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Positioning Management & Financial Processes for Growth & Succession

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Wittman Farms - Overview

- 20,000-acre grain, cattle, timber and wildlife operation
- “In transition” since 1980
 - Father and two uncles (Gen II) built business foundation
 - 3 of 25 Gen III cousins continued in the business
 - 12 transition events in 40 years
 - 3 active principals active today



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Celebrating 100 Years as Century Farm



Secret to Success:
*Multi-generational
 commitment to a
 professionally managed
 farm business*

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Get your hankie out!

- Is professional management/communication “necessary evil”... or “critical asset” for family business viability & continuity?
- Tragic stories ... “*Predictable Surprises*”
 - Mom & dad with 4 sons and a dream of succession
 - \$150,000 in attorney fees to split the sheets - Alberta
 - Cousins - cattle dispute/shootout - 2 dead
 - \$600,000 in lost efficiency to divide partnership
 - 13 areas where family lacked alignment in expectations
 - Grandkids at farm sale closing

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Agenda - 4 Themes

- In our business CULTURE, is there alignment in mission, vision, and core values?
- What's our VISION FOR GROWTH...
 - ... have governance and processes KEPT UP?
- As we ON-BOARD SUCCESSORS, are management structures maximizing access to institutional knowledge & minimizing conflict?
- Do FINANCIAL LITERACY & HR practices support growth and attract quality successors?

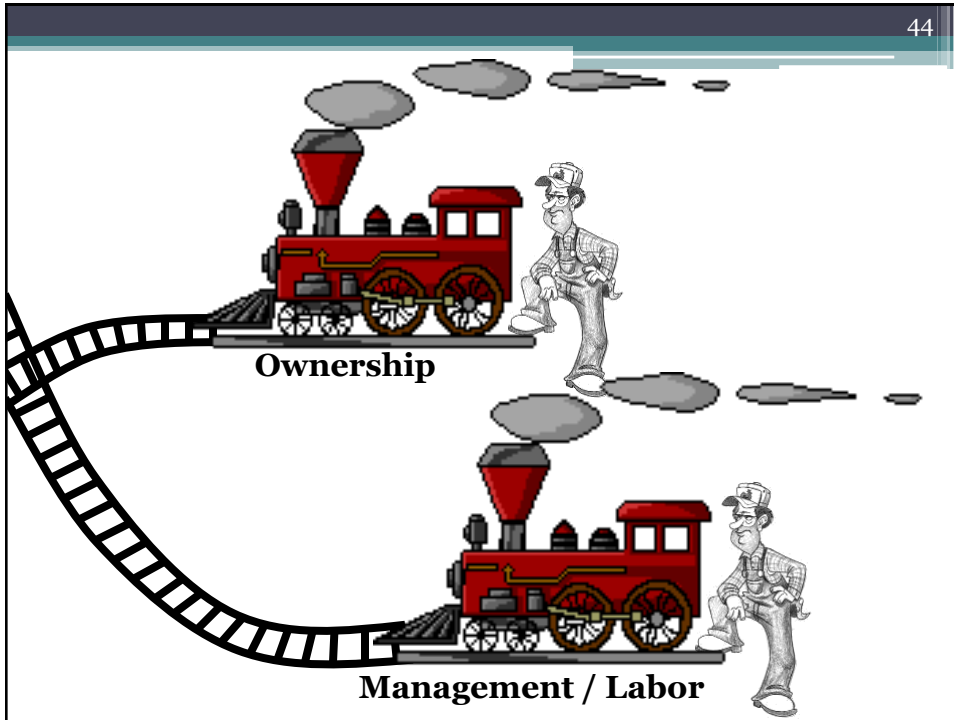
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Three Stages of Family Business

From John Ward's *Perpetuating the Family Business*

- Stage I – Owner-Managed
- Stage II – Sibling Partnership
- Stage III – Cousin Collaboration
- Sobering trends
 - 40 years ago – 5-10% run by siblings; now 50%
 - Only 1/2 family businesses go to 2nd generation
 - Barely 10% pass to Stage III – *not necessarily an indication of FAILURE!*

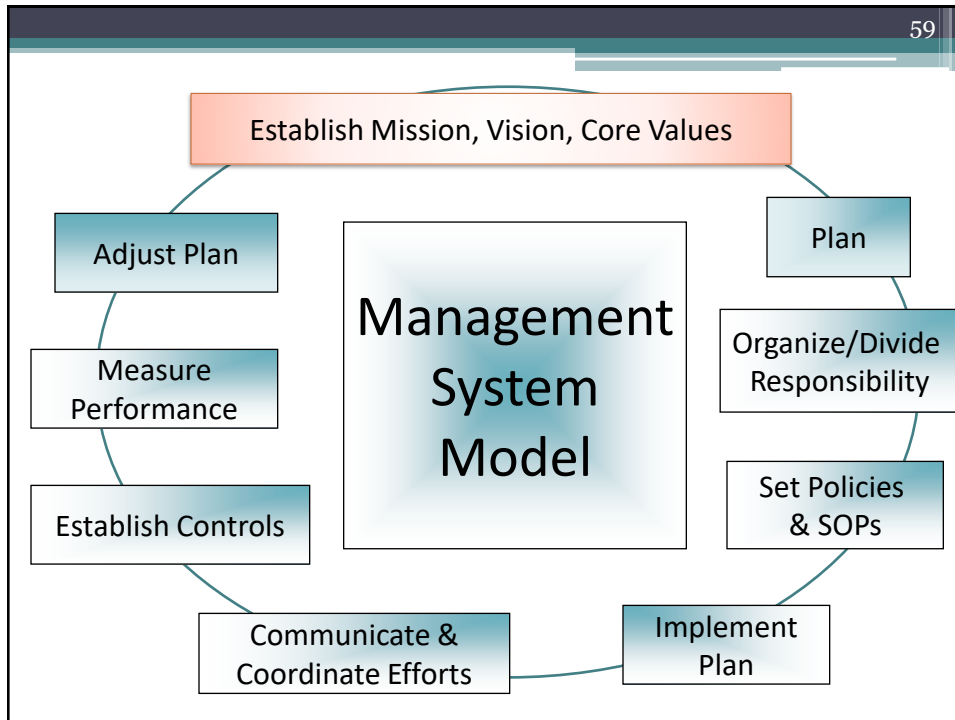
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Mission and Core Value Statements

- Only 33% of ag businesses define this!
- Consequences: Team can't agree/focus on:
 - Mission – business product or service, primary customer & key objective
 - Vision – end point if you succeed
 - Values & Philosophy – ground rules
- Put in writing and post visibly on farm

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Wittman Farms Mission Statement

Produce high quality grain, livestock, timber and recreation for U.S. and foreign customers assuring:

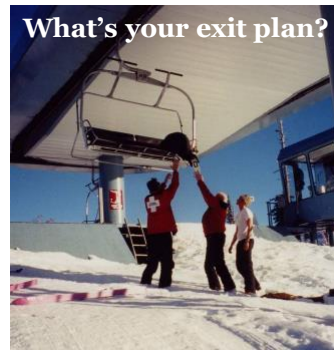
- fair rate of return on invested resources
- safe and fulfilling environment to work and live
- sustainable income for future generations.



