



The 10 Best Things You Can Do For Your Business & Yourself in 2006

1. Pay Yourself a fair wage

As I discussed in the last newsletter, if you are like most farmers or ranchers you don't pay yourself or other family members a regular salary. That's a mistake and you should take steps to correct it immediately. Determine a fair salary (see the tips in the last newsletter), set up a personal bank account and start issuing regular paychecks to every family member working in the business.

2. Create Savings

You work hard for your money. Make your money work hard for you. Now that you are paying yourself a wage start a disciplined savings/investment program taking at least 10% of your annual income. A disciplined investment program will pave the way to a secure financial future. Consider the following: If you began monthly contributions to a tax deferred savings program of \$4,000/year with a modest 6% annual return on your investments, by the time you are 60 your investments would grow to \$358,925. At 7.5% they'd grow to \$486,830 and with a 10% return (closer to the long term stock market average) the value would grow to \$832,838. As a business owner there are special plans available which allow for much higher contributions. In addition to the increase in value, you may realize significant tax savings by making these contributions.

3. Take 20% of your time for WOTB

Apply the 80/20 rule (20% of the things you do produces 80% of the results) to your business. Take 8 hours a week (2 mornings) for WOTB. Why mornings? Most of us are freshest in the morning. As Stan Parsons used to say, "Prime time for prime work." If two mornings a week is too much, make it 1, but make the focus of your first WOTB session solving the problem that keeps you from being able to devote 2 mornings to WOTB.

4. Revisit Your Vision Statement & Action Plan

If you don't already have a vision statement, or haven't revisited it for a year or more, use the ICA process to create personal and business vision statements and an action plan to achieve them. The ICA process asks four questions: 1. What do you want?; 2. What constraints might you face?; 3. What strategies might overcome these constraints to achieve your vision?; and 4. What actions will you take to implement the most promising strategies? In answering this final question you'll need to ask a few more questions: What specific steps will you take to implement this action? Who is responsible for each step? When will each step be completed?

5. Hold Weekly WITB Meetings

A regular WITB meeting can go a long way toward making sure everyone stays on task and works together. Start the meeting by reviewing the accomplishments of the past week and lay

out the tasks in the week ahead. Record the tasks and the person responsible for the result. End the meeting by identifying worry areas. Keep the meeting short and focused.

6. Repeat the Ranching For Profit School

Take it from Colorado Executive Link Member Steve Oswald: *“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.).

7. Attend a personal growth/communication seminar

Our success in life or business is directly related to the success of our relationships. Most of us would rather learn how to palpate a cow than talk more effectively to one another, but improving our communication and other relationship skills may be the most important step we can take in 2006.

8. Read 6 Books

Read at least one new book every two months. Include a biography, a novel or two and a few books on management and business.

9. Take A Vacation (Going to a bull sale is not a vacation!)

Terry McCosker, my Australian counterpart, tells his Executive Link members *“You can do 12 months work in 11 months, but not in 12.”* ProfitProbe™ shows that he's right. Owners and managers of benchmark businesses (the businesses with the highest ROA) took more vacation days than operators earning lower ROA. You could argue that because they had a higher ROA they could afford to take more time off, but if you took a close look at these businesses I think you'd find that they were more efficient because they took time to recharge their batteries.

10. Give something back

It's been said that to achieve a fulfilled life we should pay attention to our physical, intellectual, emotional and spiritual well being. This last aspect of our life may be the one that makes us most distinct from other creatures. It requires that we participate in something bigger than ourselves for a good that will go beyond us and our immediate families. Identify a cause or action you'll take this year to have an impact beyond your farm or ranch.

What Will Cause Things To Change?

Sally Silvia, Executive Link Coordinator

In these hectic and stressful times, there is scant time to complete the daily to-dos, let alone time to consider the whys and wherefores. Why am I here? Why am I ranching? What am I trying to accomplish? When will I be able to retire and enjoy the fruits of this daily labor? How can I know what I should be doing or how my business should be structured? Why doesn't all my hard work seem to be paying off? Who can I turn to for advice and a different point of view? Chances are you rarely acknowledge, let alone address, these vitally important issues. You may feel frustrated, overwhelmed, uncertain and perhaps even angry. You may have attended the Ranching For Profit School and gone home with good ideas and an action plan, only to find a weeks worth of to-dos waiting for you. Your best intentions ended up in a pile on

the bookshelf along with your Ranching For Profit notebook and you are back in the same rut. How can you break the cycle and get a handle on things?

