

20 YEARS BACK; 20 YEARS FORWARD

WHERE DO PEOPLE ON FAMILY FARMS FIT?

Murray Dairy
Business
Forum - 2016



Department of
Primary Industries



The biggest threat to Australian agriculture is the misunderstanding and mismanagement of the social factors that act as barriers to progress in family farming businesses

WHAT'S YOUR BUCKET LEAKING?



“Social factors contribute towards 25% of issues on-farm” John King, NZ

KEY SOCIAL FACTORS

**Passion
Alignment**

**Business
Acumen**

Cultural Capital

**Family
Communication**

**Mental
Wellbeing**

**Succession
Planning**

KEY SOCIAL FACTORS

Passion
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SUCCESS LOOKS LIKE

- Meetings
- Accountability
- Rational
- Safe
- Goals
- Personal awareness
- Toolbox
- Listen & communicate effectively

KEY SOCIAL FACTORS

**Passion
Alignment**

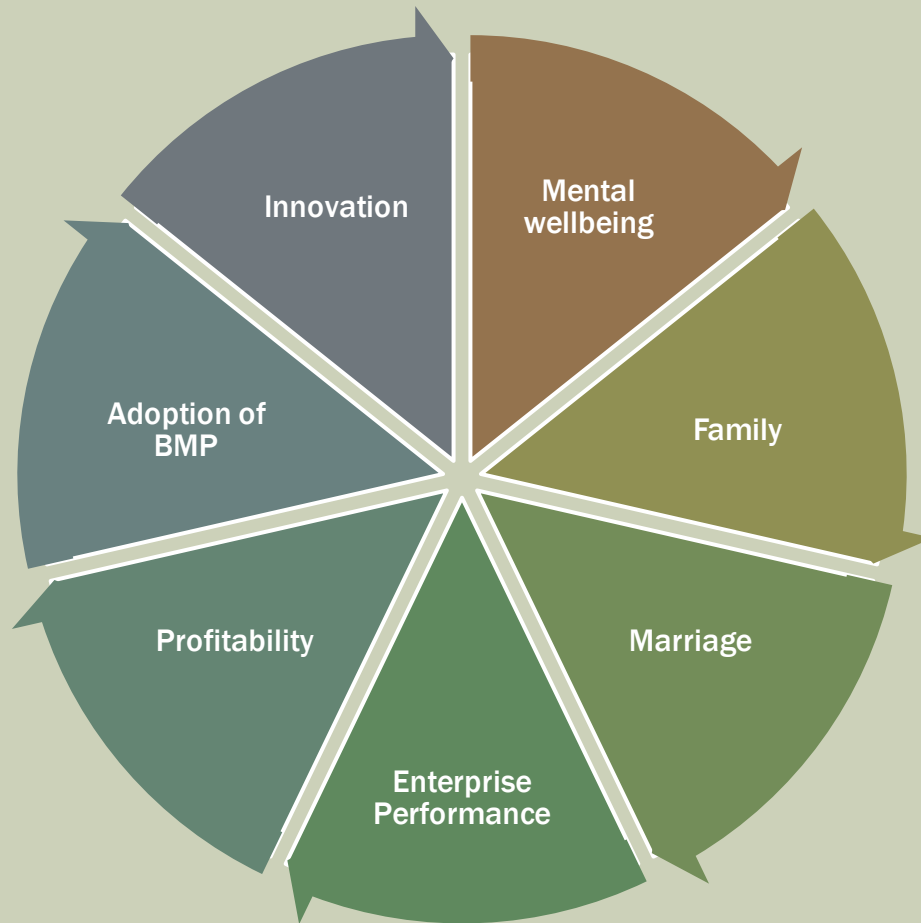
Cultural Capital

**Passion
Alignment**

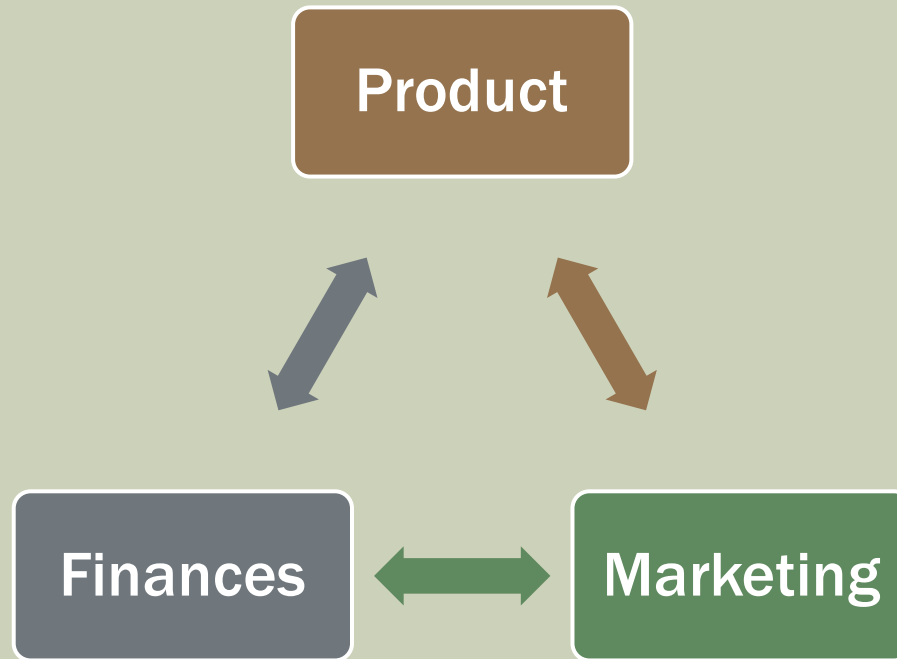
**Family
Communication**

**Succession
Planning**

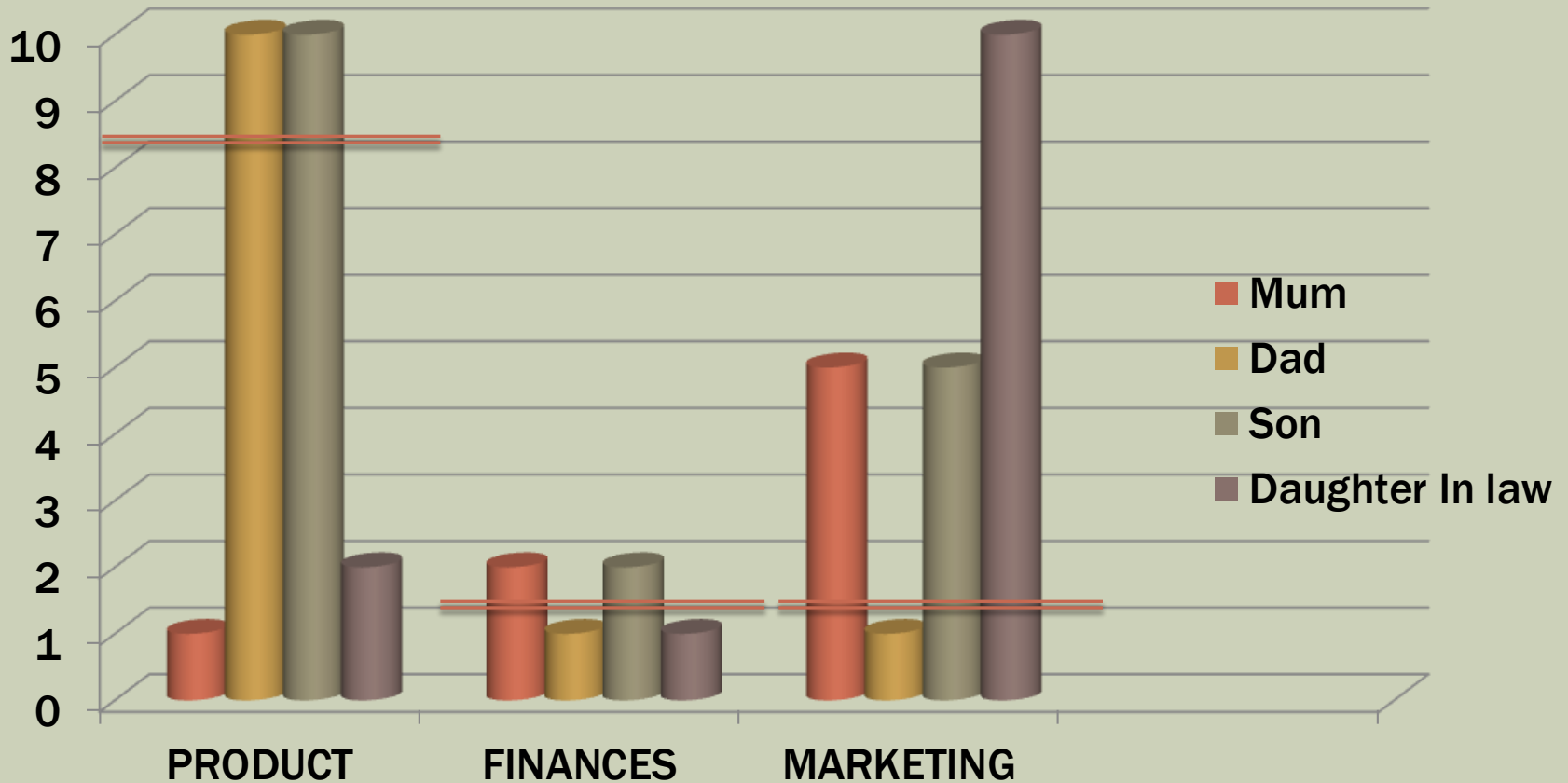
WHAT DOES PASSION IMPACT IN AGRICULTURE?



