

New Management Skills Needed to Keep Pace With Change

By Joe Prochaska

Editor's Note: During 1999, Ag Retailer magazine will periodically offer management tips to retailers written by Joe Prochaska, president of Donlar Life Sciences. Prochaska has practiced management in the agricultural industry for 23 years and is a member of the Agricultural Retailers Association Board (ARA) of Directors.

America's successful high-tech companies have learned the value and power of adopting general management principles to achieve exceptional results. Our industry, agricultural retailing, is rapidly becoming high tech as well.

High-tech industries, such as aerospace and computers, had initial success with their technical discoveries. But the long-term survivors also adopted management practices that created order out of the chaos that major new technologies always bring.

Crop production is no exception. For ag retail managers, improving your management practices can be just as valuable for converting the turmoil in our industry into a long-term competitive business advantage.

Change Drivers

Higher risks. Without changes in your approach to management, you take the risk that customers may leap ahead of you, quickly developing a better understanding of how to adopt the new crop production technologies. Not only may they adopt technologies faster, if you can't keep pace, they may look elsewhere for products and services.

Your primary focus must change from delivering efficient, often lowest cost crop inputs to partnering with customers for higher-value outputs. You may recognize that the skills you relied on to build your business no longer seem to be what is needed to

continue growing. You must serve as a catalyst for change to meet those customer needs.

Capturing value. It is also critical that you remain a key technology transfer point, capturing value as new technology products move from manufacturers to your customers. It is difficult enough to capture value from traditional inputs, but it will be a must with the information-based "products" that are becoming a reality.

What, then, are the alternatives for dealing with these challenges?

General Management Trends

A complex business. General management is not a big business concept, but refers to the complexity of a business — not its size. Whether you lead five or 150 people, begin adopting general management principles by thinking of your job in terms of reaching objectives through people working as a team, something Silicon Valley high-tech companies in California discovered long ago.

Manage through people. You must now place your emphasis on business fundamentals that apply to the entire business and assign technical responsibilities to others.

This will structure your business to keep pace with technology. Change will come at an even faster pace in the future and trying to manage it incrementally becomes an impossible effort and a high risk.

Getting started. Begin your practice as a general manager by reviewing actions that can be taken immediately in these areas:

1. Develop a Clear Business Focus

a. Define precisely who your customers are and exactly what it is they consider valuable. What products/services are they willing to pay for?

b. Answer one more time the most basic of economic questions: What business are you really in?



2. Lead by Example

a. Organize for change by reviewing or rewriting your business plans, mission statement and marketing plans.

b. Begin making fundamental changes through timely decisions and actions. To delay is to abandon an opportunity.

3. Build a Performing Team

a. Select only the best people who share your vision. That's not to say you need only "yes" people working with you. But find people who see your overall business philosophy as you do.

b. Rely only on your best people who can take your business plan into action.

4. Partner With the Best

a. Develop product competence and market reach with alliances based on shared market objectives and written, well-understood goals.

b. Manage intellectual property through your allies: consulting agronomists, manufacturers, distributors, etc. Keep the number manageable and focused.

5. Rely on Feedback

a. Obtain feedback on progress being made compared to your business plan.

b. Meet regularly with your team to compare results to your plan, making timely adjustments if necessary to ensure annual objectives are met.

The real value of these management actions are in your taking action on one or more of them as part of your new year business plan. They will become effective tools in building your information-based ag retail business.

Next in the series: Capitalizing on Innovation. □