Our Vision

Our Mission Will Be Accomplished When...

- Complete careers with financial security and value our family and business associations
- The business grows, adapts, and remains financially viable
- Capable successors are carrying on our heritage



← Not everybody's goal
 Story: father & 2 sons
 ← Re-define SUCCESS

Operating Philosophy/ Core Values Statement (excerpts)



- Strive for excellence
- Be early adapters
- Committed to professional management
- Open and professional communication
- Environmentally conscious methods
- Quality records openly shared

Common Conflicts - Core Values

- Always be leading edge...
 - “If ain’t broke, don’t fix it”
- Maximize profits (live for today)
 - Maximize long-term economic and environmental sustainability (live for tomorrow)
- God & family first
 - Business first; God and family can wait
- Professionalism always expected
 - Professionalism OK when I’m “in the mood”
- Everybody should be equal – “Entitlement rules!”
 - Pay and position should be based on skills and performance

Culture Audits

- Do you measure how you're doing?
- Try a **Culture Audit**
 - Highlight core values and best practices
 - Score business on Living it... vs. Aspiring to...
 - Team discussion on results, causes of poor scores and action plan to improve

Culture audit 2019-WF

Please rate to what degree you believe we (as a team) are living out our stated values.

- 1 = aspire to it but don't live it
- 2 = seldom do we live it
- 3 = we live it about half the time
- 4 = we live it fairly consistently
- 5 = we live it completely

Wittman Farms Culture Audit

	1	2	3	4	5
• undertaking our efforts with excellence and teamwork in mind in all phases of our operation					
• valuing the contributions of our employees and recognizing them with professional treatment and competitive compensation					
• pursuing new technologies and strategies to improve our efficiency and profitability					
• striving for excellence in safety, conservation and stewardship that will maintain or improve farm productivity and make it a safe and fun place to work and live.					
• operating under a planned approach as opposed to a day to day reactive approach to management and decision-making.					
• clear division of responsibility with mutual respect and support for each others roles.					
• making decisions based on sound business practices that are considered standard in similar businesses or arms-length elsewhere where non-related parties are working together.					
• documented operating and personnel policies to guide decisions and prevent misunderstanding.					
• maintaining a balance between profit and quality of life. Employees are encouraged to pursue personal interests such as recreation, church, community service and other activities, as long as they do not adversely impact our obligations to the business.					
• paying a competitive return to labor and management and assuring the balance of the earnings accrue equitably to the owners as return on investment.					
• open and honest communication. Periodic meetings will focus not only on planning workload, but also on how we are functioning as a team in accomplishing our efforts.					
• maintaining good records. Good records require accurate input from all concerned and are shared openly with all key principals.					

Part II – Culture Audit

1. What are three adjectives that you would use to describe our *current work environment*?
2. What are three adjectives that you *wished described our work environment*?
3. Are there any values not listed above that you believe would contribute to your ideal culture and work environment?
4. In scoring your culture above, for scores of 3 or less, what's keeping our team from scoring a "5"?

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Summary of Client Culture Audit

- 3 adjectives ***describing current culture***
 - Tense, abrasive, avoidance, confrontational
 - Hostile, unprofessional, chaotic
 - Avoidance, resentment, misunderstanding
- 3 adjectives you ***wished described culture***
 - Collaboration, harmony, compassion
 - Open-minded, focused, respectful, equal
 - Communicating, togetherness, teamwork

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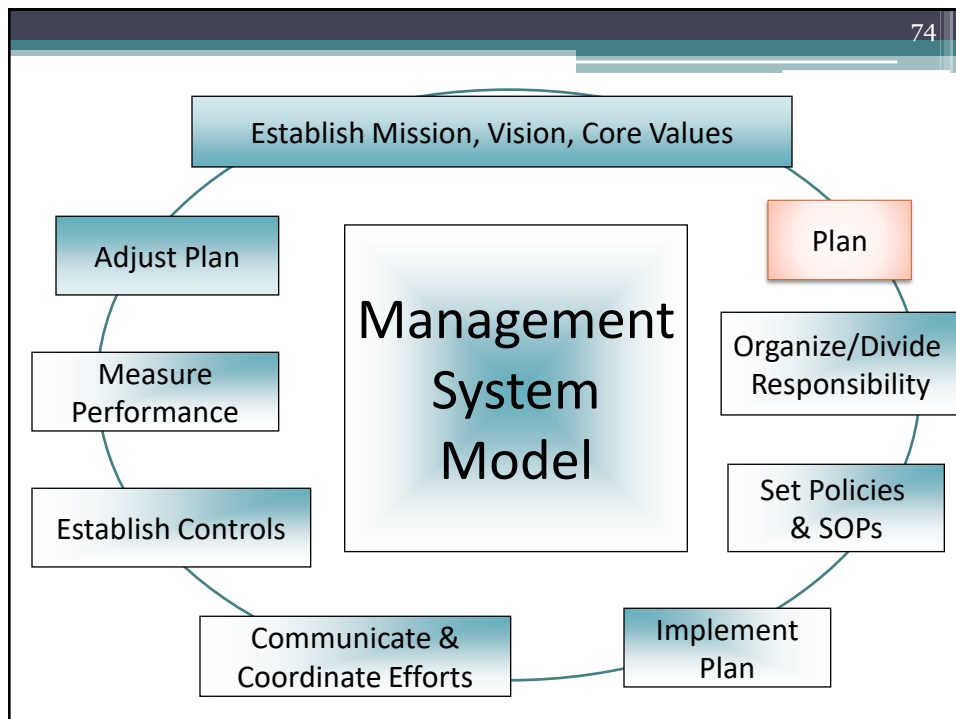
Vision & Core Values

Consequences of “Bad Chemistry” and Lack of Consensus

- Manage for “today” vs. “Long run”
- Make rules on the go
- End Result:
 - At each other’s throats!
 - Chase successors away
 - Sever business & family relationships
 - Run business aground



