



Management Assessment

an editorial by **Gregg Hadley**

The attributes of successful dairy owners and managers: #1 – leadership

FYI

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■ *References:*
Bennis, Warren and Burt Nanus. *Leaders: The Strategies for Taking Charge.* (New York: Harper & Row Publishers. 1985.)
Maxwell, John C. *Leadership 101.* (Nashville: Thomas Nelson Publishers. 2002.)

A common trait among successful dairy business managers is a desire to improve their management skills and, in turn, their businesses. Successful managers possess many attributes. Using workshops and trained assessors, the University of Wisconsin-Extension Assessment Center for Dairy Farm Managers/Owners evaluates a manager's strengths and weaknesses in nine attribute areas: leadership, managing resources, empathy, communication, creativity, teamwork, decision making, planning/organizing and initiative. The assessors then provide personalized feedback and recommend tools and personal action strategies for improvement. This article begins a nine-part series examining each of the nine attributes and their importance for dairy business managers.

Leadership is defined as the ability to influence others to move toward attaining a specific goal. Many assume a good manager must be a good leader, but that isn't necessarily true. Bennis and Nanus noted strict management concentrates on "know-how," whereas leadership concentrates on "know-why." Maxwell described leaders as having the ability to adhere to a disciplined approach, set priorities, develop trust and develop and communicate a unifying vision. Managers with good leadership skills must also be able to define and solve problems proactively and create a motivating work environment.

Leadership is important in a dairy business. According to Maxwell, being a good leader is more important than merely being a boss when managing employees. Leaders coach their employees. They inspire enthusiasm, making employees feel they are an important part of the team. Leaders earn their employees' respect through development of trust and "goodwill," as opposed to merely relying on a position of authority. When managers possess good leadership skills, employees not only know how to do a task, they understand why they do the task in the manner prescribed, how it relates to the overall business, and why achieving performance goals is important to individual and business success.

On farms where leadership is lacking, employees "go through the motions." A lack of enthusiasm is apparent. They do things "more-or-less" in the

manner prescribed because that is what they were told to do – never fully realizing the importance of doing them correctly. They do not feel included as an important team member. They merely do their job and get paid for it. They become clock-watchers who can't wait for the end of the day, lacking pride in their work.

Most would agree that any one of these characteristics can be detrimental to business performance. Taken collectively, they can be devastating. Developing and applying good leadership skills can prevent this from occurring.

9 attributes of business management

- 1 Leadership
- 2 Managing resources
- 3 Empathy
- 4 Communication
- 5 Creativity
- 6 Teamwork
- 7 Decision making
- 8 Planning/organizing
- 9 Initiative

Leadership in other situations

Leadership is required if a manager desires significant changes. He or she will typically have to convince partners of an idea's importance before pursuing it. Leadership skills are also important in discussing the business's future with nonfarming family members, lenders, neighbors and town boards.

Leadership skills are important outside of business parameters.

Many managers desire to give back to their community and industry, wanting their vision for the future to contribute to the greater good. They may devote at least some of their scarce time to serving as a member of a school, co-op or church board, as a 4-H leader or little league coach. Having good leadership characteristics will not only make a person more likely to obtain positions of responsibility, it will also make their time served more productive and beneficial to both the organization and individual.

Many people believe that leaders are born. This simply is not true. If leadership was genetic, most of the countries of the world would be led by ancestral monarchies. While it is true that some people possess qualities that appear to make them "natural-born" leaders, leadership skills can be learned, and everybody can improve their leadership skills. People with few leadership characteristics who work hard at developing their leadership skills can outperform "natural-born" leaders who don't apply themselves.

