

## **Managing Change**

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Changes in production agriculture continue to occur at a rapid pace. While change is not new to farming, a new type of change is now occurring. In the past, changes in production agriculture were related to the technology used in the production system. Machines replaced animal power and human labor. As machines increased in size and complexity, monitoring devices were added. Today, precision agriculture allows yield maps to be developed and inputs applied at variable rates, based on location in the field. New genetics are continually introduced, making significant contributions to increased crop yields and more efficient animal production. New methods for controlling pests are being developed. Herbicides provide an alternative to mechanical weed control methods. Insecticides and fungicides provide alternatives for controlling insects and plant diseases. These changes have required farmers to focus on the best way to produce or on “doing things right.” And many have succeeded in creating efficient production systems.

Changes in genetics, machinery, pest control, and fertility technologies continue to be an important part of today's production agriculture. But farmers today also face a new set of changes. The nature of product markets is changing. The large open access markets in which everyone is assured access at any time and in many places are being transformed. In their place, differentiated product markets are developing. Access to these new markets is not assured.

While production of products for these differentiated product markets often offer premiums relative to commodity products, production is often controlled by contract. These contracts may impose additional duties or additional quality standards on the production process. Producing in these markets may result in a closer working relationship with an input supplier or a processor. These changes are opening up new production possibilities and new ways of doing business. This set of changes is requiring farmers to ask, “What is the right thing to do?” To succeed in the 21<sup>st</sup> century, farmers must be farm business managers, and this requires new skills and a new orientation – a general management orientation rather than a production or plant management orientation.

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Part of this new orientation is recognizing that several important components must be present for the farm business manager to successfully cope with change. These components include vision, skills, incentives, resources, and an action plan. If one of these components is absent, it is unlikely that business managers will successfully manage the changes that are occurring.

If vision is missing, confusion will result. Without vision, the overall goal or purpose for the activities is lacking. Without vision, the business may be operating like the hapless pilot who announced to a cabin full of passengers, "I'm not exactly sure of our destination, but we have a strong tail wind and we should get there in record time."

If skills are lacking, anxiety will result. This may be the state of more than a few farm managers today. While farm managers have strong production skills, what is needed today are business skills – skills in dealing with finance, marketing, the management of people, the management of relationships, and providing organizational leadership.

Incentives must be clear. This helps provide motivation. Without strong clear incentives, there will be only gradual change, which might not be quick enough for the business to survive. If resources are not present, there will be frustration. And finally, if there is not an action plan, false started will delay if not prevent the progress necessary for business survival.

## **Managing Time**

Another part of this new orientation is recognizing that time spent managing is as important as time spent doing urgent tasks that occur on a daily basis. Because the labor force and the management team of the farm business include many of the same people, the farm business manager performs many tasks. Some of these tasks are important, while others may not be important. Some of the tasks are urgent. There seems to always be an over abundance of urgent tasks – things that must be given attention because the deadline is rapidly approaching or maybe even past, however, tasks are not urgent. Human nature being what it is, tasks that are not urgent, even though they may be important, are often put off until urgent tasks, regardless of importance, have been completed. In spite of good intentions, we may not get to important tasks until they become urgent.

Figure 1 illustrates some of the possible activities that consume a farm business manager's time. Many managers find much of their time being used by activities in Quadrant I. It will never be possible to eliminate all crises, but with better planning or more time spent planning, it may be possible to reduce the number emergencies. But where will this additional time come from? An obvious answer is time spent in Quadrant IV. However, it would also be possible to get some time from Quadrant III. While these things are urgent (usually for someone else), they are not important. It is important to seriously ask why we need to do these things.

**Figure 1. Allocation of tasks based on urgency and importance**

	<i><b>Urgent</b></i>	<i><b>Not Urgent</b></i>
<b>Important</b>	<b>I</b> <ul style="list-style-type: none"> <li>▪ Crisis</li> <li>▪ Pressing Problems</li> <li>▪ Deadline-driven projects, meetings, preparations</li> </ul>	<b>II</b> <ul style="list-style-type: none"> <li>▪ Preparation</li> <li>▪ Prevention</li> <li>▪ Values clarification</li> <li>▪ Planning</li> <li>▪ Relationship building</li> <li>▪ True re-creation</li> <li>▪ Empowerment</li> </ul>
<b>Not Important</b>	<b>III</b> <ul style="list-style-type: none"> <li>▪ Interruptions, some phone calls</li> <li>▪ Some mail, some reports</li> <li>▪ Some meetings</li> <li>▪ Many proximate pressing matters</li> <li>▪ Many popular activities</li> </ul>	<b>IV</b> <ul style="list-style-type: none"> <li>▪ Trivia, busywork</li> <li>▪ Some phone calls</li> <li>▪ Time wasters</li> <li>▪ "Escape" activities</li> <li>▪ Irrelevant mail</li> <li>▪ Excessive TV</li> </ul>

The material that is part of the modules on strategy challenges the reader to address the changes taking place in farming and then develop a strategy for taking advantage of the many opportunities that these changes present. For most farm business managers, this is not an urgent activity, but it is important. The environment surrounding production agriculture continues changing at a rapid rate. To capitalize on these changes, farm business managers need to give careful thought to what the business will become and how the changes needed to reach the desired outcome will be achieved.

The material has been divided into several modules. Each module has a unique focus, enabling the reader to select those topics of greatest interest having to sequentially progress through all topics. Comments about the material and suggestions for additional topics are always welcome.