Why do the All Blacks need a Coach when 76% of farmers don’t

- A guide for farmers engaging consultants
Contents
Executive Summary .................................................................................................................. 3
1.0 Introduction ........................................................................................................................ 4
  1.1 Report Purpose .................................................................................................................. 6
  1.2 Scope of this report .......................................................................................................... 6
  1.3 Report terminology .......................................................................................................... 6
2.0 Literature Review .............................................................................................................. 7
3.0 Methodology of Research .................................................................................................. 9
  3.1 Method Limitations ......................................................................................................... 9
  3.2 Analysis ............................................................................................................................ 10
4.0 Survey Questions ............................................................................................................... 11
5.0 Survey Results .................................................................................................................. 12
6.0 Result Analysis .................................................................................................................. 15
  6.1 My Original Questions. .................................................................................................. 18
7.0 Discussion ........................................................................................................................ 20
8.0 Recommendations ............................................................................................................ 21
9.0 Bibliography ..................................................................................................................... 22
10.0 Appendices’ .................................................................................................................... 23
  10.1 Westport News Article .................................................................................................. 23
  10.2 Farm Advisor Survey .................................................................................................... 24
  10.3 Farmer Survey. .............................................................................................................. 25
11.0 Acknowledgements .......................................................................................................... 26
Executive Summary

Top farmers leverage their consultants to achieve more than they would on their own.

They do this in five main ways;

1. They have a plan.
2. They are prepared for their time with the advisor.
3. They have identified the skills or tools they require.
4. They seek advice from reputable sources.
5. They seek options, not answers.

Consultants have the ability to significantly lift farm performance provided;

1. They are aligned with the farmers plan.
2. They are prepared for their time with the farmer.
3. They have the experience and skills required to fill the identified gap/s.
4. They ask the right questions.
5. They provide options that are the “right fit” for the farmer.

Consultants also provide an important safety net and social connection for individuals within our industry.

While a corporate background is certainly not a prerequisite for being a farmer, the disciplines, skills, and tools acquired during employment are advantageous to any business owner. Where possible, farmers should seek out courses and conferences to enhance their business skills.

The goal is to make “their” boat go faster.
1.0 Introduction

“Why do the All Blacks need a coach”; has always been my standard answer when someone asked me why I used a farm advisor. The seed for my research came from an article reprinted in my local newspaper, the Westport News (Westport News 2015).

For many years I have admired how the best athletes (Woods, 2001, p. 13) in the world have the intelligence to identify opportunities for improving their own performance, and seek out advice that endeavours to achieve better personal performance.

The most inspiring business leaders (Welch, 2001, p. 442) have also identified they have an opportunity for enhancing performance through the use of mentors, and skill enhancing tuition.

DairyNZ has proven the opportunity for improvement of our Dairy Industry by funding a programme called Dairy Push (DairyNZ, 2011). It started in 2007 and is still continuing due to its success. This programme teamed farmers with farm consultants in the South Waikato area. The engaged farmers achieved $500/ha higher operating profit than the district average (DairyNZ, 2014).

A paper (Newman & Savage) presented at SIDE 2014 on benchmarking using Dairybase™ showed the gap in performance between the average and the top 25% of dairy businesses’. Many top performers use a coach (Nuthall & Old, 2014).
My wife and I engage a farm consultant and since his commencement we have lifted our productivity from 50,000 kg milk solids p.a. to over 80,000 kg milk solids p.a. without increasing our milking platform, and minimal increases to costs.

He was also able to demonstrate to us his performance with the following table showing his clients’ performance averaging 20% (Boyce, 2015) above the district mean. The gap in the middle highlights a drought and three year sabbatical in South America.

The above evidence offers a glimpse of the massive opportunity for improving farmers’ performance. This project attempts to identify the steps to improving consultants’ performance with farmers.
1.1 Report Purpose

The purpose of this report is to identify the systems and/or tools top farmers use to get the best value from their professional advisors.

1.2 Scope of this report

The scope of my research was to identify what tools and systems top farmers use to achieve the highest value possible from their farm advisor / coach. Every other issue related to farmers and their advisors is outside of the scope of this report.

1.3 Report terminology

I interchange the words coach, an advisor, and consultant throughout this report. For the purpose of this report they are the same. My intention is to break up the language, using the term that fits best in the sentence.
2.0 Literature Review

A comprehensive search of the Lincoln University Library revealed only one paper (Nuthall & Old, 2014) on the subject of farmer consultation, and this report centred on succession planning and governance of farm businesses.

Chapter 17 (Nuthall & Old, 2014) of this report identified the last information sought in their survey was on the extent farmers used professionals for advice on succession planning, governance and general farm advice. Their survey identified some fascinating statistics when it comes to the number and profile of farmers using coaches or advisors.