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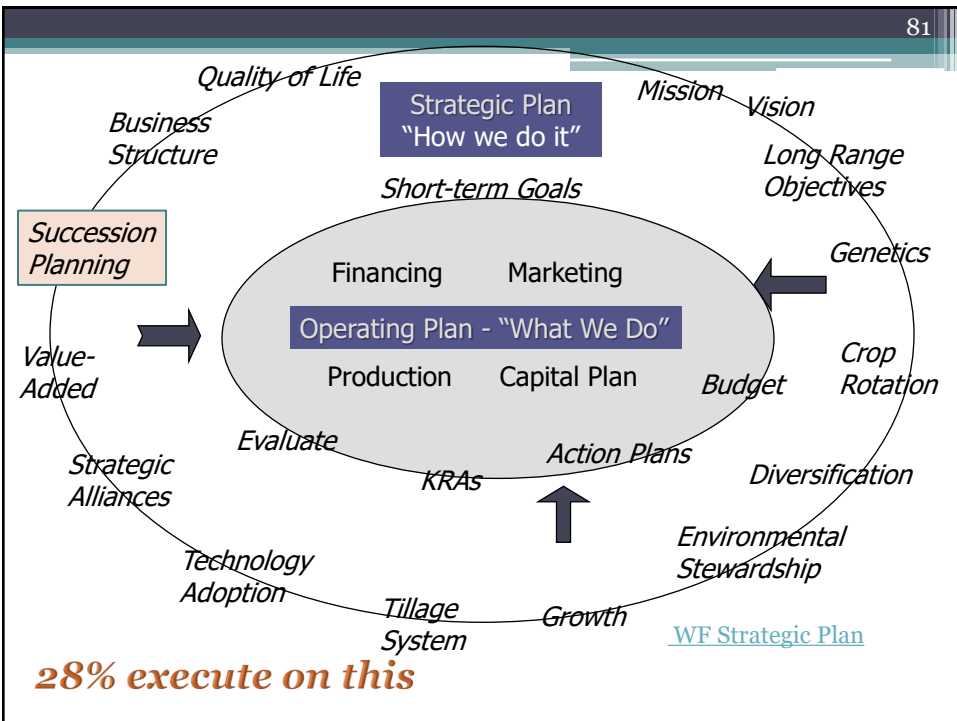
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“Simplify” Planning and Understand “Inter-Relationships”

- Operational or annual planning
 - Production Plan
 - Marketing Plan
 - Capital purchases and sales
 - Debt financing arrangements
- Strategic or long range planning

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Are these strategic issues defined and assessed periodically?

- Growth
- Business structuring
- Estate & retirement planning
- Ownership/management transition
- Capital improvements/replacements
- New enterprises or enterprise shifts
- HR Planning / Personnel Development
- Governance & Management System Refinements
- Strategic Alliances & Joint Ventures
- Environmental Stewardship
- Tillage strategies – Conventional, No till

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Lack of Professional Planning

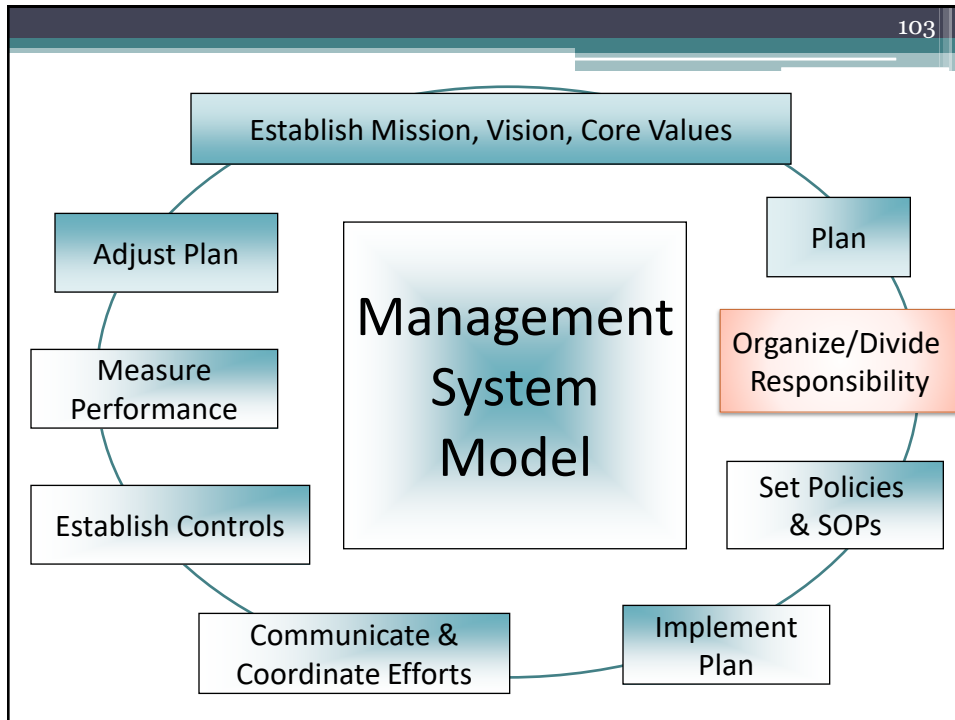
...consequences

- Unexpected outcomes
- Outdated strategies – can't compete or exploit opportunities
- Don't optimize decisions – purchase vs. rent vs. hire/share
- Anxiety & stress destroy business teamwork & extended family



**ESPECIALLY TRUE IN
SUCCESSION!**

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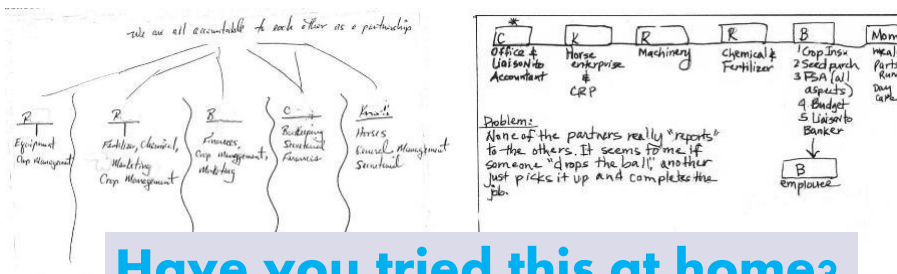
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Who should be on the bus, and where do they sit? *Good to Great* by Jim Collins