Join Executive Link.

“Networking, forward thinking, innovative, enthusiastic, practical, intense, educational, successful, optimistic, accountability, support.....a positive, like-minded, innovative group of ranchers getting together to help the land, the people and the livestock.” These are words from Executive Link members describing the Executive Link program. Established to ensure that graduates of the Ranching For Profit School are fully supported in implementing change in their businesses, Executive Link provides a highly structured, creative and confidential environment conducive to business and personal growth. Ranchers from diverse backgrounds join to form boards which meet at set times through the year to review one another’s business plans, achievements, challenges and goals. They provide honest feedback, share ideas and hold one another accountable to complete desired action plans. They push each other to dig deep and step outside their comfort zones, to look at old ideas with new eyes and to broaden their vision to embrace new ideas. They are committed to achieving their goals and to supporting one another.

Alive and well in the United States, Canada and Australia, the Executive Link program has proven time and again to be well worth the time, money and personal commitment invested. Through participation in the EL program ranchers have overcome roadblocks to profitability, discovered new avenues for development, explored different methodologies, built strong, supportive relationships and experienced great personal growth. They have learned from other ranchers and from experts in various fields through the Continuing Education portion of the program. Their businesses have become profitable and in many cases, for the first time ever, they run their businesses rather than having their businesses run them. They gain control and a new lease on life.

The Executive Link provides the format; its members define the changes that take place. We invite you to join them.

THE EL CONTINUING EDUCATION PROGRAM IS OPEN TO ALL ALUMNI

We invite you and other Ranching for Profit School alumni and their families to attend the continuing education program at our Executive Link meetings this fall. The cost of each of these programs to non-EL members is \$100 (US or CAN) and includes lunch. Call the RMC office to RSVP. Here’s the run down:

Ann Barnhardt: *Colorado EL, Colorado Springs, CO 8:30 a.m.- 1:30 p.m. Feb. 8*
Bud Williams Marketing *Alberta EL, Edmonton, AB 9:00 a.m.-1:30 p.m. Feb. 20*
High Plains EL, Billings, MT 9:00 a.m. - 1:30p.m. March 7

Ann is a commodity broker and market analyst working in Denver. In 2004 Bud Williams trained Ann to teach his popular 2-day marketing schools. Ann will discuss the principles and techniques involved in Bud’s marketing methods.

Barry Dunn:
Keys to Profitable Ranching *Far West EL, Boise, ID 9:00 a.m. - 1:30 p.m Feb. 16*
 Barry’s Family has been ranching in South Dakota since the 1880’s. Barry was Range and Livestock Production Specialist with South Dakota State University and is the Executive Director of the King Ranch Institute for Ranch Management in Texas.

<u>UPCOMING RANCHING FOR PROFIT EVENTS</u>	
<i>Ranching For Profit Schools</i> <i>It is still only \$100 US (\$200 CAN) to repeat the school.</i>	
Billings, MT, Jan. 15-21, 2006	Edmonton, AB, Jan.22-28, 2006
Winnipeg, MB, April 30-May 1, 2006	
<i>Executive Link Meetings</i>	
Colorado Chapter, Feb. 7-9, 2006, Colorado Springs, CO. CE Program: Ann Barnhardt	
Far West Chapter, Feb. 16-18, 2006, Boise, ID. CE Program: Barry Dunn	
Alberta Chapter, Feb. 20-22, 2006, Edmonton, AB. CE Program: Ann Barnhardt	
High Plains Chapter, March 7-9, 2006, Billings, MT. CE Program: Ann Barnhardt	
<i>Ranching For Profit Workshops</i>	
Montgomery City, MO. East Central Grazing Conference, 3:30 a.m.- 8:00 p.m. Feb. 23, 2006 (Topic: Ranch Profitability) RSVP: 636-456-3434 #3	

Ranch Management Consultants Inc.
 953 Linden Ave.
 Fairfield, CA 94533

We are in the business of putting profit into agriculture!

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