The first step in developing your dairy farm management leadership skills is to have your leadership skills assessed and then develop a plan to improve these skills. ■



Management Assessment

a column by **Bob Cropp**

The attributes of successful dairy owners and managers: #2 – managing resources

Successful dairy business managers desire to improve their management skills and, in turn, their businesses. Successful managers possess many attributes. Using workshops and trained assessors, the University of Wisconsin-Extension Assessment Center for Dairy Farm Managers/Owners evaluates a manager's strengths and weaknesses in nine attribute areas: leadership, managing resources, empathy, communication, creativity, teamwork, decision making, planning/organizing and initiative. The assessors then provide personalized feedback and recommend tools and personal action strategies for improvement. This article continues a nine-part series examining each of the nine attributes and their importance for dairy business managers.

Managing resources is defined

as the extent to which one maximizes and monitors the use of all resources to obtain effective outcomes. Some define "effective outcomes" in a business as efficient production and sustainable profitability.

What resources are included in overseeing a dairy business? Begin by envisioning a well-managed dairy as a completed picture puzzle, with each piece representing a resource.

The first piece or resource many think of is money. Financial resources are critical, as they are required to start and run the business. A second piece or pieces includes capital or material investments, such as land, buildings, equipment, cattle and feed.

Connect pieces in order

The manager's goal is to put all the pieces together in the proper order. In real life, however, the picture puzzle and the resource pieces continuously change shapes and colors. To keep the puzzle intact, the manager must monitor changes and make proper adjustments.

Managing finances can be a complex job in any business and requires a base competency level. At minimum, managers must start with a core understanding about the components and purposes of financial statements. These include the balance sheet, income statement and cash-flow statement. From these statements a manager can monitor business liquidity, solvency, profitability and efficiency ratios.

Demonstrating financial knowledge is critical to successfully managing a business. Of greater importance is the ability to apply it to the specific business situation. Can the manager make good business decisions based on financial facts? It is also valuable for a manager to understand the inter-relationships of various financial measures.

Finances: where money's made

Managing material resources is usually more fun than dealing with finances. However, this is where the money is made. Managers can walk on the land, drive the tractors, feed the cows and get milk in the bulk tank. These are the more "hands-on" puzzle pieces. However, effective managers must also understand the depreciation, repair and replacement needs of these resources. Managers must recognize the cost of ownership associated with these items. Overall, managers need the ability to decide which cattle, equipment and land are providing an adequate return on investment.

Managing labor, both family and nonfamily, is becoming a major challenge. As dairies modernize and expand, more labor is required. While many managers have developed skills to manage material resources, managing labor is not necessarily a natural skill for a majority of them. Managing people requires a whole new set of skills. The relatively simple task of delegating work to employees is foreign to many. Managers often find it easier to "do it themselves," rather than train and supervise employees. As a result, time and attention to other important resources, such as financial management, becomes limited. This makes that section of the puzzle develop large gaps.

Putting the puzzle together

Few dairy managers have their business puzzles perfectly constructed. Managing resources is just one of nine attributes assessed as part of the UW-Extension Assessment Center for Dairy Farm Managers/Owners. It relates closely with other attributes, including communications, decision making, planning and organizing. The first step in developing your management skills is to have them assessed. Then, develop a plan to improve your skills. ■

9 attributes of business management

1. Leadership
2. Managing resources
3. Empathy
4. Communication
5. Creativity
6. Teamwork
7. Decision making
8. Planning/organizing
9. Initiative

FYI

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■ **References:**
Nordquist, Dale and Robert Craven, Farm Financial Ratios and Guidelines, Center for Farm Financial Management, University of Minnesota.



Management Assessment

a column by **Jenny Vanderlin**

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- 4 Communication
- 5 Creativity
- 6 Teamwork
- 7 Decision making
- 8 Planning & organizing
- 9 Initiative

The attributes of successful dairy owners and managers: #3 – empathy

Successful dairy business management requires being able to lead and communicate with family members, employees, consultants and community members. It requires being able to manage resources and information to make and implement creative and effective decisions. The University of Wisconsin-Extension Assessment Center for Dairy Farm Managers/Owners assesses a manager's strengths and weaknesses in nine business management attribute areas: leadership, managing resources, empathy, communication, creativity, teamwork, decision making, planning and organizing, and initiative. This article is the third in a nine-part series examining each attribute and discussing its importance for dairy business managers.