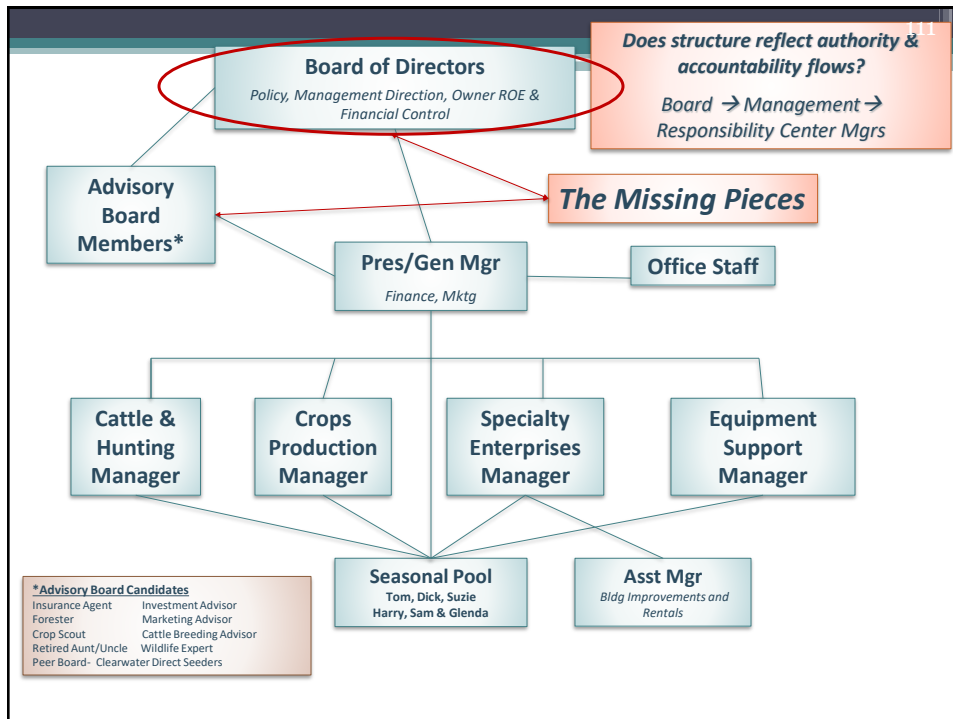
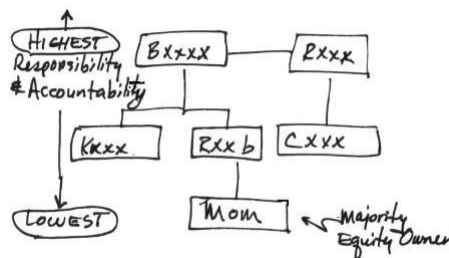
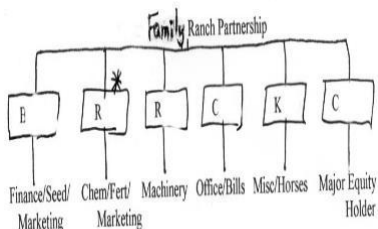
- How are you organized today?
- What will organization look after transition?
- Criteria be for filling “vacant slots”?
 - Skills, abilities, passion vs. “I’m family; I’m owed a job”
- How do you pass the baton?
 - Duty statements review, timetables for transition, apprenticeships, OJ training
- How does old guard get out of the way?
 - Board chairman vs. CEO (“boss”)

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Have you tried this at home?

What does your organizational structure look like?



Role of Board of Directors

- Setting Policies
- Determining strategic direction
- Hiring, directing, evaluation & compensating management
- Maintaining financial control
 - Reviewing performance
 - Exercising “due diligence”

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Is career path apparent?



Board Chair
Mentor/
Transition Coach

CEO

Asst Mgr

Grunt



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Why Write Job Descriptions?

...you can't delegate what you can't define!

- Pinpoints accountability for team members
- New hires – focus on skills and qualifications
 - “I’m family...I’m owed a spot here.”
 - *vs. **Do we have a vacancy to fill?***
- Basis for performance appraisal
- Retirement transition tool
 - Helps focus on key decisions of exiting member
 - Checklist for training, delegation, and validation
 - 56 DUTIES listed in Guidebook

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Job Description - Board Chairman

- Policy review and refinement
- Investment analysis
- Strategic planning
- Hiring, coaching, grooming successors
- Performance review and feedback
- “Assisting” and “advising” successors in day-to-day operations without telling them what to do

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Retiring CEOs - Workshop Take Homes

- Professional governance critical to attract next gen ...especially if off farm owners involved
- Documented org chart defines path for next CEO; **transparent board** takes pressure off CEO being top DOG!
- Transition NOT same as retirement; read **2nd Mountain** by David Brooks & **Strengths to Strengths** by Arthur Brooks
- Write governance structure down to make transitions succeed
- Boards only effective if professionally run (proper agenda, right participants, regular schedule)
- Strategic planning processes need improvement
- Culture audits, CEO performance evaluations critical
- Develop policy before the need

Theme: “How do you get out of the way... without going away?”

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Position: President/General Manager

Administrative Responsibilities

- Coordinate operational & strategic planning
- Organize work force
- Staff (recruit, hire, train) and assign responsibilities (job descriptions)
- Coordinate workflow
- Administer communication, evaluation, control systems
- Execute contracts
- Provide information and policy input to board of directors

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Avoid “Bossing Tendency” Define Attributes of Ideal Manager



Rain break weaning calves

- Facilitator...not boss
- Empowers people...doesn't micro-manage workload
- Focuses on people, resources, information, technology
- Promotes teamwork, positive thinking and professionalism
- Willing to be accountable to the “board of directors”

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Advisors Can Play Useful Roles

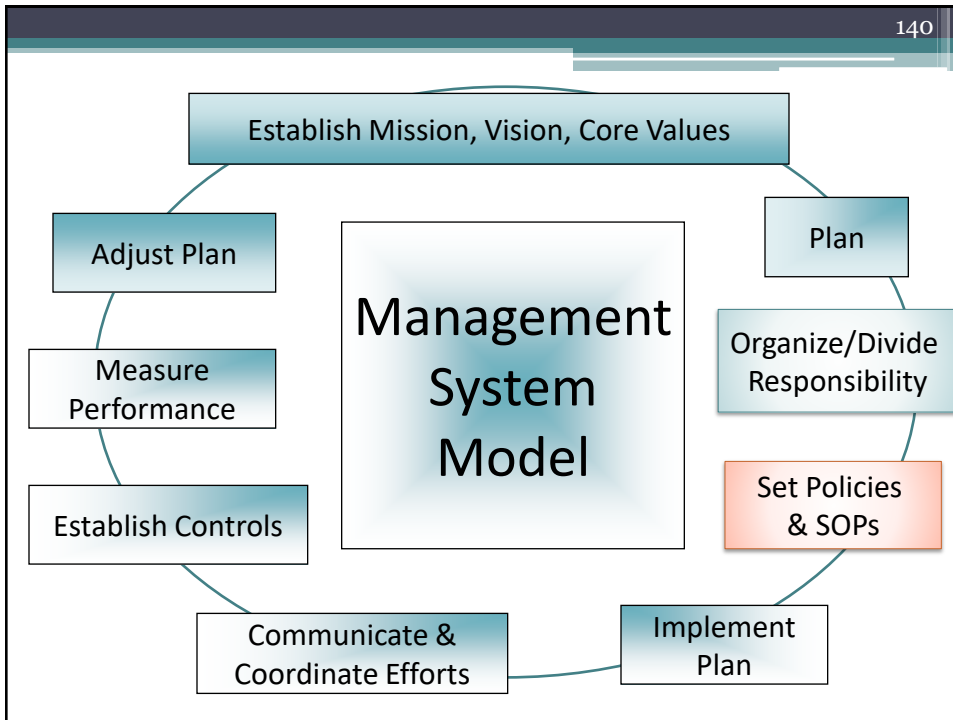
- Defining **board roles**
- Setting **compensation** – board, CEO, “Blood family”
- **Strategic planning**
- **Ownership transfers** (capital injections/withdrawals)
- Getting **incompatible players** “off the bus”
- **Champion for “disenfranchised”** owners
- **Guiding financial analysis** discussions
- **Running effective meetings**—board, family council
- **Transitioning management** duties
- Sounding board for **family conflict issues**

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Peer Groups - Network of peers sharing problems and solutions to operational and managerial challenges

- Confidentiality, trust and open sharing is **ESSENTIAL**
- Opportunity to network with non-related parties to “group think/problem solve”
 - *regulation compliance, succession strategies, strategic planning, compensation, research plots, new technology, financial review and benchmarking*
- Collaborate on shared ventures, market access
- Cost effective access to specialized training, consulting
- Keeps members accountable for action and follow-up

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Policies and Practices

Do policies and SOPs attract and retain successors?

