AGRIBUSINESS TODAY
FORUM 2015
GETTING IMPROVED INDUSTRY ENGAGEMENT
- THE HUMAN ELEMENT
The biggest threat to Australian agriculture is the misunderstanding and mismanagement of the social factors that act as barriers to progress in family farming businesses.
KEY SOCIAL FACTORS

- Business Acumen
- Cultural Capital
- Mental Health
- Vision & Purpose
- Family Communication
- Passion Alignment
- Isolation
- Succession Planning
“Bad management kills businesses, not lack of finance. No matter how much money you infuse into a badly managed business, the chances of it succeeding are slim. Whereas if you infuse good management into a financially troubled business; you can expect to turn it around”

*Ernesto Sirolli*
“Social factors contribute towards 25% of issues on-farm” John King, NZ
BUSINESS ACUMEN

Setting the foundation & the future
Vision & Purpose
Financial Literacy
Strategic Thinking & Planning
Decision Making Framework
“Financial literacy is the ability to make informed judgements and to take effective decisions regarding the use and management of money and is a complex combination of a person’s skills, knowledge, attitudes and ultimately their behaviours in relation to money.”

ANZ Survey of Adult Financial Literacy in Australia, May 2015
5 Behavioral Indicators

- Keeping track of finances
- Planning ahead
- Choosing financial products
- Staying informed
- Financial control
FINANCIAL LITERACY

What should I take notice of?

- Plan your profit at the beginning of the year
- Develop a budget and monitor it at least monthly
- Do a Gross Margin Analysis for each enterprise
- Brainstorm ways to reduce overhead costs
- Improve gross margin per unit
- Increase your turn over
A mental or thinking process applied by an individual in the context of achieving success. Involves the generation & application of unique business insights & opportunities intended to create competitive advantage.
STRATEGIC THINKING

Strengths

Weaknesses

Opportunities

Threats
STRATEGIC THINKING

- Strengths
- Weaknesses
- Opportunities
- Threats

Build & leverage your strengths
STRATEGIC THINKING

Strengths
Weaknesses
Opportunities
Threats

Strengthen your weaknesses
STRATEGIC THINKING

- Strengths
- Weaknesses
- Opportunities
- Threats

Take advantage of your opportunities
STRATEGIC THINKING

- Strengths
- Weaknesses
- Opportunities
- Threats

Mitigate your threats
“80% of us have an optimism bias. This is OK, BUT, it is not good in decision making as we under estimate risk and over estimate the optimism”

Todd Sampson, ‘Redesign My Brain’
WHAT DOES PASSION IMPACT IN AGRICULTURE?

- Innovation
- Mental wellbeing
- Adoption of BMP
- Family
- Profitability
- Marriage
- Enterprise Performance
- Performance
TRINITY OF MANAGEMENT
FAMILY 1

- PRODUCT
- FINANCES
- MARKETING

Categories:
- Mum
- Dad
- Son
- Daughter In law

Bar chart showing the distribution of responsibilities among family members in different departments.
TRINITY OF MANAGEMENT
FAMILY 2

PRODUCT
FINANCES
MARKETING

Mum
Dad
Son
Daughter In law
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“Social factors contribute towards 25% of issues on-farm” John King, NZ
Thanks for being here!

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Positive Farming Footprints