

The Forgotten Resource



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It's not just land and livestock. It's people, too.

by *Eric Grant*

Several decades ago, Burke Teichert learned a powerful lesson about managing people.

Hired by Harold Schmidt, a California-based veterinarian and self-made millionaire, Teichert was called into his office and asked to carry out a specific assignment.

"Burke, I want you to look into this," Schmidt said, "and I need it back in three weeks."

Teichert, who had grown up working on his Wyoming ranch for his micromanaging father, wasn't accustomed to such "management" generalities. He was used to structure, and felt a pinch for more information before he began the task at hand.

Nevertheless, he set out on his assigned project, which he completed ahead of schedule.

"You do good work," remarked Schmidt, after reviewing his report.

Teichert, sighing with relief, thanked his boss, then mustered up a question.

"Harold, it's interesting to me the amount of trust you put into people," he said. "You give people a job, and you let them do it. You tell them very little about how you want it done or how to go about completing their assignments. Why?"

Schmidt, turning to Teichert, had this simple response: "When I hired you, you didn't lie to me when you interviewed with me, right? Do you think your co-workers lied to me about their qualifications? No. I hired every one of you because you could do something that I needed to have done better than I could do it myself."

In the decades since, that single conversation and the lessons he gleaned from it have remained with Teichert.

Today, Teichert is the general manager of Rex Ranch at Ashby, Neb., where he oversees

the daily activities of more than a dozen employees and 11 cow herds at three separate locations. It's a complex, multifaceted enterprise that calls upon the talents and expertise of many people — and demands top-flight people management from Teichert himself.

His experiences have brought him to believe that employees are a "forgotten resource" for most farms and ranches. While most producers think about land and livestock as their primary concerns, they seldom consider their co-workers as an integral part of their ranch's total vision or long-term success.

"We tend to boss people, and most of us are pretty poor bosses," Teichert says. "What we really need to do is to couple our management of people with leadership."

To be successful, Teichert maintains that ranch managers need to look at their land, livestock and people from a holistic, integrative standpoint. Instead of managing each of these elements separately, he says, managers need to see the interconnections of each, recognizing that they are all dependent on the other.

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— Burke Teichert

Planning for succession

Because most farms and ranches are owned by families, they can become critically exposed to failure if they haven't adequately planned ahead for the next generation to take over.

Marshall Frasier, a faculty member with the Colorado State University (CSU) Department of Animal Sciences, says there are several key components to a successful succession plan:

- ▶ **Participation.** You need to determine which family members should participate in the succession-planning process. Most likely, this would include the children who are interested in continuing the farm or ranch.
- ▶ **Retirement.** You need to know when the parents plan to retire. If you don't, very little "real" planning can occur.
- ▶ **Determine when the younger generation will be phased into management of the farm or ranch.** "You'd better start having this conversation now, because you have to start thinking about things like mortality. If you don't have a plan in place, you will lose the farm. If you haven't set up the next generation to succeed, then you've done them wrong," Frasier says.
- ▶ **Labor transfer plan.** A plan needs to be in place that outlines how labor operations will continue on your farm or ranch. If there isn't a plan for this, and the older generation dies, it will become next to impossible to continue the farm as it has in the past, Frasier says.

Labor plays a key role when the ranch is passed to the next generation.

- ▶ **Management transfer plan.** You should put in writing exactly how management of operations will be shifted from the older generation to the younger generation, he continues.
- ▶ **Ownership transfer plan.** Generally considered the primary reason for succession planning, it will fail if there is no plan for labor or management transfer, Frasier notes.
- ▶ **Contingency plan.** "What if you don't die on time?" Frasier asks. "Had I gone back to my family's farm, I'd still be the kid on the place, and I'm 45 years old. My dad continues doing way too much work, but he just can't let go."
"The biggest constraint on all succession planning is the lack of communication," he continues. "You've got to talk with each other."

In the end, there are several reasons why some families succeed and some don't, Frasier says. "Successful families have shared values and shared power. They appreciate family traditions. They have a willingness to learn from each other. They have a genuine caring and respect for each other.

They respect each other's privacy," Frasier says. "And, they do things together. Most successful family operations thrive on joint recreation. It's not just about working or making a buck. They go and do things that are fun together."

Editor's Note: Marshall Frasier is an associate professor for CSU. He recently spoke at the Robert E. Taylor Beef Symposium at CSU.

Key to successful ranch management, he maintains, is developing a vision for the ranch that involves all of the ranch's resources and includes "ownership" from everyone involved in the operation, from the owner to the part-time employees.

"People need to be regarded as a resource, not as a tool. People are not expendable; they are a resource," Teichert adds. "They need to be treated well and mentored. Their development needs to be provided for, empowered, encouraged and engaged.

"If they're just there for a paycheck," he continues, "you're in trouble because you need their hearts and minds, too. Bosses who are authoritarians think they have all the answers. Nobody has all the answers. As a leader, you want to encourage the flow of ideas. And accomplishing a shared vision takes meeting after meeting after meeting. It requires that you talk and talk and talk with your employees.

"For any of this to occur, people need to be engaged," he adds. "As a manager, you won't be successful until people engage, and they need to engage in a process."