Empathy is defined as the ability to consider the feelings, emotions, situation and needs of others when making a response or decision. Empathy only recently was included in business management discussions. Some view empathy simply as one's ability to "put themselves in another person's shoes," or view an issue from another person's perspective. However, the goal is really to understand and suspend judgment of another's actions or reactions.

Dairy producers can usually exhibit empathy with other producers because of their shared experiences and background. They understand how their peers think when worrying about an issue; what is important to them; and what irritates them.

However, as a dairy manager, you need to read between the lines of not only your peers, but your employees, consultants and family members. A dairy manager needs a clear vision of what is going on, and gather insight into the thoughts and emotional reactions of the people she/he deals with every day. Managers with a more "feeling" nature usually include a wider range of information in their decision making. Their belief is that individuals are more important than the system, regardless of whether it is logical or not.

There are many dairy business challenges, decisions and changes that occur daily. When workers and managers have choices, there is potential for disagreement. Such differences – when handled with empathy – can result in a richer, more effective solution.

Managers must develop an empathic relationship with their employees to manage change. Un-

derstanding her/his employees and co-workers enables a manager to better anticipate what battles may occur. Expressing empathy shows support and makes an employee feel valued, which in turn builds commitment and loyalty.

In his book "Emotional Intelligence," Daniel Goleman extends the definition of empathy to include not only the understanding of others' feelings and behavior, but also intelligently using that understanding to forge stronger interpersonal relationships and make better decisions.

By this definition, empathy is a particularly important factor in the success of a dairy manager. As a dairy grows, the manager may find her/his technical and production management skills become less important. With empathy, an effective dairy manager realizes she/he is dependent on a skilled, trained and respected work force, rather than on technology or her/his own abilities.

A dairy manager with empathy skills creates an atmosphere of respect and trust. Without empathy, employees may view managers as indifferent or uncaring, resulting in a less cooperative and communicative work environment. The manager can then be left feeling misunderstood and, in the future, have trouble "putting themselves into another person's shoes."

Improperly using empathy can have its drawbacks. Placing too much value on others' feelings and opinions can make it difficult to make a decision. And, it may make it nearly impossible to dismiss an employee for poor performance. It is important to distinguish between sympathy and empathy. The dairy manager must be able to understand and deal with the situation without losing perspective.

Management empathy is not a one-step process. It involves effective listening, communication, teamwork and various other skills. The UW-Extension Assessment Center for Dairy Farm Managers/Owners offers workshops where empathy is just one attribute assessed on a personal level. At the end of the workshop, participants receive a personalized assessment report that can be used to build a plan to make them better dairy managers. ■

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■ **References:**
Goleman, Daniel. *Emotional Intelligence: Why It Can Matter More Than IQ.* (New York: Bantam Books. 1995)

Barger, Nancy and Linda K. Kirby. *The Challenge of Change in Organizations: Helping Employees Thrive in the New Frontier.* (Palo Alto, California: Davies-Black Publishing. 1995)



Management Assessment

a column by **Tim Jergenson**

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The attributes of successful dairy owners and managers: #4 – communication

Successful dairy business managers strive to improve their business management skills to improve production efficiencies and financial profitability. Each person possesses a variety of management attributes. The University Wisconsin-Extension Assessment Center for Dairy Farm Managers/Owners assesses individual managers' strengths and weaknesses in nine areas: leadership, managing resources, empathy, communication, creativity, teamwork, decision making, planning and organizing, and initiative. This article is the fourth in a nine-part series examining each of these attributes and explaining their importance for dairy business managers.