...OR chase them away?

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36% do!

Are Policies Written Down?

...Common “Land Mines”

- Housing, Room and board
- Company vehicles use
- Expense accounts
- Setting compensation
- Family Business Investment & Withdrawals Policy
- Insider/inter-entity transactions
- Family Employment Policy
- Medical benefits
- Retirement plans/pensions
- Business benefit continuation
- Workdays, business/sick leave
- Buyout Understandings
- Alcohol & drug use policy

Ask each member of farm management team to write down understandings...then compare notes. (see Questionnaire)

Why Document Policies

- Get consensus on practices followed
- Communicate to partners & extended families
- Improve job satisfaction & teamwork
- Provide basis for professional review

Salaries, Wages & Bonuses

- Officers / Partners
 - Monthly draws
 - Annual salaries, bonuses

- Full & Part-time help
 - Who determines pay scale?
 - What is the pay cycle?
 - When is a bonus appropriate?

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Compensation Summary		Name:	Jill Indispensable Hired Help		
		Year:			
	Period	Rate/Mo	No Mos.	Yearly Total	
Salary	Nov-Feb	\$2,500	Base 3	\$7,500.00	
		Rate/Hr	Hrs/Mo		
Wages	Mar-Oct	\$12.00	250	9	\$27,000.00
Cash Salary & Wages Subtotal:			\$34,500.00		
Employer Pd Soc Sec/Gov't Retirement % Rate:			7.65%	\$2,639.25	
		Rate/Mo			
Housing		\$850.00	12	\$10,200.00	
Utilities - Power, Phone, etc		\$250.00	12	\$3,000.00	
Meal Allowance, Groceries		270 days @ \$4.00/day		\$1,080.00	
Beef, Farm Produce		1/2 beef - 350# @\$2.00/lb		\$700.00	
Board 2 extra horses		\$60.00	12	\$720.00	
Medical Insurance		\$600.00	12	\$7,200.00	
Uncovered Medical Reimbursement					
Other-					
Commuting Pickup				\$4,000.00	
Other- Auto Insurance, gas, maint.-	Spouse & children				
Other-					
Total Wage and Benefits Value (Items 1-7)				\$64,039.25	
Bonus- Based on Yearend Results				\$4,000.00	
Retirement Contribution @		7%		\$2,415.00	
Total Compensation:				\$70,454.25	

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Total Hours Worked Per Year	2700	270
	(excl bonus & ret.)	(incl bonus/ret)
Total Compensation per Hour	\$23.72 (line 8/line 11)	\$26.09
Total Compensation per Day	\$ 237.18	\$260.94
Total Value of Non-Taxable Benefits (Items 4-7)		\$26,900.00
Non-Taxable Benefit Analysis @ Tax Rate:	43.15%	30.15%
Pre-Tax Wage Equivalent (Line 12/(1-TaxRate))	\$47,318	\$38,511
Total Tax Savings (Line 13-Line 12)	\$20,418	\$11,611
Tot. Pre-Tax Wage Equivalent -(Line 9c + Line 14)	\$90,872	\$82,065
" " " " " - Per Hour	\$33.66	\$30.39
Tax Table Summary	High Rate	Low Rate
Federal Tax	28.00%	15.00%
State Tax	7.50%	7.50%
Social Security Tax	7.65%	7.65%
Total Tax Rate	43.15%	30.15%

→What do you think you cost your business per day...per hour?

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Trends in TEPAP Compensation

	2012	2023	2024	2025
Total Compensation	\$78,166	\$98,830	\$101,720	\$114,771
Pre-Tax Wage Equivalent	\$90,204	\$111,177	\$122,751	123,700
Days Worked	297	286	280	280
Hours Worked	3000	2700	2760	2742
Pre-Tax \$/Day	\$304	\$389	\$437	\$441
Pre-Tax \$/Hour	\$30	\$41	\$44	\$45

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Family Employment Policy

- Components to keep professionalism in the family business
 - Vacancy requirement & skills required before hiring
 - Economic capacity analysis to support hire
 - Prior experience/training required; apprenticeships
 - Supervision and reporting relationships/nepotism rules
 - Consultation of stakeholders required before hire
 - Correlating compensation/bonuses with responsibility and performance
 - Merit vs. paternalism as criteria for hiring and advancement
 - Avoiding discrimination - family vs. non-family employees/owners
 - Policies on pre-nuptials

“...Policy before the need”

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Family Business Investment and Equity Withdrawal Policy

Components of Policy


- Who is welcome to invest?
- Is there a waiting period to become an investor?
- What financial literacy must be demonstrated?
- Should everyone be equal, or invest within your means?
- Are capital balances monitored for compliance with legal agreements?
- When can capital be withdrawn? *“Can I ever get my money out?”*
- How do we compensate for excess capital balances?

Stories...Australian & Montana partnerships

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SOPs and GAPs

30% have these





- Not something new!
- Purpose: guidance documents for repetitious or routine jobs
 - Training tool – new hires
 - Leverages communication for multiple employees
 - Assures jobs are done following BMPs, GAPs
 - Increases safety & lowers cost of production
 - Baseline for measuring job performance, auditing
 - BONUS: Value Added Revenue (ISO9000, Food Alliance)

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Consequences of Undocumented SOPs

- Inconsistent work
- Accidents and equipment damage
- Inefficiency in work processes
- Seasonal help frustration
- Exposure to food safety & worker safety violations, fines (*skidder incident*)

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Process Improvement Audit Checklist

This worksheet is designed to assist you in identifying areas in your business where it may be appropriate to standardize process and document SOPs, GAPs, or BMPs. Inventory which of these apply to your business, place an "X" in columns that apply, and note which organizational unit in your business has lead responsibility to initiate and/or administrate the topical area.

<i>Process Improvement Area:</i> (Place an "X" in the columns that apply.)	Applies to Us	Have it in place	Organization Unit or Person with Lead Responsibility
<i>Management System</i>			
Mission, Vision and Core Values			
Farm History			
Goals and Objectives-updating process			
Strategic Planning Process			
Organization Chart/Job descriptions			
Policy Handbook			
Critical agreements documentation (buyout agreements, estate plans & wills, lease arrangements)			
<i>Human Resource Mgmt</i>			
Job Announcement, application & interview processes			
Job Descriptions, org. charts & Performance Standards			
Training and orientation			

Have you taken inventory of your Process Improvement - SOP elements?

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Common Applications of SOPs

- Equipment servicing and operating instructions
- Crop agronomic and harvest procedures
- **Farm safety guidelines**
- Food safety practices
- Herd health procedures
- Office functions
- Stock handling procedures

www.wittmanconsulting.com → Downloads:

[Process Improvement Checklist](#)

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How are SOPs & Mentoring Viewed in Succession Culture?



