

Characteristics of Business — Farms and Veterinary Practices — Succeeding in the Next Decade

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Veterinarians and farm managers are facing challenging and exciting, albeit difficult, circumstances. Both businesses, like essentially all others, are operating in an environment characterized by increasing competitive pressures, faster technological change, and greater pressure to consider societal concerns. In this discussion we discuss six characteristics of businesses succeeding in the next generation.

Customer Orientation

It is nothing new and is easy to say that all businesses, including farms and veterinary practices, should be customer oriented. It is much more difficult to build the customer orientation into the business culture. Answering three questions can assist in embedding a customer orientation into a business:

- Who is the business customer?
- What does our customer value in our product or service?
- How should my business be organized to attain a customer orientation?

Traditional top/down business structures implicitly and explicitly encourage subordinates to be responsive to their boss and, therefore, upwards. This tends to create a situation where the interests of customers, who are usually viewed as at the bottom of the chart, are not viewed as important. Ken Blanchard, author of **The One Minute Manager**, talks about ducks, who complain and blame their condition on everyone else ('quack, quack, quack') and eagles, who soar above the crowd. The greater the customer orientation and the lesser the top/down organization; the more likely business personnel will perform as eagles.

Performance Driven

When we analyze farm businesses, we consider performance in terms of production per animal or per acre. These are measures of business performance; they are generally not good measures of individual performance. Peak individual performance can generally only

be obtained by committed, motivated personnel. Both motivation and peak performance require effective goal setting and feedback concerning goal achievement.

This necessitates the development of effective performance measures for individuals, processes, and businesses; this is not easy. We often do not establish measures because they are not easily identified. That excuse should not be tolerated. Often a single measure is not available; multiple parameters are acceptable and even desirable. The measures should be established with the customer in mind.

Enlightened Leadership by Management

The application of modern management principles — total quality management, Japanese management, empowerment — has clearly illustrated that effective leader/managers emphasize two roles:

1. Establish the vision, mission, and objectives of the organization; attain commitment of all business personnel to the vision and the mission and objectives.
2. Provide support and coaching to enable people to attain peak performance in order to maximize their contribution to fulfilling the vision, mission, and objectives established by the leader.

This approach is inconsistent with the view most of us have of management. This common view, implicitly or explicitly, is that the manager has power and, therefore, should control the actions of employees. In contrast, the modern view of management is that by vision and coaching we enable employees to develop and reach peak performance. I refer to the former as viewing management as control and the latter as viewing management as performance. We now look at several implications of management as performance.

Danny Cox, author of **Leadership When the Heat's On**, describes the management needed to empower and motivate people as humanagement. He defines humanagement as "the ability to use the job to develop the person while having fun in the process." In this people oriented view of management, the manager

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is leading people by unlocking all of the talents available. The fun part comes from the enjoyment motivated people have when they are developing and have a sense of achievement and fulfillment.

Success in this approach requires changes in the view of the organization's structure. The establishment of a vision must be accomplished through the traditional top/down structure. Of course, there should be input at all levels and from the customers; however, the vision is the responsibility of top management. Implementation of this vision requires a bottom/up organization framework. At each level the supervisor is a coach and supporter to enable the employee to perform. At the now top level the customer is the principle focus.

In this view the accountability is to soundness of the process and the results. The employees are empowered to carry out their jobs to meet the vision. There is no need to control every task; in fact any attempt is a large demotivator.

Cost Effective

The 90s and beyond will be characterized by their intense competitiveness as globalization and improved communication remove barriers that can protect businesses from competition in other regions or countries. This means that the goals being established as part of the accountability of empowered employees must include cost. Modern management, in addition to the very qualitative orientation on vision, emphasizes quantification of accountability goals, quality control, and cost effectiveness. Small business people, especially farm managers, often view the idea of competition as bad. These managers cannot allow this view to hinder their ability to instill a commitment to cost effectiveness as a part of a commitment to excellence and peak performance

Fast and Flexible

With change occurring at an ever increasing rate all businesses must be prepared to change quickly; this is one area where small business, like farms and veterinary practices, can have an advantage over large businesses. One important vehicle for fast and flexible is to encourage creativity and innovation. A small business working toward a shared vision should be viewed as an effective team; in fact a common vision is the most

important characteristic of an effective team.

It is important to keep in mind that effective teams have a shared vision but also a willingness to encourage and consider diverging views. Effective teams encourage divergent views (conflict); in fact conflict is the source of change. In this context it is helpful to separate decision-making from implementation. During decision-making divergent views are necessary to insure that the best decisions are made; during implementation the team comes together to reach the stated goals.

Commitment to Continuous Improvement

We often hear about invisible assets or assets that do not show on the balance sheet. In a human management approach the most important invisible assets are people. Investing in your people is at least as important as investing in your physical capital. Training and education are the formal forms of investment; coaching is the informal form of investing in your people.

Continuing peak performance requires a continuing dissatisfaction with the status quo. This means an unwillingness to accept current excellent performance as acceptable in the future. It does *not* mean low morale; in fact morale must be high for this to occur. An important contributor to this dissatisfaction and determination to do better is continuous improvement through education and development. Many organizations provide funds for their employees to obtain additional education often with no restriction on what is studied.

Conclusion

The success of total quality management in taking Japan from a country known for producing junk to a country producing quality has revolutionized our approach to management. I grew up in Michigan in the 1960s. The idea of the President of the UAW as a Ford Board Member was absolutely impossible. Today it is reality. Approaching management as establishing vision and direction and then providing the support to make it happen can have equally dramatic impacts on small businesses like farms and veterinary practices. In fact, I believe this approach is very compatible with the structure of small businesses and can, therefore, be more easily implemented in a small business.