The Nuthall & Old paper revealed that farmers spent on average over 20 hrs per year on general farm advice. This was the highest category of professional advice sought, and significantly higher, compared to accountants, lawyers, bankers etc…

Table 2

<table>
<thead>
<tr>
<th>Type of advisor</th>
<th>Average hours per annum on succession/governance</th>
<th>Average hours per annum spent on farm advice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm consultant</td>
<td>7.01</td>
<td>20.74</td>
</tr>
<tr>
<td>Accountant</td>
<td>4.94</td>
<td>5.88</td>
</tr>
<tr>
<td>Lawyer</td>
<td>2.00</td>
<td>2.73</td>
</tr>
<tr>
<td>Business consultant</td>
<td>4.15</td>
<td>7.94</td>
</tr>
<tr>
<td>Banker</td>
<td>3.42</td>
<td>6.75</td>
</tr>
<tr>
<td>Company representative</td>
<td>7.49 (n=5)*</td>
<td>15.58 (n=10)*</td>
</tr>
<tr>
<td>Trusted person (relatives)</td>
<td>33.95 (n=20)*</td>
<td>50.56 (n=20)*</td>
</tr>
</tbody>
</table>

* The starred figures are the number of farmers answering the question and are presented where the numbers were low.

Table 3

<table>
<thead>
<tr>
<th>Asset range $</th>
<th>Farm consultant</th>
<th>Accountant</th>
<th>Lawyer</th>
<th>Business consultant</th>
<th>Banker</th>
<th>Company representative</th>
<th>Trusted person</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;5 million</td>
<td>15.64</td>
<td>4.85</td>
<td>1.91</td>
<td>6.36</td>
<td>5.70</td>
<td>13.67</td>
<td>64.02</td>
</tr>
<tr>
<td>5-10 million</td>
<td>31.24</td>
<td>6.67</td>
<td>3.31</td>
<td>11.06</td>
<td>31.57</td>
<td>12.67</td>
<td>62.33</td>
</tr>
<tr>
<td>10-15 million</td>
<td>30.74</td>
<td>6.22</td>
<td>3.00</td>
<td>5.33</td>
<td>6.00</td>
<td>15.00</td>
<td>37.00</td>
</tr>
<tr>
<td>15-20 million</td>
<td>38.66</td>
<td>11.50</td>
<td>1.56</td>
<td>13.75</td>
<td>NA</td>
<td>NA</td>
<td>46.00</td>
</tr>
<tr>
<td>20-30 million</td>
<td>76.67</td>
<td>10.50</td>
<td>30.00</td>
<td>10.00</td>
<td>NA</td>
<td>NA</td>
<td>10.00</td>
</tr>
<tr>
<td>&gt;30 million</td>
<td>78.43</td>
<td>10.20</td>
<td>32.40</td>
<td>6.67</td>
<td>1.00</td>
<td>NA</td>
<td>5.90</td>
</tr>
<tr>
<td>0-2.5%</td>
<td>9.000</td>
<td>0.024</td>
<td>0.000</td>
<td>0.831</td>
<td>0.17</td>
<td>0.987</td>
<td>0.915</td>
</tr>
</tbody>
</table>

Note: When NA is given usually means the answer has been provided by the small number of farmers falling into the category, or no farmers are in the category.

Nuthall and Old, 2014
The age of the farmer had an impact on consultant use with a much higher uptake from younger farmers.

Table 4

<table>
<thead>
<tr>
<th>Age range yrs</th>
<th>Farm consultant</th>
<th>Accountant</th>
<th>Lawyer</th>
<th>Business consultant</th>
<th>Banker</th>
<th>Company representative</th>
<th>Trusted person</th>
</tr>
</thead>
<tbody>
<tr>
<td>26 to 35</td>
<td>41.82</td>
<td>3.56</td>
<td>1.80</td>
<td>0.0</td>
<td>0.0</td>
<td>52.5</td>
<td>10.0</td>
</tr>
<tr>
<td>36 to 45</td>
<td>24.26</td>
<td>5.13</td>
<td>1.39</td>
<td>9.50</td>
<td>4.35</td>
<td>28.33</td>
<td>55.00</td>
</tr>
<tr>
<td>46 to 55</td>
<td>17.02</td>
<td>6.30</td>
<td>3.26</td>
<td>9.35</td>
<td>6.04</td>
<td>8.20</td>
<td>28.57</td>
</tr>
<tr>
<td>56 to 65</td>
<td>21.00</td>
<td>5.50</td>
<td>3.82</td>
<td>4.47</td>
<td>6.12</td>
<td>10.67</td>
<td>74.35</td>
</tr>
<tr>
<td>&gt;65 years</td>
<td>21.68</td>
<td>4.90</td>
<td>3.36</td>
<td>11.83</td>
<td>4.00</td>
<td>13.00</td>
<td>27.50</td>
</tr>
</tbody>
</table>

Note: Where NA is given usually means no answer has been provided by the small number of farmers falling into the category, or no farmers are in the category.