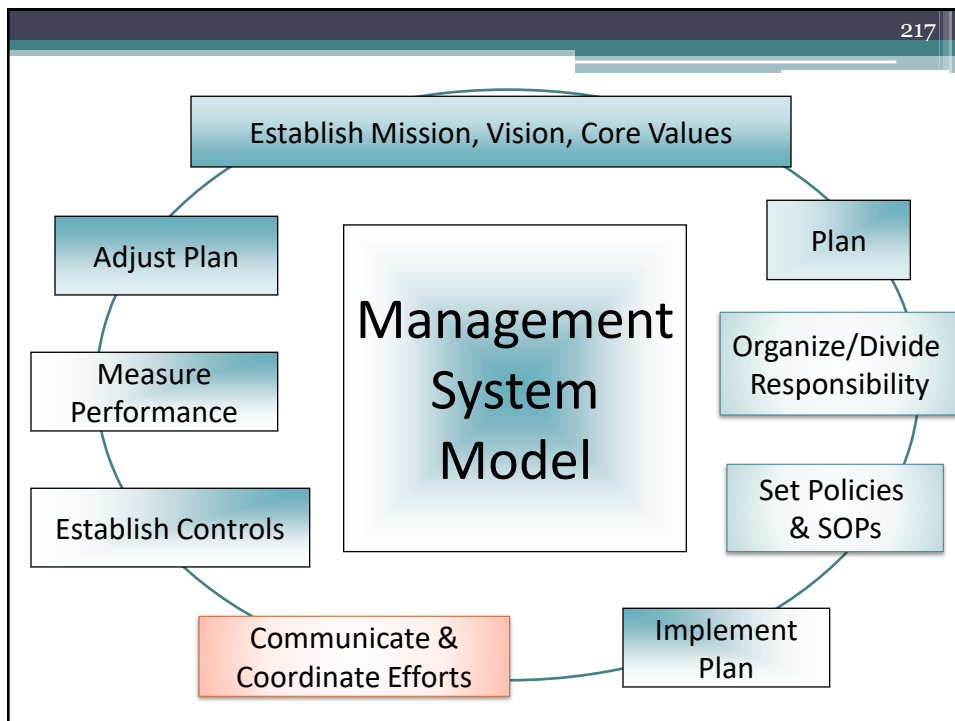
- Micro-managing, stifling creativity **OR**
- Leveraging institutional knowledge ... creating training tools for process consistency & efficiency

Challenges for Millenials & Z Gen successors

- “I got this...I can figure it out!” (independence)
- “I don’t need your help”... “I don’t want to bother you.” (hesitance to engage others)

→ **Do successors want mentoring or validation?**

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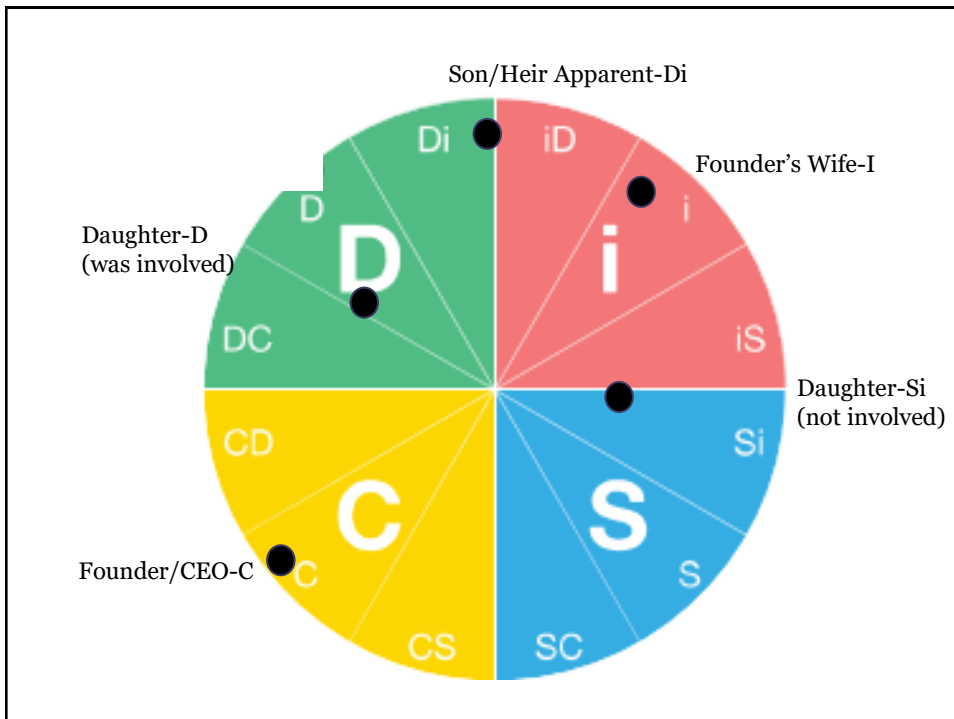
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Communication & Leadership Style Tools

- ColorCode
- Myers-Briggs
- DiSC
- Kolbe
- StrengthsFinder 2.0
- Enneagram
- Working Genius



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“Meeting culture” in your business?

- Staff meetings
- Management meetings
- Owner board meetings
- Advisory board meetings
- Family meetings ← *Have you done this?*
- Family council meetings

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Sample Board Meeting Agenda

Standard Items

- Minutes review
- Financial Review
 - P&L's, Bal Sheet
 - Budget Performance & Variance Analysis
 - Review/approval – budget changes
 - Peer Comparisons
- Policy Review
 - New policies
 - Existing policy review
- Next meeting date & agenda


Ad Hoc Items - Periodic

- CEO Evaluations & Compensation Review
- Strategic Planning, Growth, & New Investment Opportunities
- Ownership & Management Transition Strategies
- Capital Purchase/Replacement Plan
- Leadership Development – Management and Board
- Debt Management Strategies

Differentiate agenda items as (1) Reporting, (2) Decision-making, or (3) Discussion Where Management Wants Board Input

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Staff Meeting Template



Wittman Farms
Weekly Staff Planning Agenda

For the week of 7 / 22 / 19

Crop / Agronomy Activity

- Kinzer- Finish Great Plains turbo
- Puncturevine spraying- roads
- Roundup touchup-field,road borders
-
- Rye - Sam-Mid (Weds?)
-

Shop Operations

- FD75 header
- Kinze wagon - service, scale work
- Grain trailers - air lines, tarps, tires
- JD 1895 misc maintenance
- Pete PU to Lupers
- Mack electrical?
-

Admin & Miscellaneous Projects

- Prairie CRP/CCRP strips
- Brian - depreciation/INC books
- FCS financials
- Chem/Fert reconcile - SWE/Buch, LTD
- IFTA report
-
- Deat Foreman SW swap -Cox review
- TU10 aftermath grazing follow-up - Kim C

Cattle / Timber / Hunting

- Get rake home
- Home North hot wire fence
- Move Polly cows friday
-
-
- Rad logging schedule
- Pete's pasture - mow

