

Ranching for Profit

Putting Profit into Agriculture

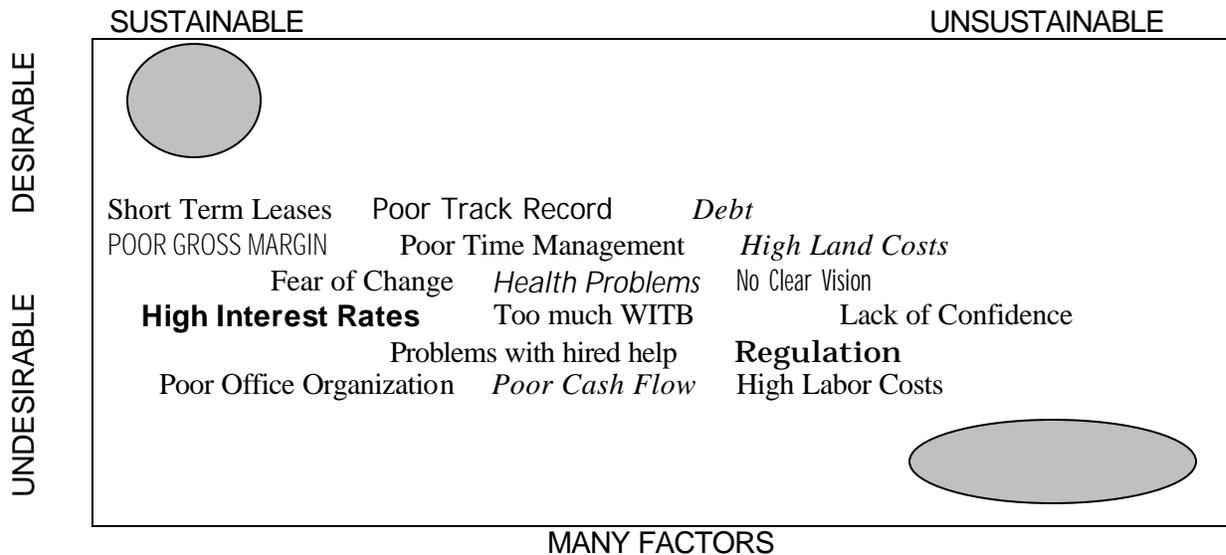
Newsletter #68

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An ad for a well known financial lending institution recently appeared in a national ranching publication. It showed Dad, Mom, and "The Kids" standing gathered around the tailgate of the pick-up truck talking about something. The caption read "the board meeting." My immediate reaction was "They've got to be kidding." While the tail-gate chat may be adequate to lay out the day's agenda (WITB) it is not a place where we can effectively tackle the strategic issues we face. This newsletter is about running effective WOTB meetings for your business.

The specifics of each person's and each family's goals may be as different as night and day, but it is probably safe to say that most of us want a desirable, sustainable business. The current state of most ranch businesses is neither desirable nor sustainable. In fact, most ranch businesses are structured to fail economically, financially and ecologically.

Standing between our current state of affairs and our goal may be several constraints. On the final morning of the school we ask participants to post all of the things that could potentially stand in the way of progressing toward their goals. Here's a sample of what they came up with at a recent school.



There are at least three reasons most ranchers seem mired in an undesirable, unsustainable state. First, most don't have a well-defined, shared goal. Without a goal most of our efforts lead us right back to where we started. Second, even if we have determined our goal, most of us face a mountain of constraints standing between the current situation and our goal. Third, we often fail to follow-through on our good ideas and intentions.

WOTB Meetings

The key to overcoming each of these obstacles is holding effective WOTB meetings. The purpose of a WOTB meeting is to define strategic business goals, develop a plan to achieve those goals and to monitor your progress.

In most family run ranch businesses WOTB meetings should be held once a month. In addressing some issues, (e.g. developing a strategic plan for the business) WOTB sessions may need to be held more frequently for a defined period.

WOTB meetings should adhere to a regular schedule. Everyone who is in a decision-making position should attend your WOTB meetings. In a small business it may be the whole staff. It is important that everyone attend every WOTB meeting. *Do not* allow operational crises or excuses to get in the way of planned meetings.

How Do You Run a WOTB Meeting?