Nuthall and Old, 2014

Education also had an impact with a higher use of consultants for higher qualified farmers. The grade achieved surprised the author, with the highest use of advisors attributed to the 81-90% mark.

Table 5

<table>
<thead>
<tr>
<th>Grade band</th>
<th>Farm consultant</th>
<th>Accountant</th>
<th>Lawyer</th>
<th>Business consultant</th>
<th>Banker</th>
<th>Company representative</th>
<th>Trusted person</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;40</td>
<td>16.54</td>
<td>6.07</td>
<td>1.25</td>
<td>3.33</td>
<td>10.50</td>
<td>NA</td>
<td>220.00</td>
</tr>
<tr>
<td>41 to 60</td>
<td>12.59</td>
<td>4.90</td>
<td>1.25</td>
<td>5.71</td>
<td>2.23</td>
<td>30.00</td>
<td>180.00</td>
</tr>
<tr>
<td>61 to 70</td>
<td>10.57</td>
<td>3.00</td>
<td>4.06</td>
<td>9.20</td>
<td>10.59</td>
<td>7.00</td>
<td>22.50</td>
</tr>
<tr>
<td>71 to 80</td>
<td>19.90</td>
<td>4.14</td>
<td>1.75</td>
<td>3.07</td>
<td>0.20</td>
<td>11.90</td>
<td>21.00</td>
</tr>
<tr>
<td>81 to 90</td>
<td>32.57</td>
<td>5.90</td>
<td>1.93</td>
<td>10.50</td>
<td>15.44</td>
<td>11.00</td>
<td>33.90</td>
</tr>
<tr>
<td>91 to 100</td>
<td>27.54</td>
<td>3.00</td>
<td>2.35</td>
<td>17.57</td>
<td>3.00</td>
<td>NA</td>
<td>75.00</td>
</tr>
<tr>
<td>Prob</td>
<td>0.057</td>
<td>0.183</td>
<td>0.453</td>
<td>0.757</td>
<td>0.656</td>
<td>0.005</td>
<td>0.005</td>
</tr>
</tbody>
</table>

Note: Where NA is given usually means no answer has been provided by the small number of farmers falling into the category, or no farmers are in the category.

Nuthall and Old, 2014

This did not mean other farmers did not seek professional advice. Quite the opposite as they would most likely use a trusted friend.

They also revealed that farm operational complexity increased consultant engagement.

While the questions this project is attempting to answer are inherently different to those from the literature review, they highlight the demographic characteristic of the top farmers that seek professional advice.
3.0 Methodology of Research

I have chosen to interview four farmers and four farm advisors using seven written questions (Farmer/Advisor Interview form) asked orally.

My criteria for the farmers were: They must be operating in the top 25% of farms on Dairybase™, and using a farm advisor. This is a deliberate attempt to learn from the best. I have not used farmers with Sharemilkers’ or Managers, as although they do use consultants for the same reason as owner operators, my discussions with several all cited their primary reason for engaging an advisor is as a mediator between them and their contract employee.

My criteria for advisors were they must have clients in the top 25% of farms in Dairybase™, and answer the questions based on those clients in the top 25%.

3.1 Method Limitations

There are many limitations with the chosen method.

1. Sample size.
   
The sample size is very small with only eight people interviewed. This is due to two main reasons. Firstly the time frame I assigned for this report does not allow for a full blown targeted population survey, and secondly I chose to keep the analysis simple.

2. Sample Representation.
   
   Representation is limited by sample size. A larger number interviewed would create better representation of the population. I believe this creates an opportunity for future someone to pick up the ball (pun intended) and advance the research.

3. Diversification
   
   By asking both farmers and consultants I have attempted to reach some common ground by approaching my subject from two completely different angles, I have talked to individuals from the top half of the South Island to the East Coast of the North Island, but would not describe my spread as geographically representative.
4. **High Performance Farmers**

My discussion with bankers during the last year when disclosing my topic informed me that they often direct clients without the required technical and or financial skill set to consultants. This was not the group I wanted to focus on and confirmed my procedure in selecting farmers who are operating in the top 25% of farms on Dairybase™.

