



## CURRENTS

Greg Mason

# From Farmer to **ENTREPRENEUR**

*Greg Mason argues that successful farm entrepreneurship must reflect a creative balance of personality, responsibilities and assets.*

Recently, I overheard an individual remark, "I am just a farmer." I chuckled because this man was more than an average farmer. He and his wife had created one of the more formidable business operations on the prairies. Part of their success lay in developing a sound strategy. They had created a unique set of production activities that fit together.

Another key to their success lay in understanding the unique demands of entrepreneurship. Everyone talks about entrepreneurship. Courses are offered in high school, and government actually talks of training entrepreneurs from those who become unemployed through corporate restructuring.

Farming has become much more entrepreneurial. For the first six or seven decades, farms were handed down to children (usually sons) who followed in the furrows laid out by the parents. The '80s changed all that. Now, farmers need to be both managers and entrepreneurs. Management skills can be learned, but entrepreneurship is more subtle and elementary.

Entrepreneurs must set out clear goals, develop a strategy for achieving these goals and most importantly, assess their capacity to undertake all the steps in the strategy. Farmers are often at a disadvantage – when one is pressed by tight profit margins, it can be impossible to set goals beyond simple survival. Yet those entrepreneurs who can identify a goal, specify the action needed and be objective about their own resources, will prevail.

As I discussed in the last issue, strategy is at the core of business success. Many farm-

ers are legitimately frustrated at the barrage of free advice offered by experts on how to create new value. Entrepreneurs must be creative in "dreaming" up ventures. We often reserve the word "creativity" for artistic pursuits, but the process of imagining a new business and developing a viable strategy is highly creative.

Third, an entrepreneur must take an inventory of those personality, character and family assets crucial to success. A common mistake is to believe that entrepreneurship is for the young. Certainly, flexibility of mind is important, but most young people have competing interests for their time and energy. It is not an accident that many of the household names of today such as McDonald's, Wal-Mart and KFC were the product of mature adults who could focus on the business.

The triad of resources needed by an entrepreneur are all equally important. Clear goals, a strategy for meeting these goals and the asset base needed to support the plan are all essential. However, the last goal, the asset base, is usually understated. Certainly one needs adequate financial resources, but personal assets are also critical.

For example, it is foolish to develop a farm strategy that involves frequent travel away from home when one also has a young family. Most parents of young children would not accept long absences from home while raising a family. An entrepreneur that tries this will often fail at both – the goals and strategy are incompatible with the personal assets of the entrepreneur.

New partnerships are bringing added strength to the farm business. Increasingly I see women taking a business role in agricul-

ture. Sometimes they are farm operators in their own right, but most partner with their husbands. This can be an especially advantageous situation. A successful entrepreneur needs to manage risk. Having a trusted partner with whom to discuss options and plans is an invaluable asset.

The farm couple needs to appraise their relationship carefully before starting new ventures. Two conservative people may not seize opportunities. At the same time, if both partners are prone to taking risks, the business may become overextended. Ideally, an entrepreneur couple needs to balance risk-taking and prudence. They must assess their own personal ability to tolerate risk and the capacity of their family to accept the sacrifices of a business. The couple must be able to debate complex business decisions, make a joint decision and maintain their personal relationship and the family. An objective measure of this personal asset must be done before taking the risk of a new venture.

Farmers are having to become more entrepreneurial. Two elements of this are dreaming up the new idea and creating a viable strategy to fulfill the vision. Equally important is the inventory of assets, both financial and personal, that are key to success. Increasing numbers of farm families are finding that they are able to assemble the ingredients for successful entrepreneurship and this bodes well for the future of agriculture in Canada. ▀

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