

COMPLIMENTARY TEACHING MATERIALS



# Farm Business Management: The Fundamentals of Good Practice

Peter L. Nuthall



# Chapter 11

## Anticipation and Looking Ahead Skills

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# LEARNING OBJECTIVES

Recognize why anticipatory skills are essential to good management.

Learn about becoming creative and the methods used to enable this, and so the ways to break out of the norm.

Discover the meaning of the 'futures approach'.

Become aware for the need to start retirement planning early in a farmer's career.

Learn about visualization as applied 'down on the farm'.

Discover the importance and meaning of the phrase 'the whole farm approach'.

Understand the processes necessary to ensure accurate assessments of alternative future farm plans.

Consider optimizing time management and the processes involved in ensuring the effective use of labour.

Find out about planning animal feeding, particularly for grazing situations.

# The Future is the Thing

Actions now define the future.

Anticipation and looking ahead skills lead to today's decisions; facilitates planning and forecasts results from plans.

Analysis of the future informs the manager of the correct 'here and now' decision to move towards the future.

Success requires using techniques that give rise to comprehensive and accurate anticipation.

## SWOT Analysis

Successfully using anticipation requires understanding both the farm and the manager's situation and skills.

Use a SWOT process to assess the manager and her/his situation. Review and work out:

- Strengths
- Weaknesses
- Opportunities
- Threats

# Areas of Interest

Anticipation must cover all bases:

- finance policies
- price forecasts
- risk management
- ownership structure
- retirement plans and action
- structure
- goals
- labour plans
- crops and pastures
- feeding plans
- animal policies

Process of anticipation uses:

- imagination
- visualization
- capturing the vision
- practicality



# Imagination and Creativity

Anticipation must encompass all aspects of a farm.

Examples include:

- job lists;
- animal production in 5 years;
- retirement;
- possible problems;
- product and production method possibilities;
- finances.

Starts with imagination and creativity.

Rules: initially ignore practicality; remove emotional blocks and self-perception blocks; record ideas; isolate key issues; assess the causes of change; use an environment that encourages thought and imagination.

Develop a constantly re-occurring thinking ahead approach.

# Approaches to Creativity

What suits you? Perhaps:

- Logical thinking: start and follow through with logic to assess.
- Brainstorming: maybe with group help.
- Random input: randomly select a start point, and follow through with where this might lead you.

Formal method: The futures approach (common and documented)

Process:

- Environment scanning: what conditions expected?
- Issues management: issues that might influence.
- Vulnerability assessments: likely difficulties.
- Scenario production: full visualized set-up.
- Conclusions.



# Retirement Planning: Anticipation is Imperative

Start early: succession takes time (e.g. changing ownership structure, covering tax issues).

Assess the objectives of retirees, and others impacted (retirement activities and costs).

Consult with all parties impacted, particularly close family: have round table discussions to assess everyone's views and use a facilitator if this is difficult.

Consider suitable ownership structures to facilitate plans: use legal professionals and others.

Maintain flexibility: someone may change their circumstances and/or mind.

# Visualization

Visualization is a key component of anticipation.

Pictures and mental images rule our lives: a picture is worth  $10^3$  words!

Constantly use mental pattern matching: instant decisions, forecasts of expectations.

Use visualization to create the future and the path on the way, and the final state.

Use all senses: smell, touch, pictures (can you smell, feel and picture the peaches in the proposed orchard?).

Practice and develop visualization: create a facilitative environment, be realistic, imagine.

Allow for the farm totality (everything is connected). Use cross-impact analysis.

Research shows visualizing success works, and the path on the way.

# Capturing the Vision

Get it on paper in various forms: leads eventually to the full plan and budget.

Create action and time charts: actions needed and when.

Flow diagrams may assist imagination and capturing all the elements.

Check practicality using, for example, experience, SWOT and critical path analysis (sequence of jobs, times required and bottleneck path).

All props and visualization eventually lead to a list of inputs, outputs, times and associated costs and returns in a budget.



# Implementation

Planning: ordering supplies, labour requirements and rules, consents and environmental regulations, economic principles, etc.

Monitoring and control: set up system with proper and complete observation and records.

Management cycle:

- plan;
- observe and record;
- compare actual with plans;
- benchmarks can be helpful;
- re-planning and actions.

Anticipation is again involved in controlling and re-planning.

Procrastination: some people struggle to get on with the plans. Strategies are available to help, e.g. start on the easy.

# Time Management

Efficiency in use of time and focusing on priorities are essential.

Anticipation is key to time management: imagining the possibilities.

Process involves:

- listing all the jobs in hand and expected;
- assessing each one's value to the objectives (will require subjective assessment);
- assessing the time each requires;
- assessing the return per hour for each;
- prioritizing based on returns;
- allowing for deadlines (some just can't wait, e.g. disease control).

Non certainty means constant reassessment is necessary.

## Time Use

How efficient are you?

Keep records of, say, 3-hour blocks.

Review times taken and likely pay-offs.

Any mistakes? Poor return per hour? Why? Changes and reorganization needed?

Value assessment: estimation skill needs practice. Subjective assessment is better than none.

Outcome: plan readjustment using anticipation.



# Action: Stock Feeding and Crop Production

Stock feeding and/or crop production are the core of most farms.

Use visualization and thinking ahead skills in planning these core activities.

Start with observing farm's current state or position:

- animal numbers and conditions;
- feed availability now and into the future;
- soil moisture levels and climate predictions.

Anticipate feed plans on daily/weekly/monthly basis:

- What actions required to make plans feasible and production OK?
- Buy/sell feed/animals? Act before too late.

Irrigation plans re feed production and crop growth: assess with soil water budgets relative to growth curves.

Fertilizer plans: similar to irrigation planning.



**Thank You**

**Name: First Surname**  
**Email: email@email.com**

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