3.2 **Analysis**

The results of the survey have been analysed by looking for common themes in the interviewees’ answers. These themes have then been compared and contrasted leading into the discussion.

The discussion uses the analysis to answer the initial questions the author had for this project.
4.0 Survey Questions

You would expect to see these in the appendices’ which they are in their full format, I have also included them here above the results to assist the reader when reading the answers.

<table>
<thead>
<tr>
<th>Questions for Advisors</th>
<th>Questions for Farmers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Question One:</strong> In what situation do Farmers employ a farm advisor?</td>
<td><strong>Question One:</strong> In what situation do Farmers employ a farm advisor?</td>
</tr>
<tr>
<td><strong>Question Two:</strong> Why do Farmers employ you as farm advisor / coach?</td>
<td><strong>Question Two:</strong> Why do you employ a farm advisor / coach?</td>
</tr>
<tr>
<td><strong>Question Three:</strong> How do you measure the value you add to your clients?</td>
<td><strong>Question Three:</strong> How do you measure the value you receive from your farm advisor?</td>
</tr>
<tr>
<td><strong>Question Four:</strong> How do you prove you are qualified to advise?</td>
<td><strong>Question Four:</strong> How do you know your farm advisor is qualified to advise?</td>
</tr>
<tr>
<td><strong>Question Five:</strong> What types of recommendations do Farmers most commonly adopt? E.g. financial, management plans, pasture mix, product mix, capital, labour, succession planning etc.</td>
<td><strong>Question Five:</strong> What types of recommendations do you most commonly adopt? E.g. financial, management plans, pasture mix, product mix, capital, labour, succession planning etc.</td>
</tr>
<tr>
<td><strong>Question Six:</strong> What areas of your farming business do you think you have the greatest impact? How do you know this?</td>
<td><strong>Question Six:</strong> What areas of your farming business do you think your advisor has the greatest impact? How do you know this?</td>
</tr>
<tr>
<td><strong>Question Seven:</strong> What systems or tools do farmers use to achieve the maximum value from your time?</td>
<td><strong>Question Seven:</strong> What systems or tools do you use to achieve the maximum value from your farm advisor?</td>
</tr>
</tbody>
</table>
5.0 Survey Results

The author has chosen to represent the answers to the survey questions in a table with the four farmers across the top and the question numbers on the Y axis. This method was repeated for the four consultants.

The visual advantage of this method allowed the author to see the common themes easier as well as the outlying comments.
<table>
<thead>
<tr>
<th>Question</th>
<th>5.1</th>
<th>Farmers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>Tough times, new system, cropping, mediator, adds weight to recommendations (banker, shareholders...), access to skills or tools</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>Access to tools (spring rot planner, fert planner...), access to multiple systems, independence, owner reporting, skill set, straight talk to staff</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>Putting a $ figure on one idea, if no change from visit no point continuing, value hard to measure, production easy to measure</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>Qualifications not necessary, focus on quality of advice, working to strengths of advisor, verbal recommendation from peers</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>We seek out specialists for targeted advice, primary advisor for feed and fert budgeting, staff and labour</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>feed and fert budgeting, staff and labour - results over time</td>
</tr>
<tr>
<td>7</td>
<td>7</td>
<td>Alignment of self-monitoring with advisors monitoring, Pre-prepared data for visit, verbal catch up prior to establish agenda</td>
</tr>
<tr>
<td>Question</td>
<td>Consultants</td>
<td></td>
</tr>
<tr>
<td>----------</td>
<td>-------------</td>
<td>3</td>
</tr>
<tr>
<td>1</td>
<td>Told to (banker), reached problem/impasse, new to area, right thing to do, filling need or desire.</td>
<td>Have identified issues outside their skill set, sounding board, confirmation of new idea, checking nothing overlooked, agent for absent owner, mentor to owner or staff</td>
</tr>
<tr>
<td>2</td>
<td>References, and or referrals</td>
<td>Track record, peer recommendation, age (young, innovative), marketing, people skills</td>
</tr>
<tr>
<td>3</td>
<td>Only work with clients that I can add value to, via achievements, goal path attainment, desired path and outcome - not necessary communicated, guided self-discovery</td>
<td>Benchmark Clients annually, improved quality of life, improved confidence, can see opposite as well with clients tracking downhill</td>
</tr>
<tr>
<td>4</td>
<td>Occasionally asked, personal experience, consultancy experience, paid to learn, formal quals, time in experience, focus on core skill set</td>
<td>Delivering on identified issues, requires faith and trust, making right noises/what they want to hear</td>
</tr>
<tr>
<td>5</td>
<td>What they want or have to do, spenders will do cows and grass - bank forced to do financials/ transferred passion from cows and grass to $$$, Chance induced by catastrophic event (health or financials), instant gratification - easy to do and measure</td>
<td>Benchmarking $$$ for 130 farms, budgeting, cash manager/accountants</td>
</tr>
<tr>
<td>6</td>
<td>Contracts and negotiation, cows and grass, measurable - simple repeatable decision rules rotation targets, supplement use trigger points</td>
<td>Clearly relate to their plan, solving the issue they identify, Social aspect - client connecting to the outside world</td>
</tr>
<tr>
<td>7</td>
<td>Dairybase, combined plan, preparation, respect for time of self and consultant, referring back to plan, accept life frame of relationship, clear goal of time together</td>
<td>Strategic planning, assisting to define their end point, knows it - by following their journey</td>
</tr>
</tbody>
</table>

