Better business sets direction for farming families

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BETTER BUSINESS SETS DIRECTION FOR FARMING FAMILIES

Helping farm families develop a common vision for their business and family life is a key building block in sustaining farm businesses and rural communities. The Better Business program is a process through which farmers can face the challenge of change, and is already providing a unique whole-of-farm, whole-of-family strategic approach to assist farm families look forward to their future. Terry Laidler report on the Better Business concept and its success to date in improving farm management.

Being told there is a new global environment out there and that you have to be prepared to cope with rapid change is not new to farmers. They hear it almost every day. They experience it in new technology, the pricing of their products, when they meet with their bank manager, when their local school closes down or when another family leaves their community.

Most farmers understand today’s changing world; most want to accept the challenge - but what they lack is a process to deal with it. Most don’t want to be farming seven days a week - they also want a life outside of the business. But how can they achieve this in an environment of rapid change, declining margins and increasing everyday stress?

Enter Better Business

Better Business is a unique management development program for agriculture producers. It uses a strategic, whole-of-farm and whole-of-family approach to plan the future direction of the business and the people in it.

Funded by the Natural Heritage Trust, Agriculture Western Australia and FarmBIS, the program has been running since July 1997. Since that time over 1,400 individuals from 650 businesses have come together in over 100 groups to take a strategic look at their businesses.

Where do they want the business to go? Do they want to stay in farming? If so, how can they build a prosperous future for the business, the people and the land? If not, what are their options if they move out of farming? These are the questions asked.

Better Business doesn’t seek to provide the answers, but rather, it provides a process through which participants can ask and answer their own questions. The program has changed
over time, although the core three days of workshops has remained. To make sure there is a common vision, the whole family is encouraged to participate in all workshops.

The first two days are usually held back to back and concentrate on what is happening in the world that will impact on the business, and getting a feel for what is the unique competitive advantage of the business. Individuals are helped to determine what direction they want to head in, and the family as a whole develops a common vision for the business and the people in it. They then develop strategies that will get them to where they want to go.

The third day is held later and concentrates on consolidating the learning and developing the outline of a written plan. Participants can then walk away with a clear direction of where they want to go. Along the way, there are opportunities to run workshops on common 'issues' that arise in the group discussions, partly funded under the FarmBIS program. Some of the main 'issues' covered to date have included family communication; financial management and benchmarking; succession planning; time management; marketing and supply chain management; and off-farm investment.

Taking a whole-of-farm approach

The farm business can be described as consisting of four key components - the 'Four Tiles'. These are natural resources (the land, water, vegetation and fauna); people (the farm family, employees and others who work in or on the business); the business (the finances and business structures); and enterprises (all the production and marketing aspects).

For the business and the family to be sustainable in the long term, all of these key components have to balance. One or more of the components can be out of balance for a short time only. If the system is not balanced in the long term, the business and perhaps even the family will fail. The key ingredient that keeps the system in balance is the management skills and entrepreneurship of the family. This is the 'grout' that keeps the four tiles in place.

Better Business

Better Business is aimed at building up the grout - increasing the management skills and entrepreneurship of participants. It seeks to help participants identify where decisions have to be made and gives them confidence and motivation to make the decision that is right for them. Better Business also links with other programs to help provide the extra information or skills required to make these decisions.

Better Business success

Recent evaluation indicates Better Business can claim some success in what it is trying to achieve. Early indications are good, in particular:

- Participants have clearly indicated that the workshops are of a high quality and are useful to their business.
There has been a shift away from focusing on single enterprise issues to greater consideration of more strategic issues.

There is now a significant increase in family communication.

A high proportion of participants either have intent to do things differently or have started to do things differently.

Some of the many positive comments from farmers have included:

"The workshops opened my mind to the bigger picture."
"It got me thinking about where I wanted to be in the future."
"Challenged my thinking into taking more control of the business."
"Better Business made me more enthusiastic about my future."
"It made me understand other family members' points of view better."

Where to from here?

Better Business' unique combination of strategic, whole-of-farm and whole-of-family features provides the capability to range across all the issues producers have to manage.

A key outcome from the project is to encourage participants to undertake further training activities that are suited to their particular needs. In fact, Better Business sees its future in linking with other extension programs either as a front-end to those programs, or as an activity that participants from other programs can use to take a whole-of-farm strategic look at their business.

This cross-linkage approach will allow farmers to move across the range of strategic (big picture, long-term) issues to more operational (detailed, day-to-day) issues.

Better Business is delivered through AGWEST Farm Business Development. Phone Freecall 1800 198 231, or E-mail agwestfbd@agric.wa.gov.au