Communication is one of the most critical attributes of a dairy manager. A manager in today's fast-paced industry must effectively communicate through a variety of methods, requiring hard work and intentional skill-building efforts. At the UW-Extension Assessment Center for Dairy Farm Managers/Owners, special attention is given to effective speaking and active listening skills, and clearly communicating ideas through writing.

The effective use of speaking skills means managers can express themselves clearly, being aware that tone, volume and rate of speech affect the message. Many identical statements can have completely opposite meanings, depending on voice qualities used. For example, the question, "What's wrong?" could be stated in a helpful, supportive way, or in an angry, impatient way. Successful managers present their ideas in a cool, calm, concise manner, conveying personal control and building confidence in the listeners.

Voice tone and volume may betray a manager's emotions. It is not enough to use positive words. Positive voice qualities can communicate energy and enthusiasm. Talking too fast may communicate stress or anger. Employees and business partners will believe *what* they hear in a manager's voice more than the words stated.

Awareness of body language is another important key to successful communication. Psychologists estimate between 60% and 80% of all communications received are based on nonverbal messages sent by eye contact, gestures and facial expressions. A manager can use these nonverbal communications as powerful tools to effectively convey important messages.

Good eye contact, open hand gestures and positive facial expressions are skills that can be used to improve communication skills. Making eye

contact when talking or listening communicates interest. Moving hands wide apart can signal the importance of a topic. To welcome someone, holding a hand out with palms up communicates a message of openness, such as inviting them into a room or directing them to be seated. Hand gestures that become too rapid, however, can be distracting and impact communications negatively.

Facial expressions are a common way a manager uses to communicate. It is generally good to smile at a listener from time to time, helping them feel relaxed and more receptive to the message. In turn, trying too hard to use body language may cause a manager to appear mechanical and insincere. Relax and be natural.

Listening is one of the most important – but often overlooked – tools in communication. Taking time to really listen to employees, business partners and family members can improve the management of your dairy and avoid problems.

To improve listening skills, try active listening. Active listening encourages others to communicate better and helps demonstrate interest in what is being said. Rephrasing what you have heard is an effective listening technique because it conveys you clearly understood the message and validates the speaker and the message.

Active listening also uses nonverbal communication skills. Leaning toward the speaker, nodding and smiling all convey interest in and understanding of what is being said. Active listeners avoid looking at a watch, folding arms across the chest, or turning away when someone is speaking. These nonverbal actions may suggest the listener is not interested in what is being said.

Writing is another form of communication. Not all communications on a modern dairy can be delivered in person. Written communications should be clearly stated, legible and concise. Avoid using abbreviations or acronyms the reader may not understand.

Good communication skills are one of the most important attributes a dairy manager can possess. Managers spend most of their day communicating. Being able to successfully communicate comments and ideas not only helps today's managers be more effective in their businesses, it can also pay big dividends at home and in the communities where they live. ■

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Management Assessment

a column by **Carl Duley**

The attributes of successful dairy owners and managers: #5 – creativity

Successful dairy business managers strive to improve their business management skills to improve production efficiencies and financial profitability. Each person possesses a variety of management attributes. The University Wisconsin-Extension Assessment Center for Dairy Farm Managers/Owners assesses individual managers' strengths and weaknesses in nine areas: leadership, managing resources, empathy, communication, creativity, teamwork, decision making, planning and organizing, and initiative. This article is the fifth in a nine-part series examining each of these attributes and explaining their importance for dairy business managers.

Creativity – the capacity to generate or recognize novel courses of action that are useful in reaching management solutions.

Specific behaviors that define creativity in management: innovative thinking; generating unique solutions to a problem; asking probing questions of others and themselves; considering multiple solutions; flexibility and openness to change.

As Linus Pauling, the only person to ever receive two unshared Nobel Prizes – Chemistry (1954) and Peace (1962) said, "The best way to get a good idea is to get a lot of ideas." In many ways, creativity allows us to expand our number of possible solutions to determine the best one for you and your business. Creativity is essential in good business decision making (as we will explore in this article). Unfortunately, most businesses are designed to discourage creativity because accepting creativity requires openness to change and change is uncomfortable for many people.