Table 5.2

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Told to (banker), reached problem/impasse, new to area, right thing to do, filling need or desire.</td>
<td>Mentor, advise outside skill set, succession, cows and grass, financial proposal, fert advise, risk management, independent, when in shit, neighbour has one, precise tech skills, fine tuning, early adaptors/innovators, transferring options, make more $$$, idea bouncing</td>
<td>Two situations - in the shit so bank of wife enforced, or proactive wanting to do better</td>
<td>Have identified issues outside their skill set, sounding board, confirmation of new idea, checking nothing overlooked, agent for absent owner, mentor to owner or staff</td>
</tr>
<tr>
<td>2</td>
<td>References, and or referrals</td>
<td>Building long term relationships, word of mouth, have necessary skills set, approachable, humour, experience - been there done it, safe pair of hands, push the envelope, farmer decides path, understand how to make &quot;their&quot; boat go faster</td>
<td>Track record, peer recommendation, age (young, innovative), marketing, people skills</td>
<td>Out and about, analysis - interpretation and adaption to clients needs, local knowledge for new to area clients, networking, brokering - bringing together similar mind- ing individuals for new opportunities, humour</td>
</tr>
<tr>
<td>3</td>
<td>Only work with clients that I can add value to, via achievements, goal path attainment, desired path and outcome - not necessary communicated, guided self-discovery</td>
<td>Minimum - every $1 spent on advise must be turned into 1 kgMS, Call it quits when not achieved</td>
<td>Benchmark Clients annually, improved quality of life, improved confidence, can see opposite as well with clients tracking downhill</td>
<td>Repeat business, only as good as your last job, bills paid on time, referrals of new business</td>
</tr>
<tr>
<td>4</td>
<td>Occasionally asked, personal experience, consultancy experience, paid to learn, formal quals, time in experience, focus on core skill set</td>
<td>Academic skills - min deg, tech skills, Dairy NZ course certificates, large practical experience, trained in listening/leadership, rarely lose clients, only as good as next visit,</td>
<td>NZIPM, not necessary if good reputation, or firm has good reputation, through actions, peer recommendation, trust is more valuable than formal quals</td>
<td>Delivering on identified issues, requires faith and trust, making right noises/what they want to hear</td>
</tr>
<tr>
<td>5</td>
<td>What they want or have to do, spenders will do cows and grass - bank forced to do financials/ transferred passion from cows and grass to $$$, Chance induced by catastrophic event (health or financials), instant gratification - easy to do and measure</td>
<td>70% cows and grass, 10% fert, 10% staff, remain on everything else, anything to minimise risk to climatic events done regularly</td>
<td>Benchmarking $$$ for 130 farms, budgeting, cash manager/accountants</td>
<td>Clearly relate to their plan, solving the issue they identify, Social aspect - client connecting to the outside world</td>
</tr>
<tr>
<td>6</td>
<td>Contracts and negotiation, cows and grass, measurable - simple repeatable decision rules rotation targets, supplement use trigger points</td>
<td>Productivity- easily measured, minimal cost, optimised profit, focus that questions answered, Checking social and mental health as well</td>
<td>Feed budgeting, (Farm Max), benchmarking 20yrs for oldest clients, reporting for clients - 1yr - 3yr - 5yr. averages</td>
<td>Strategic planning, assisting to define their end point, knows it - by following their journey</td>
</tr>
<tr>
<td>7</td>
<td>Dairybase, combined plan, preparation, respect for time of self and consultant, referring back to plan, accept life frame of relationship, clear goal of time together</td>
<td>Prepared, pasture covers done, all data ready, farm drive, issues prioritised, focus on main one, 90% have mental agenda, 10% written one</td>
<td>Organised and prepared, known their numbers, there to drive scenarios, not input data, Some want answers, some want options.</td>
<td>Financials, - key decisions made, benchmarking done, monitoring and collection of information well underhand, prepared info, evidence based decision making,</td>
</tr>
</tbody>
</table>
6.0 Result Analysis

Question One:  *In what situation do Farmers employ a farm advisor?*

Answers to this question all focus on a skill shortage. The difference between the top farmers and the rest is they seek out the coach that can transfer the identified skill. The inverse to this is where farmers are directed to seek out the identified skill.

