

WATER STREET SMARTS

March 22, 2011

A Farmer or a Businessperson?

KRVN's Ken Rahjes speaks with Water Street Solutions' Director of Development, Dean Heffta

Q: Now more than ever, farmers need to be businesspeople first. Dean, what are some of the ways to tell if you're on the right track in that respect?

A: Many farmers—family members that we each know and people that we work with—got into farming because they love the way of life. Today it's important to protect that way of life with the business skills that the market is demanding. We need a business mindset. Making decisions with analysis rather than just emotion is more important than ever so we can achieve the goals we want to achieve.

It really starts with knowing where you want to go. You can stay on track if you have a picture of where you're headed; that's one place to start. Then, get a sense of the level of anxiety you are feeling. A lot of times, the anxiety we feel might be due to the lack of a plan. Or maybe the current business demands are starting to surpass the skills that we have today; that moves us out of our comfort zone. It's so important to have a strategic plan that you can execute, find the people to help you execute it, and then follow it.

Q: Is it possible for one person to know *everything* they need to know to run a farming business well?

A: I haven't met any successful farmers who didn't recognize the need to have people on their team with expertise that they can rely on. I think it's hard to be an expert at everything. Successful businesses recognize the need to have advisors in areas that they are not experts in. I believe it's important that you know *enough* about all areas so that you can ask good questions, but I don't think there's enough time in the day to become an expert in everything you need to be an expert in.

It's vital to evaluate where it is you spend your time—because that's where your heart is—and then bring in the people around you who have the expertise that can bring an outside perspective to the table to help you.

Q: You talked earlier about having a strategic plan. Why is that important?

A: To get where you want to go, it's important to start off by identifying where it is that you want to go. Take the time to understand where you are now, set goals for where you want to take the operation, and involve others that you work with in that pursuit, because you can't do that on your own. Then break it down into the steps along the way that you're going to implement. Stick to the plan and get that expertise on board with you. It's all about building that road map and following it.