Albert Einstein said, "Imagination is more important than knowledge."

Why is creativity important? When brainstorming, there is a technique that encourages you to think like a child or put yourself into your child-self to come up with ideas. Too often a good idea comes up early in the decision-making process and the person or group accepts this idea. This may, in turn, lead to good results in the farm business and be considered successful.

However, what may have been missed by not brainstorming longer is the great idea that could have led to great results for the business. Creativity is permission to have some fun. Remember the court jester or the king's fool?

Can everyone be creative? I believe the answer is yes, but not everyone is capable of using the same techniques. How can you build (or find) your creativity? Think about who you know that is very creative. For many of us it is children or a child. How long can a child play with a marble and a ball? How about the toy that comes in a big box at a birthday party and the child spends more time with the box than the toy?

Look at, do things differently

Creativity requires us to look at things differently; do things in a different way. For individuals to build creativity, you need to start small. An exercise that everyone can do is to look at changing something easy, a routine that we do every day. For example, sleep on the opposite side of the bed (may take cooperation from your partner), or brush your teeth starting on the opposite side of your mouth, or comb your hair a totally different way. You may encounter a whole new experience in the morning or during the day if you try one of these.

If you can't look at one of these routines from a different viewpoint, how are you going to look at your farm dairy business creatively?

The following are some suggestions to improve your creativity:

1. Think like a child. Spend time on the floor at your child or grandchild's day care center. Children can be incredibly creative and inspiring.

2. Try meditation or yoga. Spend time every day in "creative think time." It may be 10 minutes, it may be 60 minutes – you decide. The key is to practice and train yourself to clear your mind of all the "stuff." You may be surprised at how many great ideas and solutions you can come up with in that short amount of regenerating time.

3. Use vacation time to clear your mind and become open to new ideas. Don't visit a farm; try something totally different.

4. Hang around with artists or writers – someone who is in a totally different profession than you. Train your mind to think differently again.

5. Find a "fool." In Renaissance times, the fool was often the brightest and most creative person around. They could challenge the system because people expect that of them.

Try these, or be creative and come up with your own ideas. ■

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■ Suggested reading:

• *The Corporate Mystic*. Henricks, Gay and Kate Ludeman (1996). Bantam Books.

• *Management of the Absurd*. Farson, Richard Evens (1996). Simon & Schuster.

• *A Whack on the Side of the Head*. Von Oech, Roger (1998), Warner Books.



Management Assessment

a column by **Jerry Clark**

The attributes of successful dairy owners and managers: #6 – teamwork

FYI

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■ Suggested resources:

- Read *Flight of the Buffalo*, by Ralph C. Stayer and James A. Belasco (1993), and *Fish*, by Stephen Lundin, Harry Paul and John Christensen (1996)
- Personality trait awareness exercises, like the *Myers-Briggs Type Indicator*, can help managers discover how to better manage people based on their personality.

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Teamwork and dairying have always gone hand-in-hand. In the past, a team was comprised mostly of family members. Today, it has evolved into a work force of family and/or nonfamily employees. It has also moved toward a management model, requiring input from several team members to reach effective, profitable decisions.

Teamwork is defined as the degree to which one is willing to work cooperatively with others. Dairy managers should be well aware it takes all family members and employees to buy into the team philosophy. To accomplish this, managers must set an example and demonstrate teamwork in their daily routines.

Trust is critical

The backbone of getting a team to work cooperatively together is trust. Trust can be gained by showing respect for employees as facts are gathered for decision making and problem solving. Emotions should be checked at the door.

What a farm manager wants to happen may not be the best decision after all input is considered. Dairy managers need to be open and objective to ideas from employees or other team members, who may be in a better position to make decisions. This allows team members to realize they are an integral part of the decision-making process and/or solution to problems.

