



Management Development: Your Key to the Knowledge Economy

By Joe Prochaska

Retail Management

New and different managerial skills are becoming an essential ingredient in your ability to compete as an ag retailer. If you do not have a head start in acquiring these skills, it is not too late to start.

New Technologies, New Management Skills

New technologies, in the past, could be adopted by your business without calling for you to change the way you ran the business. But a major shift in what ag retailers provide as value to customers is rapidly taking place, from a product-oriented direction to a knowledge-oriented one. This is now forcing a change in how ag retailers must manage for success.

A good example is retailers' weed control programs where value used to be largely determined by the chemical active ingredient. While chemicals remain critical to weed control, value in weed control is rapidly moving into the knowledge surrounding the entire package of information in crop production.

The New Active Ingredient in Creating Value

The new "active ingredient" in the new economy is you! You and your team are now essential components in creating value and success for customers because the "active" part of that equation is moving from physical products to knowledge.

As new technologies continue to descend on you at a very fast pace, mastering each one of them is impossible. But managing this change not only is possible, but it is where you must now develop your competitive advantage. And the higher your level of managerial skills, the more you can put each new technological change to your full advantage.

Ag retail managers increasingly need the skills of general managers. General management covers many areas of business, but the primary focus must be on marketing by developing value in two different directions: first to customers who grow the crop and then to the processors and consumers who buy your customers' output.

The following are areas for focus that experts recommend as starting points in the management development process:

- Strategic and business planning
- Managing innovation
- Team building
- New market development
- Managerial communications

Management Development as Part of Your Business Plan

If you have not already included a section on management development in your own 2001 business plan, here are action areas to begin with:

1. Assess your strengths and weaknesses

First complete an assessment of your managerial profile. Like a doctor's physical, this helps identify your areas of strength and weakness. Then select a development area by following one of the most important management principles: Make your strengths productive and your weaknesses irrelevant.

Highly effective managers know what they are really good at and what they aren't. It is more productive to "strengthen your strengths" than to try to turn around weaknesses that are habits of a lifetime.

2. Select a means of educational alternative

After identifying an area for improvement, choose a method for achieving your management development goals:

- a. Talk with other ag retailers who have completed a management education program.
- b. Seek out the best books, videos or audio tapes on the subject.
- c. Contact local colleges that are active in this area.
- d. Consider a non-degree management program, offered by colleges or consultants.

3: Try to keep improving

Just as your body needs a steady supply of energy to keep you in top shape physically, you must also keep providing your mind with new knowledge to continue to improve your managerial skills.

Jack Shaw, featured speaker at our Agricultural Retailers Association (ARA) national meeting last December in St. Louis, author of *Surviving the Digital Jungle* and an expert on e-commerce, told ARA members that 10 percent of retailers' time now needs to be spent each year on continuous improvement of managerial skills.

Make Change an Asset

As you meet these management development goals, you will acquire a new set of skills that will allow you to effectively manage all the levels of change that continue to affect your business.

Change will then become a potential asset, not a threat. You can begin putting change to more productive use than your competition.

Taking action on your management development plan in 2001 can be your key to managing change, for growth and profit, in a knowledge-driven economy. □

Joe Prochaska is president of Donlar AgriSciences and has practiced management in agribusiness for more than 20 years. He is a writer on the subject of retail management, with a special focus on strategy, innovation and business development.