. Self-employed people (Gerber's technicians) who create jobs for themselves and are the 'system' meaning that they make the business decisions as they go along. 3. Business people who also own businesses, but the distinction between business people and the self-employed is that business people create a

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<sup>1</sup> Gerber, Michael E. 1986. *The E-Myth: why most small businesses don't work and what to do about it*. Harper Business.

system that ensures the business continues to run without them. By Kiyosaki's definition these people are able to leave for a year and return to find a bigger business than when they left. I wonder just how many of us can say that? The final category is Investors. Investors invest money in the system but are not involved in the running of that system.

Of course there are many people who choose to work for someone else as managers, scientists or clerks. For that they require a technical education and for them the current system is what they need, but there are many others who believe that a technical education is the path to independence. It is those people to whom I address my remarks. The distinction between self-employment and being a business person is subtle but the consequences can be enormous.

Interestingly the very great majority of people who own their own businesses fall into the class of the self-employed. This includes the vast majority of farmers in this country and overseas. They have created a job for themselves, but seldom run a real business in the way that Kiyosaki defines a business person. Because my business is the business of helping people shift from self-employment to the business sector I see many of these people and the problems common to self-employment.

Self-employment can be very rewarding - while things are going right - but for many, self-employment is a trap, a treadmill. This is especially so when there is a downturn in the economy, the traditional markets collapse, the interest rates rise, the next generation seeks part of the action and those other numerous factors that make one wonder why you do what you do.

There is an alternative, but that alternative is not taught in our school systems. I know. After earning a Ph.D. in the animal sciences I realised that the technical knowledge I had acquired made little sense unless it could be applied to economic advantage. Awarded a Beit Fellowship for post-doctoral research, and with the generous understanding of the trustees, I registered for a master's degree in agricultural economics at a top American university. Great degree, very rigorous and requiring a deeper understanding of mathematics than the school on the border had prepared me for, I learned a great deal, but not a single thing about how to make money in agriculture. This was another technical degree. How to run a profitable business came later in working with people world-wide who were determined to do better than they were doing.

Like so many self-employed people I learned by trial and error. Yet it need not have been so. If one thinks of education as being nothing more than accelerated experience so many errors could have been avoided. But, and this is the real but, it should have been an education and not a training as a technician. I know the arguments as well as you do; "The kids must have a training they can fall back on in case they need to get a job". I disagree. It is precisely that training that makes them fail as business people in the first place. There must be a better way.

Making a career choice at the age of 14 or even 20 is a difficult enough but where does one go for guidance on how to start and run a successful business? I am not against tertiary education. On the contrary, but I do have serious misgivings about

the kind of education we subject our children to. In my next article I will expand on that point of view and suggest alternatives.

*Stan Parsons is in the business of putting profit into small businesses. His latest book is called "If you Want To Be a Cowboy, Get a Job". Box CH 967 Chisipite. Tel/Fax 04/495532*  
e-mail: [derryfarm@zol.co.zw](mailto:derryfarm@zol.co.zw) [www.ranchmanagement.com](http://www.ranchmanagement.com)