For instance, if the employee in charge of feeding feels part of the overall team, he/she will feel more comfortable and confident to discuss his/

her ideas to solve problems. These solutions may ultimately improve animal performance, feed use and profitability.

Along with encouraging employees to feel part of the team, successful managers need to be oriented toward working with others. Managers who include the proper personnel in the decision-making process not only receive more input, but also do not have a sense of "going it alone" when decisions need to be made. Managers who engage others in the decision-making process may feel more comfortable with the final decision, knowing they garnered input from the right sources.

Once decisions are made by the dairy manager, it is critical to inform others and be willing to share information with other team members, especially those not involved with direct input on the decision. Personnel will feel more included and team oriented if information is shared immediately.

Information sharing is directly related to the trust factor. Simply sharing what decisions were made and the basis for those decisions with personnel, whether family or nonfamily, helps the manager gain trust. If information,

especially that which affects operational performance, is withheld from employees it will be very difficult to increase teamwork efficiencies, profitability and, above all, trust.

If a manager makes decisions on his/her own – and many decisions require this – he/she must be willing to accept criticism from employees.

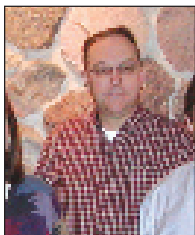
Consultants part of team

The dairy industry is rich in advisers, including crop consultants, nutritionists, dairy equipment specialists and veterinarians. It is up to the manager to use these consultants effectively.

Managers sometimes overlook consultants as part of their team, focusing mainly on their own employees. Managers need to realize the influence consultants – as a part of the team – have on the dairy. Consultants need to be brought fully into the fold and be aware of how their recommendations affect other parts of the operation. A successful manager uses outside consultants as part of the total team effort. ■

9 attributes of business management

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3. Empathy
4. Communication
5. Creativity
6. Teamwork
7. Decision making
8. Planning & organizing
9. Initiative



Management Assessment

a column by **Randy Knapp**

The attributes of successful dairy owners and managers: #7 – *decision making*

9 attributes of business management

- 1 Leadership
- 2 Managing resources
- 3 Empathy
- 4 Communication
- 5 Creativity
- 6 Teamwork
- 7 Decision making
- 8 Planning & organizing
- 9 Initiative

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Daily decisions on a dairy can range from "Do I make a change in the ration" to "Should I cull that cow?" Decisions are often based on reaction, rather than fact. If time is short, the decision maker usually defaults to something that may have worked before. However, this approach means managers may find themselves revisiting the same problem over and over.

The decision-making process includes several steps:

1 Identify and define the issue. Managers tend to react to the symptom, rather than seeking the cause. Ask: What is wrong? Where is it happening? How is it happening? Then identify the issue. Use your farm records and gather information. Determine if the business goals and objectives are being met. If not, are factors under your control, such as equipment or facilities? Or, are they something you have to manage around, such as weather or government programs.

In a family operation, all members must reach consensus about what the issue is and how it relates to individual expectations and family values. Does everyone see the problem the same way? Do all family members understand the issue? In framing the problems, be sure to set appropriate boundaries and use the right measurements, values, interests and a sense of what is important. Refer to your dairy business's business plan, mission and objectives.

2 Generate alternative strategies. Be creative, collecting as many ideas as possible. Seek additional guidance and input. Do not pass judgment; write down strategies as you hear them. Remember the old saying, "If you see every problem as a nail, you will always use a hammer." The more alternatives, the greater the

possibility a better solution can be found.

3 Choose the "best" strategy to tackle the issue. Evaluate costs and benefits, prioritizing all alternatives. Consider if the strategy is realistic and affordable, and the risk level associated with it. Does it solve the problem long term? Do you have enough time to implement the strategy?

