

THE BUSINESS OF FARMING: BUSINESS SYSTEMS

By S.D. Parsons

A joke about farmers world-wide concerns the farmer who wins the lottery. Asked what he will do with the money he replies laconically, "Oh I'll just keep on farming till the money runs out." Fortunately not all farmers in Zimbabwe fit that pattern. However, it is equally true that like many small business owners the most common business style for farmers is management by crisis. The problems that occurred yesterday so consume our activities today that we give little thought to what should be done tomorrow.

As Gerber puts it we are so busy working **IN** the business that we spend no time working **ON** the business. At a recent lunch with two ex-farmers who now operate a successful country-wide business, I was impressed by the statement that they make every effort to free themselves of the day-to-day running of the business thus giving themselves time to 'manage'. Management in this sense means developing a system that enables them to concentrate on the strategic side of business growth and development. They went on to say had they known as farmers what they know today their lives would have been very different. How true. But few small business operators are aware of how to develop a business system that enables them to work **ON** the business rather than always **in** it.

During this last week I heard about a highly qualified technician who was recently promoted to a position where he now runs a fairly large business. The job is demanding. It will require overseas travel, many local meetings and yet the company must still operate efficiently day-to-day. To stay on top of things he now works 12-hour days and most weekends. Why doesn't he delegate?

"Oh he does", said my source. "He makes sure that the people under him are fully occupied. He gives them tasks every day and even a week or more in advance."

That is not delegation. Delegating means that other people have the *authority* to make decisions about their particular part of the business. There is an enormous difference between telling people what to do and giving them the decision-making authority. Delegation is but one part of creating a system. But it is an important part in that it means, as Jethro said to his son-in-law Moses, "Create out of all the people rulers of tens and rulers of hundreds and rulers of thousands that they may help to bear the burden with thee." (Exodus 18).

Why do business owners need a system? For the simple reason that business systems free one from the business. Systems free one to do what you want to do rather than what you have to do. For some it means the freedom to do what they've been trained to do, or what they prefer to do. For one man it means the freedom to spend time working with his cattle. For another it

means the freedom from the constant worry about office work and keeping the bank manager happy. It is a different way of managing; a different way of looking at the world. Many small business owners work in order to support the business but for the businessperson with a system the business is there to support the people. We have the choice.

Most farmers in Zimbabwe use production systems. They have systems for handling the tobacco enterprise or the pig enterprise. We know that those systems make life easier, giving us the time to attend farmers' meetings or time to watch cricket. However, creating a system does not mean creating a routine. Routines may be important but alone they are not enough. Systems means having a complete programme that can be duplicated. McDonalds is a system for duplicating fast food outlets ranging from where to site the outlet to how long the french-fries stay in the oil.

Jim Winder, a young New Mexican rancher who started with very little capital, has developed a system that has enabled him to pay for and fully stock four large ranches debt free in the last eight years. The important part of his system is the way he selects and pays for those ranches, but it also includes the way the managers must operate them. It is a complete system that can be duplicated.

Systems reduce crises. An extremely high proportion of family owned businesses fail because of argument between family members. They have no system for handling management transition, and the transfer of ownership. These past few weeks several farm families concerned about family relations have spent time with me. In most cases it has been, as one recent visitor put it, "The need to make up for the mistakes I made when I started this business." Two others came because they wanted to develop a system that would enable them to avoid those same mistakes. Theirs is an example that should be followed. Unfortunately too many farmers are so busy taking care of today's problems that it is not until events reach crisis proportions that they do something about it – often too late.

To avoid being one of those who 'will just keep farming till the money runs out' take some time off the day-to-day stuff to develop a system that will enable you to work on the strategic stuff that determines the long term success of the business, and hence of your life. That is important anywhere in the world, but many times more so in Zimbabwe where business conditions are so unsettled. Make a note to ask your advisors about creating a business system that will, as Kiyosaki puts it, free you to go away for a year and yet have a more profitable business when you return. I can hear you laugh because that's impossible. "We can't even go away for a week without things falling apart." That's precisely the point.

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