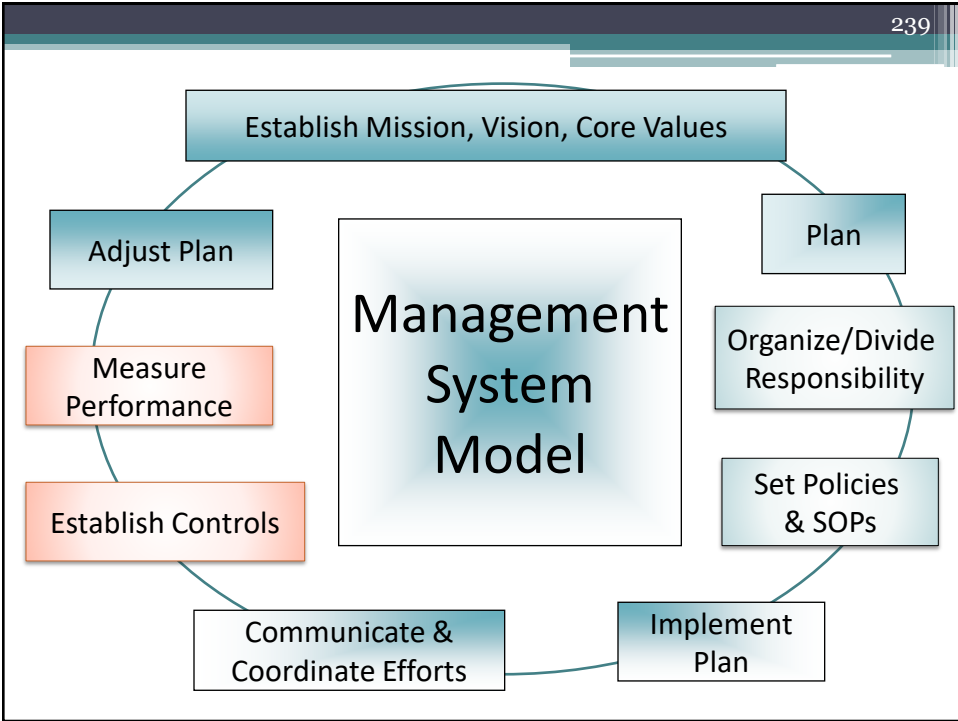
Building & Improvement Projects

- Wyatt- driveway gravel
- Reset scale retaining wall at bins
- Bin pit cover- cable, winch motor
- Gravel bins
-
-
-

Meetings & Leave Schedules

- Pete -
- Todd -
- Tom -
- Carl - McQuay Mon/PM, Lia Mon/PM, Thun AM BOC
-
-
- Harvest meeting 7/22
-

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Financial Literacy & Management Control - *Key Elements*

- Financial Review & Analysis
- Performance Reviews – Individual/Whole Farm
- Training & Professional Development
- Tapping outside Advisors/Peer Groups/Auditors

"We manage what we measure."

"People do what is INSPECTED, not what is EXPECTED!"

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Top 10 Financial Literacy Best Practices ...Score Yourself on Scale of 1-10

- Cash versus Accrual Adjusted Net Income
- Tax vs. economic depreciation
- Cost versus Market Value Balance Sheet
- Calculating Unrealized Gain & Deferred taxes
- Instilling culture that paying tax is a GOOD THING!
- Cost of Production for each marketable commodity
- Cashflow Budgeting & Pro Forma Income Projections
- Trend analysis–Key Ratios, annual reports
- Using models to optimize Capital Asset Replacement
- Capital Debt Repayment Capacity

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		Ratios & Indicators						
Joe P Sample Cust # Example		FYE 2008	FYE 2007	FYE 2006	FYE 2005	FYE 2004	FYE 2003	
		12/31/2008	12/31/2007	12/31/2006	12/31/2005	12/31/2004	12/31/2003	
Liquidity-WC	Balance Sheet							
	Total Current Assets	288,955	215,000	217,052	217,725	231,100	212,900	
	Total Current Liabilities	144,045	97,697	118,525	128,510	125,175	107,100	
	Working Capital	144,910	117,303	98,527	89,215	105,925	105,800	
	Liquidity Ratio	2.01	2.20	1.83	1.69	1.85	1.99	
	Total Assets	1,208,705	1,171,370	1,202,152	1,191,725	1,184,600	1,166,450	
	Total Liabilities	547,127	545,807	590,050	641,080	661,475	673,650	
	Total Equity	661,578	625,563	612,102	550,645	523,125	492,800	
	Debt to Asset Ratio	45.27%	46.60%	49.08%	53.79%	56.84%	57.75%	
	Equity to Asset Ratio	54.73%	53.40%	50.92%	46.21%	44.16%	42.25%	
Debt to Equity	0.83	0.87	0.96	1.16	1.26	1.37		
Solvency-D/A		Avg	Projected Cash Flow	FYE 2008	FYE 2007	FYE 2006	FYE 2005	FYE 2004
	Income Statement (VFP)		01/01/2009	01/01/2008	01/01/2007	01/01/2006	01/01/2005	01/01/2004
	Ag - Pers.	5 Yr. Avg.	12/31/2009	12/31/2008*	12/31/2007*	12/31/2006*	12/31/2005*	12/31/2004*
	Gross Revenue	517,170	545,028	614,369	495,353	499,187	476,305	500,635
	VFP / Gross Profit	437,949	457,028	530,199	416,503	419,282	399,025	425,735
	Operating Expense (excl. depr. & int.)	251,140	269,487	281,392	240,933	247,428	252,928	233,019
	Oper. Exp. Ratio	57.34%	58.97%	53.07%	57.85%	59.01%	63.55%	54.73%
	Depreciation Expense	31,948	30,700	26,450	31,600	32,600	35,540	31,450
	Depr. Exp. Ratio	7.29%	6.72%	5.37%	7.59%	7.78%	8.95%	7.39%
	Interest Expense	57,875	40,348	45,481	76,157	52,360	55,580	59,795
Int. Exp. Ratio	13.21%	8.83%	8.58%	18.28%	12.49%	13.96%	14.05%	
Asset Turnover Ratio	0.37	0.38	0.45	0.35	0.35	0.33	0.36	
Net Income From Oper.	96,886	116,493	174,876	67,813	96,884	53,877	101,471	
NIO Ratio	22.15%	25.49%	32.98%	16.28%	20.72%	13.54%	23.83%	
Rate of Return on Assets	10.18%	9.67%	15.05%	9.22%	8.97%	6.72%	10.93%	
Rate of Return on Equity	10.73%	11.56%	20.76%	5.37%	9.46%	4.51%	13.53%	
Oper. Profit Margin Ratio	27.59%	25.57%	33.78%	26.26%	25.60%	20.05%	30.19%	
Income After Owner Withdrawal	75,405	100,493	148,026	47,713	67,224	34,339	79,721	
Term Debt & Cap. Lease Cov. Ratio	1.64	2.11	2.59	1.43	1.56	1.22	1.56	
WC/AGI	22.58%	30.06%	25.63%	21.52%	19.49%	23.14%	23.11%	


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Are Key Principals Evaluated?