Question Two:  *Why do Farmers employ you as a farm advisor / coach?*

Top farmers show their colours here where they identify their need. Access to tools and technical skills (consultants have powerful software programmes for feed budgeting, rotation planning and fertiliser budgeting that simplify the fore mentioned tasks), mediating, multiple farm access and idea testing were the main reasons for engaging a consultant.

Consultants all identified referrals as their main method of being employed. They all spoke of their own successful track record, and their ability to solve the big issues at hand.

*“I understand how to make their boat go faster”*

Question Three:  *How do you measure the value you add to your clients?*

Top farmers all had different ways of measuring the value of their advisor, but all measured success post visit and that ranged from a successful presentation to shareholders, or a dollar value on an idea, to being challenged and looking forward to the next visit. The take home message here; was value is hard to measure, production is an easy measurement.

Consultants also had a range of methods for determining value, most talked about the journey with clients. Interestingly, only one had a definitive financial measure;

*“Returning a minimum of $1/ kgMS for every dollar spent on advice”*  

One used the notion of being paid as acceptance of value. For others it was looking for improvement in the clients’ quality of life, and referrals of new business. The social responsibility theme came through as well. Two advisors shared that the opposite also exists as their level of access places them as witness to the ship sinking when things go wrong.
**Question Four:** *How do you prove you are qualified to advise?*

While a professional body (NZIPIM) exists, this is not the key requirement for top farmers. Likewise for formal qualifications.

Top farmers target consultants that have successful clients, working for established organisations with strong reputations. Quality of advice is the focus for this group.

Consultants agreed with top farmers, with all four stating experience was highly sort after. Two believed that the technical skills developed from formal training were an advantage when required. Trustworthiness was another key attribute of consultants.

**Question Five:** *What types of recommendations do Farmers most commonly adopt? E.g. financial, management plans, pasture mix, product mix, capital, labour, succession planning etc.*

Recommendations top farmers most commonly adopt is “cows and grass”, that is - feed budgeting, fertiliser planning and benchmarking, with the larger farms adding in HR. Consultants back this up but add a twist, with the comment;

> “Farmers will adopt what they want to or have to do, often what is easy to do or measure. Transferring the passion from cows and grass to financial planning and monitoring is the challenge”

This is not surprising as we all love instant gratification. The climate also features here with planning for regular adverse events high on farmers’ agenda, as does the need for social connection. For some that is stronger than the need to adopt advice.

**Question Six:** *What areas of your farming business do you think you have the greatest impact? How do you know this?*

It is pleasing to the author that the area’s top farmers identify, are also the areas where they adopt recommendations. The key areas were cows and grass, with the addition of reviewing against their plan. Innovative top farmers like the discipline the relationship provides, and the inspiration that comes from the opportunity to think laterally from the suggestion of new ideas.
Delivering the completed tools for feed allocation, rotation length, fertilisers, supplement trigger points, were the areas consultants’ identified;

“Providing simple repeatable decision rules”

Optimising profit was important. There was one outlier that focused on longer term strategic planning, and one raised the social and mental health component.

Again following the clients’ journey was a key method of determining the areas of greatest impact.

Question Seven: What systems or tools do farmers use to achieve the maximum value from your time?

Preparation is the dominant theme from both top farmers and consultants, this included an agenda, but not necessarily written, and prior contact with the advisor so they would also be prepared. Alignment of monitoring was highly regarded;

“Value was been achieved when alignment of self-monitoring and our advisors monitoring occurred”

The team approach to solutions was appreciated by all, along with the useful tools being available, including benchmarking.

Advisors’ also spoke of focussing on solutions to the agreed plan, the need for respect of both parties time, and that they should be there to drive the scenarios - not data entry. This all describes preparation.

One highlighted an end point of a “relationship timeframe” exists, and that both parties needed to recognise when this occurred and move on.

The real gem for this author was;

“Some farmers want answers and some farmer want options”

It is the innovators that seek the options, along with consultant input, that achieve the maximum value from their coach.
6.1 My Original Questions.

The discussion below is on the original questions the project attempted to answer about farmers and their coaches, followed by the author’s interpretation of the survey analysis.

*What is the purpose of a farm coach?*

They provide expertise to addressing an identified skill gap and or access to a particular planning tool.