Structure and some formal procedures are required. The owner/president should chair the meetings and always prepare a written agenda, which should be distributed ahead of time. Everyone involved in the meeting should have input on the agenda. Start and end on time. This usually means allocating time to each item on the agenda to ensure everything gets covered. Keep the number of issues discussed at each meeting short—preferably three or less. With practice you will learn approximately how much time to devote to each item on the agenda.

The first agenda item at each WOTB meeting should be to read the vision statement and goals. (If you don't have a vision statement and goals, your first WOTB meeting should be spent developing them). Read the vision statement aloud and take turns around the table. This has a powerful effect in keeping everyone focused.

Always close the meeting with the two final items on the agenda: *Worry Areas* and *Commitments*. "Worry Areas" gives everyone an opportunity to raise troublesome tactical or operational issues. Soliciting input from everyone at the meeting on these issues often brings a quick solution to the problem. Note that "Worry Areas" is at the end of the agenda so that operational details don't bog down the whole meeting.

The final agenda item is "Commitments." Each person at the meeting states what he has committed to do before the next meeting or within a given time frame. The person's name, commitment and the time frame are all recorded in the minutes of the WOTB meeting as follows:

August 10, 2000 WOTB MEETING ACTION PLAN			
PRIORITY (Imp./Urg .)	ACTIONS	Who	When
-50/7	Estate Planning Process A. Call Sue Jones and Bob Miller for attorney referrals B. Purchase Planmaker (Jonivic)	Sally Mom	9/21 9/18
-5/7	Get quotes on disability insurance	Mom	7/24
+3/8	Discuss renewing lease with Bob Smith	Dad	7/20
+5/4	Develop drought plan for discussion at 8/12	Doug	8/3

	WOTB		
+3/2	Develop Tourism proposal for discussion at 9/10 WOTB	Sally	9/2

This is your action plan for achieving your vision, or at least this month's installment of the action plan. The plan consists of four parts:

1. The action that will be taken.
2. The priority of each item
3. Who is responsible for getting the job done
4. The completion date for the task.

1. The Action

Describe in specific terms what action will be taken. If it's a big job (e.g. developing the estate plan) break it down into smaller tasks. It will be much easier to make and evaluate the progress this way.

2. Priority

Prioritize each action using a 1, 3, 5, 50 scale for importance. "1's" are not at all important. "3's" are desirable but not critical. "5's" are very important. 50's constitute major breakthroughs to achieving your goals. The rating for each number can be positive or negative. A "+50" would "make" the business, a "-50" would "break" the business. Notice that for this family the estate plan is a -50. Completing the estate plan will not guarantee success for the business. But without the estate plan, the untimely death of a key person in the business could ruin the business (-50).

Urgency is rated from 1 to 9, with "9" being extremely urgent and "1" meaning there is no rush to get the task done.

3. Who's Job Is It?

Record who is responsible for getting the job done. This isn't necessarily the person who does the job, but the person who accepts responsibility to see that the task is completed. While several people may work on the task, only one person can be accountable. Don't put your name down if you haven't accepted responsibility or if you know that you are unlikely to follow through. Putting your name on the action plan is a commitment to yourself and others that you will take the specified action.

4. Completion Date

Finally, think through the steps involved in completing the task (it is often a good idea to put them on the chart as well) and determine a reasonable completion date.

Bring the action plan to the next WOTB meeting. Each person with an assigned task should report on their progress.

WOTB is the Difference

Remember working harder an harder *in* your business won't get you further ahead unless you take time to work *on* your business. Good intentions don't go very far without the structure, discipline and accountability to get the job done.

You may have tried to hold a WOTB meeting a time or two and given up. Maybe people stopped showing up. Maybe you gave up because the same issues came up over and over, but

nothing ever got done. If this is the case, give WOTB meetings another chance. Use the format for running the meetings and developing the action plan described in this newsletter.

Be A Friend

Most *Ranching for Profit School* alumni describe the school as a valuable experience. We've modified the 2000-2001 version of the school to make it even more beneficial. In addition to beefed up sections on people, ecology and WOTB, we will be devoting more class time to working on each participant's own business. Also "new and improved" is the support program to make sure our participants are able to accomplish the things they list on their action plans.

You are our best source of new students. If you have friends, neighbors or colleagues you think would benefit from our program let them know about us. Usually the most effective approach is to describe to them how our program benefited you and your business. If you give us their names and addresses we'd be delighted to send them a letter and a brochure in the next day's mail. You'll be doing them and us a favor.