Teichert says it's the manager's primary task to create an environment in which people want to succeed. And managers need to provide the tools, training and freedom for their workers to be successful.

"How many people want to fail? How many people want to succeed?" Teichert asks. "I've never known anyone who wanted to

fail. So if people want to succeed, I shouldn't want to make them a robotic extension of me. I should help them to succeed. And if they're successful, I'll be successful."

Eight key steps

Teichert says effective people management hinges on the execution of eight key steps:

1 & 2. Hire the right people, and create an environment where they can succeed.

"Once you get them on the bus, you need to make sure they're in the right seat," he says.

"If you ask them to do something that they're not qualified to do, then you are setting that person up to fail."

3. Align people, land and livestock. "At our place, every full-time employee has his own herd to manage, which he calls his own," Teichert says. "When an employee starts referring to these cows as 'his cows,' I get excited because I know he's taking ownership. And in a very real sense, they are his cows. His living comes from those cows."

CONTINUED ON PAGE 304



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4. Provide information feedback to your employees. “Field data from each cow herd manager is submitted to us every month,” Teichert says. “We share this information with everyone on the ranch. They can compare their results against those of others. And it’s amazing how many breakthroughs you can have when that kind of communication happens.”

5. Empower your people. “We require three things of our employees when handling cattle: that they graze their pastures right, that they cull the right cows and that they handle cattle properly,” Teichert says. “But we also enable empowerment. I allow it. I encourage and reward it. When people become empowered, they have more success, more self confidence. They’re not afraid when they get the monthly reports, not afraid to ask how they accomplished that.”

6. Lead by example, but through authority. “There are very few good bosses,” Teichert says. “There just aren’t good people who know how to give orders and do it well over a sustained period of time. Most get along okay being boss on a temporary basis. But it takes a sustained effort, and a long-term vision that everyone in your business is part of in order for you to be successful.”

“Often, when you give someone authority, it’s not long before they use it in a way that’s uncaring and unkind,” Teichert says. “Authority tends to make us bigger than we are. You need to treat people with kindness and respect, and it makes a huge difference. Influence cannot be maintained by virtue



PHOTO BY ROBBIE PARKER, NJAA PHOTO CONTEST, 2006

of position. It has to be earned with gentle persuasion, kindness and a good knowledge of what you’re about and what you’re trying to accomplish.”

7. Don’t get caught up in your own image or status. “If you are, you probably will not become a leader,” Teichert says. “If you’re in it just for you, for your salary or for the way people look at you, you’re in trouble. People have to understand that you’re in it for them, that you want them to do well and succeed, too.”

8. Communicate, communicate, communicate. “People don’t like to read very

much. Your employees will read, but they won’t read something over and over,” Teichert says. “Instead, they need to hear something between four and eight times before it sinks in. It’s your job to communicate well with your employees, and to do so repetitively. Repetition isn’t a bad thing.”



Editor’s Note: Burke Teichert is general manager of the Rex Ranch at Ashby, Neb., a cow-calf and yearling operation with ranches in three separate locations. Teichert recently spoke at the Robert E. Taylor Beef Symposium at Colorado State University.

Be the manager

As a manager of your farm or ranch, you have four key roles:

1. Planning. “It’s your job to lay out the goals and objectives of your company,” says Marshall Frasier, a faculty member at Colorado State University.

2. Organizing. “It’s your job to create the structure in which your employees can function in their jobs,” he says.

3. Staffing. “It’s your job to find and attract the best employees that you can get,” he says.

4. Leadership. Your employees need leadership, not to be bossed around.

Critical to your success is your ability to control the activities of your workers.

“By ‘control,’ I don’t mean you boss your people around,” Frasier says. “You provide them with feedback. You let them know if they’re doing good work. You offer suggestions for improvement. If you don’t control, this will spin out of control,” he says.

When employees fail, however, it’s generally because of three reasons, all of which point back to the manager:

- ▶ They don’t know how to do their tasks, which reflects lack of training.
- ▶ They can’t do what they’re asked to do, which reflects poor hiring decisions.
- ▶ Or, they won’t do the tasks asked of them.

So what’s the solution to retaining your employees?

Training. “Most employers worry that their employees will take all that training and leave for another company,” Frasier says. “But when you do that, you create a culture of mistrust. Most employees won’t leave if you give them opportunities to grow professionally and to develop as people.

Foster employee performance. “You need to set meaningful, challenging and achievable goals,” Frasier says. “You should provide clear instructions, and check that they are well-understood, answering their questions and concerns. And don’t berate an employee if they’re confused.”

Employers should also provide structured and informational performance reviews, and recognize good work verbally and through other meaningful rewards.

Motivate by understanding needs.

“Self-actualization — when you give real responsibility to an individual — has to be real opportunity for real success,” Frasier says. Ironically, if you don’t provide an opportunity to fail, you haven’t provided opportunity to succeed.

Interestingly, a pay raise is relatively low in importance to employees. “But vacation — or time off — is huge,” Frasier says. “You need to give your employees the ability to determine when they want to take it and where. Don’t make it too confining by limiting it to certain times of the year.”