4 Develop an action plan. A written plan clarifies what needs to be done, by whom, when and how. Written plans are also easy to share with all involved in the farm business.

An important aspect of the plan – and often neglected – is continual observation and evaluation. Are you seeing the expected results? If not, why not? Should more priority be placed on certain aspects of the plan? Are there other decisions to be made?

Watch for traps

The decision-making process contains traps that may distort the frame of reference and information. The mind gives disproportionate weight to the first information it receives when considering a decision. Initial impressions, estimates or other data anchor subsequent thoughts and judgments. One of the most frequent anchors is a past event or trend. This tends to put too much weight on past history and not enough weight on other factors.

To reduce the effects of anchoring, be open minded. Seek information and opinions from a variety of people. Offer objective information in seeking advice from someone else. Offer just the facts without your opinion.

Another trap is the status quo. We instinctively stay with what seems familiar, resulting in decisions that involve the least change. To avoid this trap, first consider goals when preparing to make a decision. Review how these goals are served by the status quo vs. a change. Look at each possible change one at a time so you are not overwhelmed.

Decision making is a process. In its component parts, it can be studied and improved. By studying and improving decision-making skills, you may avoid the traps associated with each step. With practice, they will become second nature to you, increasing the effectiveness of problem solving in your business.

Working through the decision-making process will result in no right or wrong decisions, only best decisions. ■



Management Assessment

a column by **Jon Zander**

The attributes of successful dairy owners and managers: #8 – planning & organizing

9 attributes of business management

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Successful dairy managers strive to improve their business management skills to improve production efficiencies and financial profitability. Each person possesses a variety of management attributes. The University Wisconsin-Extension Assessment Center for Dairy Farm Managers/Owners assesses individual managers' strengths and weaknesses in nine areas: leadership, managing resources, empathy, communication, creativity, teamwork, decision making, planning and organizing, and initiative. This article is the eighth in a nine-part series examining each of these attributes and explaining their importance for dairy business managers.

The Management Assessment Center (MAC) defines planning and organizing as the process of establishing a course of action – for self and/or others – to accomplish a specific plan, goal or outcome. Some specific planning skills include setting priorities, organizing and planning for solutions, approaching problems systematically and conceptualizing ideas.

As a dairy manager, you may ask the following questions:

- *Why do I have to plan?*
- *What is the advantage of planning?*

A common misconception is that things happen so fast you don't have time to plan. Think about that for a minute. There are not many things in life that will not change with time. If you are aggressive with planning, you have a much better chance of controlling the outcome. If you have goals in mind and a plan to achieve them, your chances for success greatly increase.

Take time to write down your plan and share it with other people who are important to your operation and life. Events will still happen that are out of your control and may slow your progress, but that is a part of life.

Dairy management planning is frequently based on short-term conditions. For example, how many people do you know built a new shed for steers when the beef price outlook was good? When the milk price outlook was favorable, the steer shed was converted into cow housing. Then, with the next strong grain price outlook, the cows were sold and the operation converted to cash grain.

In these cases, a great deal of money and time

were spent building, retrofitting and converting buildings for the next "hot idea." The original investment was not given a chance to make a return because there was no long-term plan.

Make long-term plans

Develop a plan for the next five, 10, 15 or even 20 years, and stick to it. Writing down a plan will enable you to refer to it when changes come to mind. If you have something to refer to and help guide the decision-making process, saying "no" to an idea becomes easier. On the flip side, having a long-term plan also makes saying "yes" to an idea easier if it fits into the plan.

Plan for tomorrow; organize for today

I know people who, when they were in eighth grade, knew what they wanted to be as a professional, where they were going to college, and probably had it narrowed down to two or three companies they would work for when they graduated in their respective fields. How do you think this influenced their decisions regarding class selection and summer employment? More than likely they were focused on where they wanted to be, and decisions that had to be made along the way were much easier.

