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It's 'Wake Up' time

Robert Savage, agronome, MBA
CEO
Solutions affaires
experts-conseils

No sound-minded factory manager or processing plant owner would dare to measure the pulse of his business only once a year. However, it seems to be a common practice among agricultural producers to, once a year, take a superficial peek at their financial statements. This kind of management practice could be compared to hitting the road in a car having the dashboard instruments removed. Gas level: unknown. Speed: unknown. Distance travelled: unknown. Engine temperature: unknown. Sooner or later, having failed to refuel by intuition, your car will eventually come to a stop. Maybe you'll be able to get some help, but you might also be stuck in such a critical situation that you will have to abandon your car.

Financial statements are very poor management tools, their main goals being the establishment of fiscal strategies, which results in a sweetened image of the real farm situation. On what then can we base our ability to be aware of, maintain and improve the health of our farm business? The answer is "benchmarking."

What is "benchmarking" exactly?

Benchmarking is a continuous process of research, comparative analysis, adaptation and implementation of the best techniques of other businesses in order to improve the overall performance of an organisation. In short, benchmarking, like a gas gauge on a dashboard, is based on measurable, quantifiable and comparable indicators such as: expense rates, veterinary fees, feed costs, number of hectolitres per cow, yields per acre, weight gain, employee turnover, etc.

To compare oneself is to comfort oneself?

If indicators are to be viewed as precious management tools, they ought to be compared to similar environments. For example, comparing a farm with a dairy quota of 500 kg b.f./day with the average Quebec dairy farm with a quota of 60 kg, is like trying to compare apples with oranges.

Speaking of oranges, why not compare our large scale dairy farms with those of our neighbours to the south? It is quite a different reality, or it is? Or course, not being able to rely of a cosy quota system, American producers quickly learned that if you are not at the head of the pack, the next crisis that arises will swiftly eliminate those who are marching along at the tail end of the parade. Therefore, the only way to keep one's head above water is to pay great attention to those little details that make the difference between being the best or being just average.

During his recent visit to Quebec, Carlton Bull, owner of Cha-Liz Farms, an American dairy farm of 875 cows, stressed the necessity to bend down to

pick up even a penny, because "every little thing counts." Are we so reassured by our oh-so-comforting quota system that we barely force ourselves to assume our management roles?

What is a good farm manager?

Having inherited our Judeo-Christian culture, we still believe that making money is a sin and that one can only earn his salvation by working from dust until dawn, with no weekends off and, heaven forbid, no vacations. What would be the result if, instead of working hard, we tried to work well. Today's successful farm owner is the person who leaves his fork aside in order to sit in front of his computer. He is the one who does not hesitate to reunite his veterinarian, feed adviser, management consultant and even his banker in order to find new and better solutions. He is one who establishes a budget and who, every month, analyses the results. In brief, he is the one who uses benchmarking to his own advantage, so as not to remain in the middle of the pack, but rather to move to the front of it.

Take one's matter in hand

While our dairy quota system is generally taken for granted, how did we come to use it as an excuse for our indifference and our counter-performance? Let's be honest, some of our Quebec farms have been, and still are, artificially maintained alive through the illusory security of a so-called irreversible system. It is not. Everything changes. We can only hope to maintain the status quo for as long as possible, but meanwhile we must be ready to

face the changes that will come by closely monitoring the health and performance of our farms.

Having worked for over 16 years for various organizations—including the Caisse populaire Desjardins, the Office du crédit agricole du Québec and Farm Credit Canada—Robert Savage, founder of Solutions affaires experts-

conseils, has established an innovated approach to farm consulting services. With the help of a multidisciplinary team of experts, Solutions affaires experts-conseils can get your farm on its way to greater profitability by working with your existing resources and by having access to a network of professionals involved in agri-business.



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