PASSION ALIGNMENT



TRINITY OF MANAGEMENT FAMILY 1





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“Bad management kills businesses, not lack of finance. No matter how much money you infuse into a badly managed business, the chances of it succeeding are slim. Whereas if you infuse good management into a financially troubled business; you can expect to turn it around”

Ernesto Sirolli

BUSINESS ACUMEN



BUSINESS ACUMEN

Setting the foundation & the future



BUSINESS ACUMEN



Vision & Purpose



Financial Literacy



Strategic Thinking & Planning



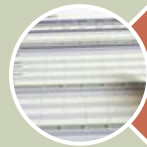
Decision Making Framework

FINANCIAL LITERACY

“Financial literacy is *the ability to make informed judgements and to take effective decisions regarding the use and management of money* and is a complex combination of a person’s skills, knowledge, attitudes and ultimately their behaviours in relation to money.”

ANZ Survey of Adult Financial Literacy in Australia, May 2015

5 BEHAVIORAL INDICATORS



Keeping track of finances



Planning ahead



Choosing financial products



Staying informed



Financial control

FINANCIAL LITERACY

- What should I take notice of?
 - Develop a budget and monitor it at least monthly
 - Know your break even point
 - Do a Gross Margin Analysis for each enterprise
 - Brainstorm ways to reduce overhead costs
 - Improve gross margin per unit
 - Increase your turn over
 - Set some key performance measures in different parts of the business and monitor them regularly.
 - Set early warning indicators

STRATEGIC THINKING

A mental or thinking process applied by an individual in the context of achieving success.

Involves the generation & application of unique business insights & opportunities intended to create competitive advantage.

STRATEGIC THINKING

Strengths

Weaknesses

Opportunities

Threats

STRATEGIC THINKING

Strengths

Weaknesses

Opportunities

Threats

**Build & leverage
your strengths**

STRATEGIC THINKING

Strengths

Weaknesses

Oppo

Threats

**Strengthen your
weaknesses**

STRATEGIC THINKING

Strengths

Weaknesses

Opportunities

Threats

**Take advantage of
your opportunities**

STRATEGIC THINKING

Strengths

Weaknesses

Opportunities

Threats

**Mitigate your
threats**

DECISION MAKING

“80% of us have an optimism bias. This is OK, BUT, it is not good in decision making as we under estimate risk and over estimate the optimism”

Todd Sampson, ‘Redesign My Brain’

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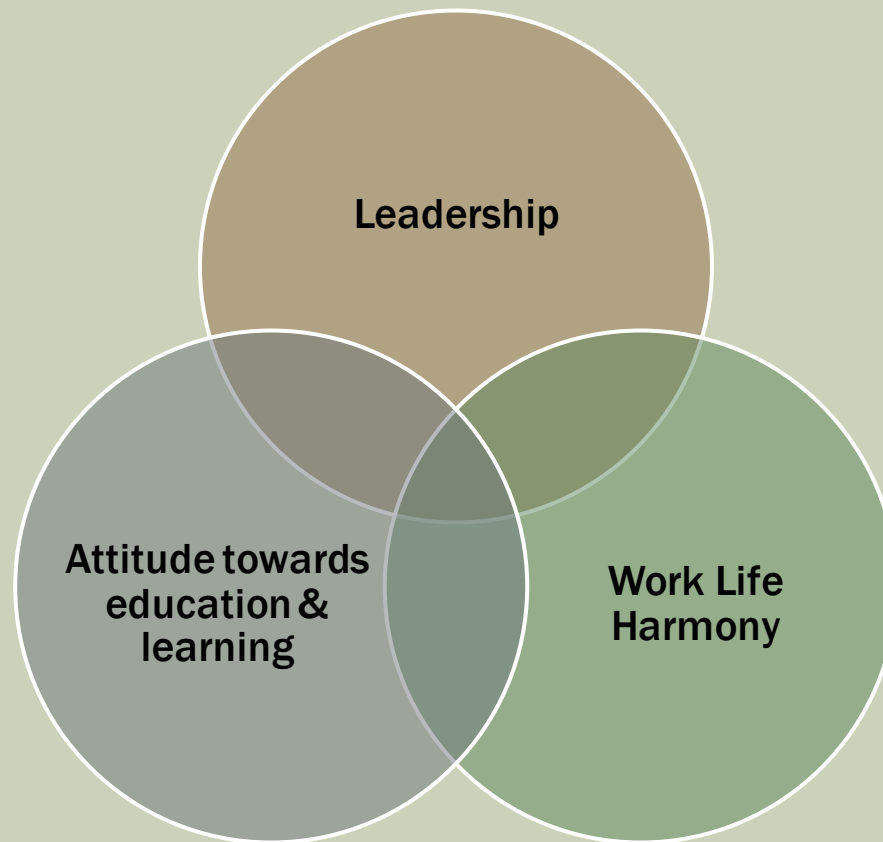
Cultural Capital