But at the same time, we cannot overlook what is happening with the day-to-day operation. This is organizing. The difference between organizing and planning is that we organize things for today and plan for the future. Staying organized is what will get you through each day.

An important part of this is to realize how much we can actually handle in one day. Too many of us try to do much more than we are capable of, we get behind and then the struggle to get out from under a rock begins. Know your limits and don't be afraid to say "no" when you become overloaded – before you get overloaded is even better. In today's society, we seem to get a kick out boasting about our busyness.

Too many people tend to organize their day and don't set aside enough time for themselves and the people who are important to them. It is the intention that MAC participants come away not only with the ability to plan better for their future, but recognize the importance of organizing their daily lives. ■



Management Assessment

a column by **Gregg Hadley**

Managers who show initiative tend to readily offer ideas in group discussions, determine options without encouragement and implement new programs, protocols, policies and technologies that will improve their operations.

FYI

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The attributes of successful dairy owners and managers: #9 – initiative

Successful dairy managers strive to improve their business management skills to improve production efficiencies and financial profitability. Each person possesses a variety of management attributes. The University Wisconsin-Extension Assessment Center for Dairy Farm Managers/Owners assesses individual managers' strengths and weaknesses in nine areas: leadership, managing resources, empathy, communication, creativity, teamwork, decision making, planning and organizing, and initiative. This article is the last in a nine-part series examining each of these attributes and explaining their importance for dairy business managers.

Many people believe that dairy producers have a lot of initiative. They get up early and go out and get things accomplished. If you view initiative from a strictly "getting chores started and completed" perspective, then probably almost all producers exhibit initiative.

If, however, we broaden the scope of showing initiative to the ability to decide on and implement needed changes, I believe far fewer dairy managers and people, in general, exhibit initiative. At the Assessment Center for Dairy Farm Owner/Operators, we define initiative as the ability to begin actions without stimulation or support from others. Managers who show initiative tend to readily offer ideas in group discussions, determine options without encouragement and implement new programs, protocols, policies and technologies that will improve their operations.

Initiative is extremely important on dairy farms and in our daily lives. Have you ever gotten an idea to improve your situation, "pushed the pencil" to see if the idea would work on paper, but then never got around to actually implementing that idea? I believe most of us would answer "yes" to that question.

But how often does it happen? It is very easy to not implement your great ideas. It is com-

pletely natural to fear that implementing the new idea may be a mistake. It may be a difficult task to get the idea implemented. You may find it difficult to give the project the attention you think it needs because you are too busy with day-to-day operations.

But, if the theory behind the idea is sound and your pencil pushing shows the idea is feasible, don't you owe it to yourself, your family, employees, cows and other stakeholders to show initiative by implementing the change?

One example of where initiative pays is with technology adoption. Let's assume there is a new technology (feed additive, better method to graze cows on a pasture, more efficient parlor, etc.) that reduces the cost to produce milk. In technology adoption literature, managers are typically divided into innovators, early adopters, late adopters and the unflattering term, "laggards." The innovators, who basically adopt anything new, and the early adopters, who tend to do a little more pencil pushing but they also adopt the technology early on, show the most initiative. Because the milk price declines as more and more producers adopt the new technology and begin to produce more

milk, the innovators and early adopters capture most of the available profit from the technology by adopting early.

By the time the majority of the late adopters and laggards adopt the technology, the extra production from farms adopting the technology will force the milk price to drop to a point where the late adopters and laggards will have to adopt the technology just to reach break even.

Initiative can make the difference between seizing opportunity and succumbing to a perceived threat. So, the next time you get a good idea to improve your operation, do yourself a favor. Take time to investigate the idea and show initiative by implementing it if it is feasible. I think you will be glad you did. ■

9 attributes of business management

- 1 Leadership
- 2 Managing resources
- 3 Empathy
- 4 Communication
- 5 Creativity
- 6 Teamwork
- 7 Decision making
- 8 Planning & organizing
- 9 Initiative