



Restructuring a business is not an event. It is a process. While the inspiration and insight for some of the big things you may want to stop, start or change, may come quickly, implementation is rarely as simple or as easy as one would like.

In Executive Link we break the restructuring process into three phases:

### **Phase 1: Grad Link (Assess the Situation & Stop the Bleeding)**

In the first year of Executive Link you will objectively assess the current economic and financial health of your ranch by completing a *ProfitTracker* Analysis. This analysis gives you and your board members an objective assessment of the situation and provides benchmarks against which you can measure future performance.

You will project your cash flow for the current year and calculate gross margins for every enterprise. If the projections show a loss you, with the help of your board, will develop a plan to prevent the loss and stabilize the situation.

In addition to the economic and financial assignment, you will draft mission and vision statements explaining the purpose of your ranch and describing what you and your management team want to achieve. You will also draft an organization chart showing the results for which each person in the business is accountable. These assignments insure that the team is following the same map and making the journey without stepping on one another's toes.

Finally, you will create a grazing plan, determine your Stock Day Per Acre Per Inch Of Rainfall benchmark and begin a range monitoring program by establishing photo points.

The completion of all of these assignments results in a Business Report that clearly communicates the situation and lays out short term actions to stop the bleeding and begin your transition to a profitable, sustainable ranch business.

### **Phase 2: Business Link (Create, Test and Implement a Restructuring Plan)**

It isn't enough to know what you want, you have to determine if it is economically and financially feasible. In your second year in Executive Link you will describe

your vision in detail and determine the economic and financial viability of your fully implemented strategy. If it doesn't do what you need it to do, it is back to the drawing board until, with the support of your board, you develop strategies and tactics that work. Once you have determined the best strategy you will create an implementation plan to achieve it. This plan will include a timeline, a 5 year capital expense/infrastructure development plan, and a training plan to make sure your team has the skills to turn the vision into a reality.

You will also complete a *ProfitTracker* analysis to quantify the results of your actions from the previous year, uncover continuing weaknesses and identify profit drivers

By assembling these completed assignments you will create a personalized 5 Year Strategic Ranch Plan that communicates where the business is headed, the steps it will take to get there, who is accountable for each step and the deadline by which it will be completed.

### **Phase 3: Monitor, Measure and Control**

Nothing is ever quite as simple or easy as it looks on paper. There are always twists and turns in the implementation of a plan. With support from your board, you will monitor the implementation of your plan. Using *ProfitTracker* you will quantify your performance each year and make adjustments to improve profitability. You will develop policies for handling risk (e.g. drought) and tackle other big issues like estate planning and management succession.

Even after the plan has been completely implemented, the ranch has been restructured, succession issues have been tackled and policies for drought and other issues have been developed, many EL members remain in the program. They realize that the future is a moving target. They know that, like you, their family and the environment in which they operate are changing. The years don't start slowing down as you and your children get older. The needs of a family with young children is different from that with children in their teens or 20's. Meanwhile, the economic, financial, political, social and biological environments are all changing. Unfortunately, a business structured to succeed in one environment with one set of needs is unlikely to be as successful meeting a different set of needs in a changed environment unless changes are made in the business too. When does a successful business stop needing objective review? When do you need to stop learning? The good news is that given the strong foundation built in the Executive Link Program, the changes required to maintain peak performance are usually relatively minor.