Cultural Capital

**Family
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**Succession
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CULTURAL CAPITAL



KEY SOCIAL FACTORS

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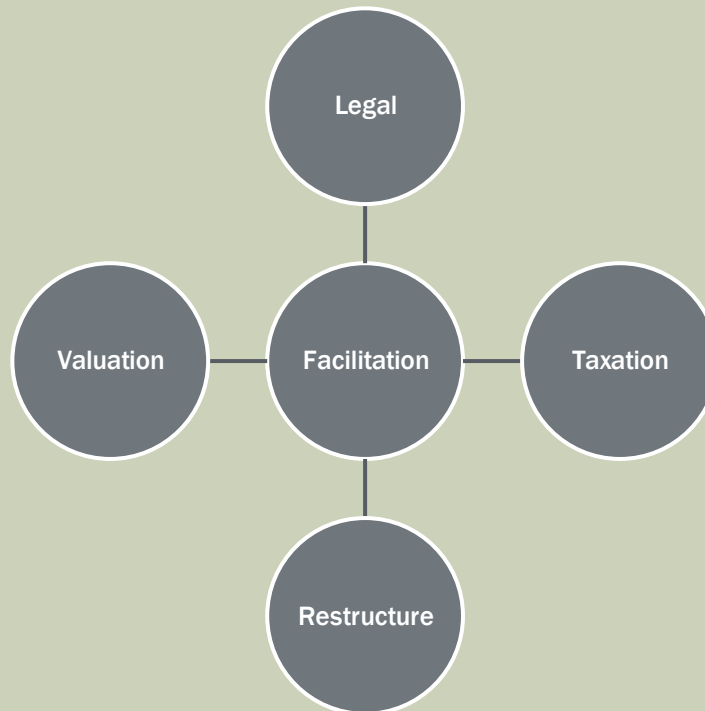
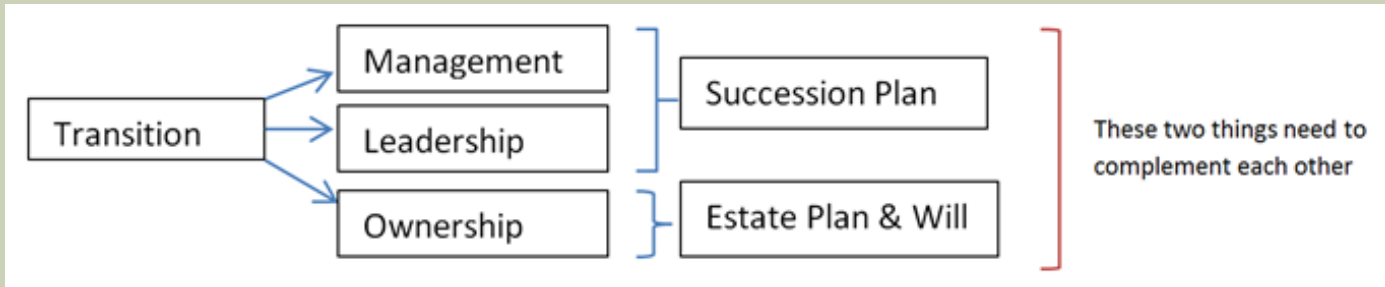
Cultural Capital

Succession
Planning

Family
Communication

Succession
Planning

SUCCESSION PLANNING



KEY SOCIAL FACTORS

**Passion
Alignment**

Cultural Capital

**Mental Well-
Being &
Isolation**

**Family
Communication**

**Succession
Planning**

MENTAL WELLBEING



Mental Health First
Aid Program

**REGISTER
NOW**



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WHAT'S YOUR BUCKET LEAKING?



Thanks for being here!

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[Positive Farming Footprints](#)



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