*How do they add value to your business / life?*

Consultants add value by filling the identified skill gap and/or providing access to tools that enhance feed budgeting, rotational planning and fertiliser programming. They also bring ideas from their access to a vast range of clients and provide a significant backstop to innovators looking to step change their business.

*What questions do farmers ask of a coach?*

Top farmers ask how can we produce more from what where currently doing. How can we perform better?

*What questions should we ask?*

What experience do you have in improving the performance of a business model like ours?

What type of options are available that would align with our goals?

What are our business constraints?
What disciplines / systems do we need in place to get the most return from our $$$ spent on a coach?

There is no substitute for being prepared. The best description for preparation is the “7 P’s of planning” – Prior Proper Preparation Prevents Piss Poor Performance (Westlake, 2012). This author was introduced to the 7 P’s by Richard Westlake during the West Coast Leadership and Governance Programme 2012. It is commonly used in Military training (7 P’s Military Adage, 2015).

Having an agreed plan was identified as an essential ingredient to getting the best return.

How do we measure / quantify our coach’s input?

To get the best from our advisers we need to better measure the value they add. This can be as simple as 1 extra kg/MS for every dollar spent on advice. Otherwise we risk the old adage “fail to plan is planning to fail” (Franklin, 2015).

Profitability vs. Production?

This can be described as instant gratification vs sustainability. Production is easily measured and increased (imported feed). Profitability can also be easily achieved (sell all your cows and you’ll make a large one year profit), however having a productive profitable model is the only truly sustainable business option.

New concepts

Consultants deliver a social connection for introvert farmers who otherwise would not get out much. Tied in with social contact is the “self-declared” moral responsibility of safety net for farmer mental health.
7.0 Discussion

The All Blacks are the current World Champions and arguably the best team in the world. The team is full of extremely talented sportsmen, but that is not the reason why they are the best. They succeed together as a team and excel because of the plan that the coaches identify and implement.

The author was not surprised by the requirement for a strong plan. This has always been a requirement for any undertaking whether personal or business to perform well.

It may surprise many observers that farmers seek advice on cows and grass (feed budgeting) aka the corner stone of New Zealand’s greatest asset (Gibbs, 2010), that is pasture based dairy farming. The truth is that feed budgeting is extremely complex due to the dynamic variability of the biological system. The advanced tools that advisors have simplify this process.

The author was surprised that one of the most valuable reasons they engage a consult for was brushed over and didn’t feature strongly in the answers, that is the level higher level of productivity and personal discipline that occurs due to (author’s opinion) the “Observer” or “Hawthorne” effect (Mayo & Landsberger, 1950).

The more the author talked to farmers on this project, the overriding principles of people are people came through as it became apparent that the interaction between an advisor and their client all comes back to relationships. Success therefore requires the right fit between advisor and farmer.

It has been an observation of the author through the survey, and with nine years in the industry attending voluminous field days, SIDE conferences etc. that many top farmers have a corporate background. These farmers are applying skills (planning, budgeting, monitoring) learned in that world to enhance their business decisions. This was again evident with the farmers interviewed for this project having previously worked for a corporate or had been exposed to the tools and skill at a governance level.

For success to occur and value to be achieved alignment of preparation and opportunity has to occur. Top farmers add in some talent plus passion and voila - the recipe is complete.
8.0 Recommendations

1. Farmers planning to engage a coach, should take some time to define a plan of where they want to go/ be long term.

2. Out of this plan, look at the gaps in your skills, and the tools you require to achieve your plan.

3. Talk to farmers you respect, who use a coach, and ask them for recommendations on advisors that can address your skill or tool gap.

4. Select a consultant based on peer research, and chemistry. The fit must be right for your requirements.

5. Have a method of determining how to measure the value from your advisor.

6. Make the most of the opportunity they offer.

7. It is not necessary to work for a corporate to gain the disciplines’, skills and tools they use. They can be attained by enrolling in course’s and conferences’, as you don’t know what you don’t know (Rumsfeld, 2002).
9.0 Bibliography


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10.0 Appendices’

10.1 Westport News Article

Kiwi farmers still self-reliant

Farmers are choosing to keep making their own decisions as there is no immediate extra profit in having formal governance boards and committees, according to a recent Lincoln University survey.

The survey was conducted by Lincoln researchers Dr Kevin Old and Dr Peter Nuthall, and covered all farm types, sizes and regions. It was designed to look into the current situation for succession and governance on New Zealand farms.

Dr Old says most farms in New Zealand are family owned and operated. Only 1.24 percent have public company ownership.

The survey found, on average, farms with a board or advisory committee earned a profit of $47,400 per person working on the farm. In contrast, all other farms made a profit of $49,800 per person.

