



## MANAGING IN PERPETUAL “Next Year Land”

*Harvest is a time to reflect on the season just ended, but the modern business manager never waits for harvest to plan for the future.*

**H**istorically, the harvest represented a critical point in a community's life. A good crop meant security and a poor crop could mean calamity. Now, variation in the crop has less impact on the community and even the individual producer is rarely made bankrupt because of a single poor crop.

In North America, harvest occurs in the late summer and fall. This is the same time that most of us returned to school for a new year. It is a time of opening new copy books (or using new computer disks), meeting new teachers and making resolutions to do better. For the modern farm manager, reflections about harvest from last spring's investment are often combined with plans for the next year (when we'll finally get it right!).

Harvest occurs in every business. At the conclusion of a new marketing program, creation of an innovative product, opening a new office or hiring a new employee, a time comes to take stock of the outcome. We always need to evaluate what we have achieved from our investment.

In agriculture, the stock-taking occurs every year at harvest. The investment/seedling and profit/harvest cycle seems simple. Plant in the spring, spray in the summer and harvest in the fall. Sure, a sudden late spring frost can damage

crops. So can a valued employee's illness or a fire in a key production facility. Farming is a complex and risky business, but in this, no different from any other valuable human activity.

Three approaches seem to exist among business owners in

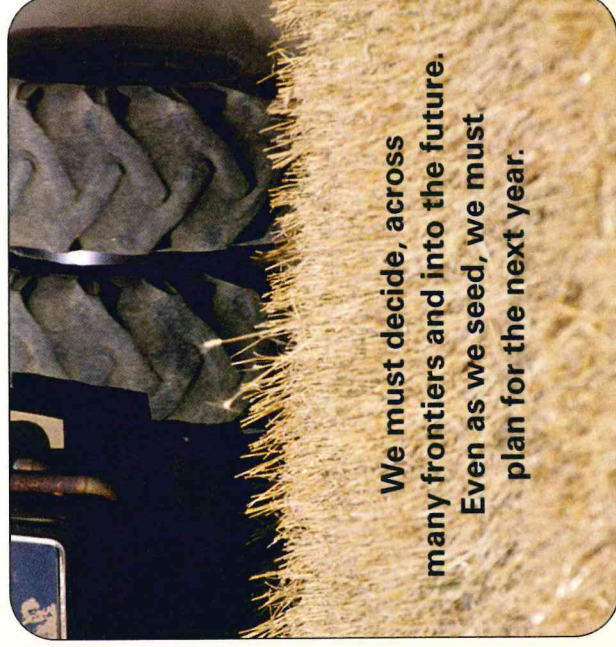
mentality is essential for sales professions. On the down side is that a reversal of fortune can produce a serious setback because basic precautions have been ignored. This is a high-risk business management approach few farmers would find attractive.

the cash reserves needed for long-term survival.

It may appear that the third approach lies between these two, but not exactly. The modern business manager never waits for harvest to plan for the future. As with all business, the luxury of making an investment and waiting to see how it turns out rarely exists. We must decide, across many frontiers and into the future. Even as we seed, we must plan for the next year. And we need to do this for many crops and lines of business.

Supposedly, at harvest, the farmer gets to see the results of a season's worth of planning and reflect on the bounty of the land. We are not in biblical times, where the farmer scattered a few seeds, sacrificed a lamb and prayed for rain. We might still pray for rain, but we use crop insurance and keep our eye on the markets to manage the risks offered by fate. As we seed, weather forecasts shape our expectations of the harvest. As we harvest, Australian farmers are seeding the competitive supply. ▀

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dealing with the hopes of investment:

First, we can see the Pollyannas who appear to think positively to ensure a favourable outcome. This

manager plans and expects the best outcome. The advantage this approach to business planning offers is that this attitude can be infectious. It is useful for motivating a team and extending a line of credit. This

Second, is the reverse business personality, the Cassandra, who plans for and expects the worst outcome.

This manager typically makes conservative investments to limit risks and the vagaries of farming encourages this approach. At the same time, this farmer gives up profits and over time becomes more vulnerable. His or her operations fail to diversify and develop