Can professional feedback change behavior???

- Develop innovative system that fits your business
- Set performance standards tied to job description
- Use disciplined process on regular basis
 - Anybody exempt? (Boss, family?)
- Balance praise & criticism
- Succession challenge:
 - Transfer from PARENTING
 - To mentor, coach, supervisor



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The '5 Lists' Technique

Adapted from Dr. Gregory Billikopf, Farm Advisor, Univ. of California-Davis

Employee and Supervisor each make a list:

- What strengths do **you** bring to this operation?
- In what areas do **you** need to improve?
- What can **I** (supervisor) do to help you do a better job? (Employee & supervisor compare list)
- What personal develop steps will **you** take to improve performance and skills?
- What are your key goals for the coming year?

[CEO Evaluation](#)

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How do we avoid tragedies?



...put management process in writing!

- Define vision, values & management process that takes you there
- Put right people with right talents in right seats
- Separate the “train tracks” – ownership vs. labor/management
- Reduce retirement fear – extend career path for patriarchs & groom successors
- Set goals & develop strategy to reach targets
- Implement professionally; engage advisory team & peer networks
- Commit to accountability – review performance *regularly & honestly*



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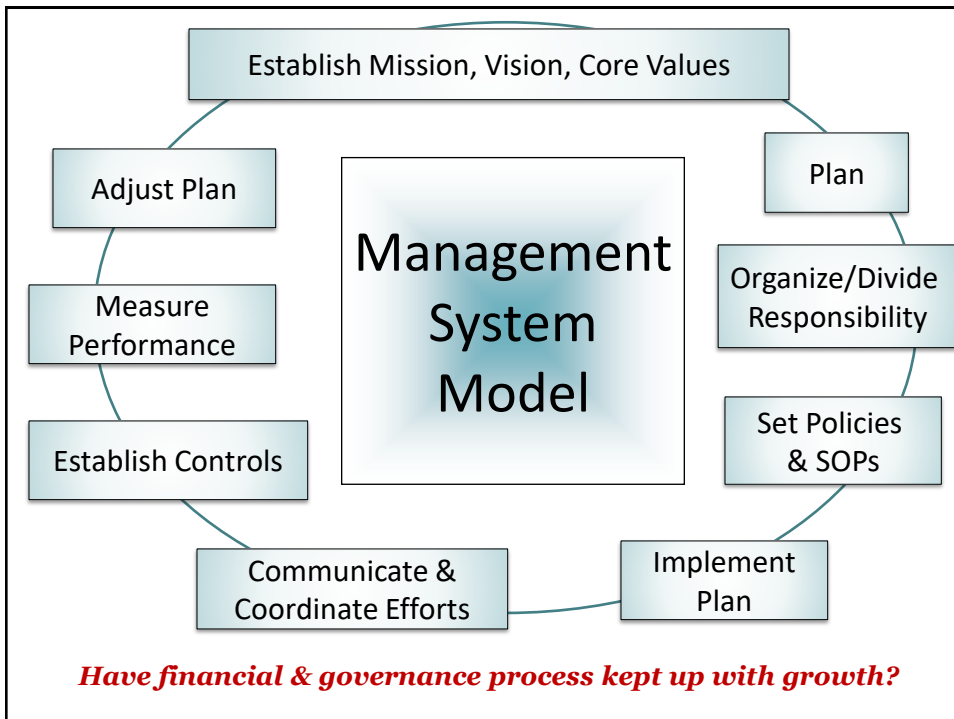
Goals of Today's Comments



Time to Head to the Barn!

- Identify critical conversations & issues
- Show path for implementing professional governance structures & transition plans

Stories: "Iowa Fireman"...
"Australian MBA"



Farm Management Proficiency Test

This test is designed to highlight the key proficiencies considered essential to successfully manage a family farm business. Farmers, teachers, advisers, and bankers can use this test to assess strengths and weaknesses, develop curriculum and implement training and self-improvement programs.
 (Note: This test does not address basic production management proficiencies.)

Key Proficiency Areas: (Place an "X" in the column that applies.)	In Place Now	Working On It	Need It	Don't Need It
Management System/Personnel Administration				
1. Mission, Vision and Core Values are defined for the business.				
2. Farm History is documented (incl. narrative & financial trends).				
3. Goals and Objectives (Long and Short Range) are defined.				
4. Operating Plan addresses Production, Marketing, Financing, and Capital Purchases/Sales Plan and is compiled into an annual Cashflow Budget Projection.				
5. Strategic Plan identifies "Strategic Issues"* for the business and, at least annually, updates strategies and action plans for achieving strategic goals. (* Estate planning/succession, business restructuring, expansion, diversification, in-sourcing vs. outsourcing activities, value added, equipment and facility replacement, enterprise mix, financial capitalization, stewardship, strategic alliances, tillage strategies)				
6. Responsibility is clearly divided and each partner and employee has a job description outlining duties, responsibilities & authorities.				
7. Personnel policies* are written and communicated to employees and spouses (* Including: housing, meals on premises & utilities; medical/life/disability insurance; buyouts; inter-entity transactions; vehicle fuel, insurance and maintenance, retirement plans, vacation and sick leave, setting compensation, business expense reimbursement, etc.)				
8. Standard Operating Procedures are documented for repetitive				

Start by taking inventory...

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**Checking off the box
...or living it?**

Mgmt System Templates

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Competitors ‘Sharpen the Saw’

- Invest in education & networking
 - TEPAP, Mgr Academy, Exec Biz
 - Top Producer, DTN Ag Summit, FF Summit
- Tap advisory board members
- Joining peer groups
- Use self-help software and templates



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Who can help?

- Tap certified facilitators and resources
 - Farm Journal Legacy Project
 - Succession planning websites
 - WCS Consulting Contact list
 - Family Business Institute
- Wittman Guidebook
 - Updated 2021 – Online + Hard copy
 - 50 editable templates for documenting governance and succession processes



Make study of Family Business excellence a lifelong journey

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Train the Trainer Workshops

Wittman Consulting Process

- Initiated 2002; evolved to annual program
- Who attends: consulting professionals wishing to add new services or polish up approach
- Enrollment: Client firms and open enrollment groups
- Consulting Contact List available on website

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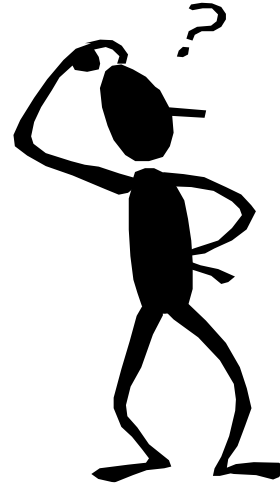
Celebrating 100 Years as Century Farm



Secret to Success:
*Multi-generational
 commitment to a
 professionally managed
 farm business*

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Time for Questions



Further Information: www.wittmanconsulting.com

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