

Many farms could benefit from an advisory team

Not just for big dairies, advisory teams help identify problems and prepare strategies for improving margins.

by C. William Heald and Shelly R. Hershey

THE dairy business is more complex than most businesses of similar size. New production tools, new regulations, new science, growing herd sizes, new diseases, and shrinking margins continue to make dairying more challenging each year.

Today, more than ever before, off-farm expert help must be tapped to provide the new skills, abilities, and knowledge to keep farms viable. Successful large herds have tapped into paid, off-farm expertise effectively for some time. They hire consultants from across the country and often are the earliest adopters of the newest profitable technology. This access to new technology and advice gives them a competitive edge.

Simply purchasing new technology and adding more resources to a farm is an overly simplistic approach to a complex management concern. Before a new technology is put into practice, it often must be tailored to the unique facilities and staffs of an individual farm. Most farms cannot justify the cost of outside experts to aid this process.

There is an alternative solution, and many progressive producers have found it profitable and satisfying. By selecting and organizing their local advisors in an advisory process, they have discovered a new tool — dairy advisory teams. Simply put, dairy advisory teams divide the work and multiply the results.

This article is the first in a series that will discuss the what, why, who, how, and when types of questions about putting an advisory team to work on your farm. Five years of research and experience organizing dairy advisory teams across Pennsylvania have motivated us to reach out to producers who have not heard or used a team in their business. We'd like to convince you to start a team of your own.

What's the goal?

What does an advisory team do? First, through discussion and brainstorming, it identifies a small number of critical farm challenges. Next, it generates new ideas to address these challenges. Then, the team formulates goals and action plans seeking to improve profitability. In the process, the team members achieve a new optimistic vision for the dairy business they are working with and for the dairy industry.

Producers decide who will be on their teams. Teams often include veterinarians, lenders, nutritionists, cooperative fieldpersons, accountants, partners, experienced producers, consultants, and farm business experts. Some producers have a three- to eight-person advisory team, and a rare few have subteams of two to three people to handle specialized topics such as herd health, nutrition, and finance.

The purpose of advisory teams is to motivate, develop a realistic vision, share information, establish a focus, and meet deadlines. Alone, a producer can think that his or her business situation is stagnant or going backwards. More things are wrong than right. The future appears bleak.

Working with advisory teams brings about change and successes that make everyone involved feel positive and motivated. When all advisors know the owner's goals and values, they can work together toward those goals. When information is not shared, advisors are forced to fall back to personal or perceived goals. With valu-

able managerial time in demand, it is important to focus that time on the most critical challenges.

The task may be to cut the hay, but it may be more important to have the manpower and equipment to get all the hay harvested in a

narrow window of time rather than start cutting tomorrow. Again, managerial time is valuable. Having an action plan with deadlines focuses key people on critical responsibilities and improves the likelihood that things will get done faster.

Who and how many should be on the team? All producers have key people with whom they consult. Defining problems for many advisors and consulting with various people often wastes time and results in conflicting advice.

On the other hand, all people who walk on the farm to provide a service or sell products have valuable knowledge that they wish to share with the producer. Most want to save everyone's time, keep the decision-making in the hands of the producer, and gain the producer's confidence.

They know what has and hasn't worked on neighboring farms. They know how to modify new procedures to fit unique farm situations. They simply have more experience and insight with new ways than an individual producer working alone.

There is no right or wrong person for an advisory team. Diversity of knowledge and ability is key. Generally, most of the team is selected from the advisors that already are in place for the farm. One of the off-farm advisors should be asked to act as the facilitator or coordinator. Primarily, the coordinator needs people and organizational skills. Secondly, the coordinator may have technical skills, but this is not essential.

Consider the list below. Shorten the list to only those that are essential to the current business challenges and dilemmas. In most situations, the farm should have two representatives on the team — husband and wife, father and son, partners, owner, and herdsman, and so on.

- lender
- veterinarian
- nutritionist
- accountant
- extension educator
- A.I. representative
- milk plant representative
- crop consultant
- another dairy producer

In general, small farms are successful with three to five team participants, larger farms may benefit from five to seven. Teams meet monthly or more frequently to start. Then they meet as often as needed to monitor the newly formed strategy.

People who are good "team players" make the best team members. A good team member is concerned about the team outcome, committed to



ADVISORY TEAMS GIVE DIRECTION to a farm's planning and help overcome stumbling blocks to making profitable changes. The Riachael family (from left: Bryan, Kevin, and Jennifer) of Sunrise Dairy at Stoneboro, Pa., are shown with Bruce Dehm, a business management consultant at Geneseo, N.Y.

team goals, willing and able to listen, eager to work on teams, and able to offer challenging ideas.

People who should not be on the team include those that are concerned only about their own area of expertise, dominate conversations, know-it-alls, are committed to personal goals rather than forming team goals, and do not like or value working as a team. Not everyone has the skills or likes being part of a team. If one member is not committed and undermines the team, then it is better to replace that member.

If the producer values that person's advice or service, then the one-on-one relationship can continue outside of the team. Teams do not work for all farms. Similarly, teams do not work for all people. Everyone has different strengths and interests.

Owner is in control . . .

One question that producers frequently ask is "Who is in control?" The answer is the producer/owner is always in control. The team works for the producer. The producer decides who is on the team, who is coordinator, who sets the agenda, lines up the priorities, and controls the farm resources. The team only analyzes problems and opportunities and shares its experiences from other farms.

The role of the team is to provide new options while discussing advantages and disadvantages of each option. The role of the producer is to provide farm specific information, evaluate the input from the team efficiently, and make decisions. The team has the responsibility to respect the producer's values, goals, and decisions, and to work diligently to achieve the team's goals. The producer has the responsibility to follow through with implementation and to help achieve the team's goals.

The advantage of advisory teams is that we all see a problem and its solution differently. For example, you may see a lame cow and think of calling the hoof trimmer, the nutritionist wants to review the ration, the veterinarian wants to consider foot baths or medication for the infection, and the engineer wants to improve the concrete surfaces and the walkways in the barn. The final solution may involve facets of all the above.

For more information about advisory teams, contact Beth Moore, Project Manager, Penn State Dairy Advisory Teams, 5399 Guitner Road, Chambersburg, PA 17201; e-mail: beth@innernet.net; phone/fax: (717) 375-2639. Visit our website at <http://dat.das.psu.edu>

The authors are in the animal science department at Pennsylvania State University.