“While the difference is not great ($2400), there certainly isn’t a recurring return from having a board or committee,” Dr Old says.

And, of course, these are averages. Some farms will gain from a board or committee, others not,” Dr Old says.

They found 89 percent of the farmers made all the decisions even if consulting family, friends and colleagues first.

“They appeared to be disinterested in making use of alternative governance systems that might offer assistance and act as a break on hasty decisions and actions.”

However, 45 percent did take advice from professional consultants.

Drs Old and Nuthall say consultants, and others, have introduced the idea of having a formal board of directors, particularly for larger farms. Another possibility is having an advisory committee that operates less formally than a board.

However, few farmers have taken up these ideas other than the public company owned farms.

The survey revealed 4 percent of farms have a formal board. Another 5.3 percent have an advisory committee of various forms. These tend to be the larger farms, and multiple farm situations.

Of farms worth over $25 million, 37 percent have a formal board. At the other extreme, of farms worth $5 million or less, only 1.74 percent have a formal board.

The direct governance costs involved are not known but it is probable some boards contain family members such as a spouse who probably doesn’t receive any remuneration, Dr Old says.

Currently 55 percent of the farmers report they are ‘totally happy’ with their governance situation, and another 27 percent ‘reasonably happy’.

“This leaves 18 percent somewhat discontent.”

Some of the discontentment will be due to farmers understanding of the governance options — 34 percent believed they were fully aware of the options but 20 percent said they felt quite ignorant of the possibilities. The rest fell between these extremes.

“Changing governance systems usually requires professional help,” Dr Old says.

The survey data showed 9.5 percent of farmers use professional farm advisors to succession and governance help for more than 10 hours per year.

But help comes from other quarters too. Around 40 percent of farmers consult their ‘trusted persons’ for more than 10 hours per year. This might be a family member, respected colleague, or even a public consulting officer.

Professional help costs, however, Drs Old and Nuthall say farmers employing consultants pay, on average, $2790 per year for help with all problems, not just governance questions.

Seventy six percent of farmers spend absolutely nothing on advice.

Expenditure on consultants varied with farm size. Farmers with a net investment of less than $5 million spent $1330 per year. Farms worth more than $25 million spent $17,730 per year.

“One hopes the benefits covered these costs,” Dr Old says.

The survey also found how trustworthy outside help was perceived to be could also be an issue.

On a five point scale, only 56 percent of farmers expressed strong trust in their advisors rating them a one or two.

Perhaps if the 86 percent was higher more farmers would use more professional help to review their governance and ownership set ups,” he says.
10.2 Farm Advisor Survey

Survey for Farm Advisors / Coach on Farmers

Nathan Keoghan’s Kellogg Project:

Why do the All Blacks need a coach when 76% of farmers don’t!

Name

After a discussion with my own advisor, and sighting the evidence he had to prove his value, I saw an opportunity for NZ Inc. to benefit from good advice.

This project aims to extract the tools and systems top farmers use to perform above the mean.

Question One: In what situation do Farmers employ a farm advisor?

Question Two: Why do Farmers employ you as farm advisor / coach?

Question Three: How do you measure the value you add to your clients?

Question Four: How do you prove you are qualified to advise?

Question Five: What types of recommendations do Farmers most commonly adopt? E.g. financial, management plans, pasture mix, product mix, capital, labour, succession planning etc.

Question Six: What areas of your clients farming business do you think you have the greatest impact? How do you know this?

Question Seven: What systems or tools do farmers use to achieve the maximum value from your time?
10.3 Farmer Survey.

Survey for Farmers on Farm Advisors / Coach

Nathan Keoghan’s Kellogg Project:

*Why do the All Blacks need a coach when 76% of farmers don’t!*

Name

After a discussion with my own advisor, and sighting the evidence he had to prove his value, I saw an opportunity for NZ Inc. to benefit from good advice.

This project aims to extract the tools and systems top farmers use to perform above the mean.

Question One: *In what situation do Farmers employ a farm advisor?*

Question Two: *Why do you employ a farm advisor / coach?*

Question Three: *How do you measure the value you receive from your farm advisor?*

Question Four: *How do you know your farm advisor is qualified to advise?*

Question Five: *What types of recommendations do you most commonly adopt? E.g. financial, management plans, pasture mix, product mix, capital, labour, succession planning etc.*

Question Six: *What areas of your farming business do you think your advisor has the greatest impact? How do you know this?*

Question Seven: *What systems or tools do you use to achieve the maximum value from your farm advisor?*
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Contact details for enquiries:

nathan@keoghanfarm.co.nz