



Build a Consulting Team That Works

by Bruce Dehm

“Knowing in part may make a fine tale, but wisdom comes from seeing the whole.” Taken From: Seven Blind Mice by Ed Young

Anyone who has had the chance to read this fine children’s book can understand the value of correctly identifying the problem before applying the solution. In this tale, seven blind mice set out to explore something strange by their pond. One discovers the leg and pronounces it a pillar. Another found a tusk and claimed it was a spear. A third arrived at the tail and said it was nothing but a rope. Only the seventh blind mouse, white in color, took the time to explore from top to bottom and from end to end. He correctly identified it as an elephant, and everyone else agreed.

A dairy farm is a complex entity. To operate one successfully, one must understand biology, psychology, mechanics, economics and politics. (Fortunately, programming a VCR is not a required skill.) Dairy producers depend on expert advice from the professionals they hire. Veterinarians, nutritionists, agronomists, lenders, business consultants, accountants and others are hired to provide value by giving information and advice. Most professionals are specialists rather than generalists. They need to be, given the complexity of today’s environments. The down side is that specialists are much like the first six blind mice. One may understand the “leg” and another the “tail,” but very few indeed have the ability of the white mouse.

The dairy producer taking advice from several individual consultants must decide which advice will provide the most benefit given limited resources at his or her disposal. For example, the nutritionist may be recommending a new TMR mixer for improved milk response, the crop consultant may be recommending a major liming program for improving crop yields, the veterinarian may be asking you to upgrade dry cow facilities for a better pre-fresh program, the business consultant sees a need for improved record keeping

and finally, the banker is saying no to all new capital expenditures until he sees an improvement in cash flow. In nine out of ten cases, the “golden rule” will prevail (the man with the gold makes the rules), and there will be one frustrated dairyman and four frustrated professionals. But don’t blame the banker because based on his knowledge of the situation, his or her decision not to fund more capital investment is perfectly correct.

There is a solution to this dilemma and it’s as simple as bringing your individual professionals together as a team once a year or more often if necessary. In this meeting, you, the farm manager must lay out the mission and goals for your farm business. Within this framework, your professionals need to identify problem areas that can keep you from meeting your goals. Furthermore, they should propose solutions to the problems. After all the goals, problems and possible solutions have been put on the table it is time for you and your team of professionals to rank solutions according to need. This becomes your business plan, your blueprint for meeting your goals. And, as with the seven mice at the end, if they all agree, then you have done a good job as a manager.

The role of the business consultant in this process is threefold. First, the business consultant should see to it that the financial information of the farm is of sufficient quality to both describe the current financial situation, and measure the results of any significant changes on profitability, cash flow or other measures of financial efficiency. Second, he should be able to reveal strengths and weaknesses of the farm business as compared to similar farm businesses and help the team determine the best alternatives for meeting farm goals. Finally, the business consultant should be able to skillfully communicate to his client and the other professionals, the effect of implementing the new farm business plan.

Bruce Dehm is an agricultural economist with Dehm Associates, a farm business consulting firm in Geneseo, NY. He can be reached at (585) 243-4427, or e-mail at bdehm@servtech.com.