



Tribune/Steve Hanks

Dick Wittman says too many of today's farmers still think they should do everything themselves.

SURVIVAL SKILLS

Emotions and personalities can destroy a family farm and along with it the dreams of those who wanted to preserve it.

Culdesac-area farmer R.L. (Dick) Wittman has seen it happen.

"I have a really strong belief that anybody can get results in the short run," Wittman said in an interview at his home last week.

If sound business processes and practices are used, they can get good results in the long run, too, he said.

"If they're violating business principles, they'll have a wreck in the long run."

Wittman, 49, is a busy farmer himself but he still occasionally consults and lectures on family farm management.

In January, he found himself giving the lecture at Texas A&M's week-long Executive Program for Agricultural Producers.

Texas A&M is billed by trade industry publications as the country's premier agribusiness university.

Wittman went there in January as a student, courtesy of a Chevron scholarship, to update his own farm management practices, but family tragedy struck one of the school's 16 faculty members and Wittman found

himself unexpectedly teaching for two hours on the last day of the program.

Farmers of the past were too independent and even in this generation, there are many who still think they should do everything themselves, Wittman said.

Farming today is too complex and international competition too stiff to be able to do that, he said.

"Joint ventures and strategic alliances are the buzz words of the future."

Farmers now look at teaming up with someone else to buy a combine or a no-till drill, which lowers the cost per hour to operate.

They may share other pieces of equipment so each can have the benefit of state-of-the-art technology, he said. They even share their ex-

Area farmer Dick Wittman has returned from his first year at a Texas A&M program convinced that today's small agribusinessman can't succeed on his own

"We have to admit to ourselves that we can't be experts in everything."

— DICK WITTMAN

pertise with each other.

"We need to look at the job that needs to get done and the most efficient way to do it."

That sometimes means contracting for specialty labor to do such things as machinery mechanics or bookkeeping.

"We have to admit to ourselves that we can't be experts in everything."

What farmers do need to know, however, is how much it costs them to produce something and what price they should expect from the market to make ends meet.

They need to know how to measure performance, when they have adequate working capital and when they are at dangerous levels of debt leverage, Wittman said.

"The farmers who are going to survive need to know the answers to those questions."

Today's farms need the same type of organizational structures and processes that other successful businesses have, including a management system and accountability structure.

Wittman Farms Inc. uses a team management approach, with Dick, his brother Mark, cousins Bob and Todd Wittman and employee Tim McNamee all responsible for certain work, with those responsibilities spelled out.

The Texas A&M program

Culdesac-area farmer Dick Wittman recently attended the Executive Program for Agricultural Producers at Texas A&M University on a scholarship provided by Chevron. Some facts about the program:

Founded: 1990

Duration: Week-long intensive study, two consecutive years.

Tuition: \$2,750

Graduates: 350

Average age: 40

Geographical makeup: Participants have come from 37 states, six Canadian provinces, Argentina, Brazil and Mexico

Education: 90 percent of participants have college degrees; two-thirds have degrees in business or agricultural economics

Average annual gross farm sales: \$8 million, excluding such giants as Simplot

First-year curriculum: Family Business Management; Strategic Planning; Continuous Improvement Management; Marketing; Financial Management I; Human Resource Management I; Selling Yourself and Your Business.

Second-year curriculum: Negotiation Strategy; Macro Perspectives for Firm Level Decisionmaking; Business Organization Strategy; Business Transfer Strategy; Marketing; Human Resource Management II; Financial Management II; Operations Management and Analysis.

STORY BY
LORRAINE NELSON
OF THE
TRIBUNE

"We've worked really hard to have an environment where we don't have a boss, we have a management team," Wittman said.

He is president and general manager of the company and sees his role as a facilitator for communication, direction and coordination, and ultimately, when necessary, to make the final decision.

A father with three sons was in Wittman's seminar that day in January at Texas A&M and after Wittman talked about the importance of employee evaluations on a family farm the father asked, "Should I go home and ask my three sons to evaluate me?"

"I said, 'Why not?' You can probably benefit in ways you wouldn't believe."

After Wittman obtained a bachelor's degree in agricultural economics and a master's of business administration, he spent eight years working for Farm Credit System in Spokane and the Farm Credit Administration in Washington, D.C.

He counseled many farm families and said he could divide them into two groups.

In the first group are the proactive families who want some type of orderly way to pass on their farm to the next generation.

"Those are the fun ones to work with."

In the second group are those "in divorce court" with emotions getting in the way. He found those in the second group could be helped if they hadn't gone too far in what they had said and done to each other.

Wittman returned 19 years ago to his own family's farm, started in 1926 by his grandfather and great-uncle.

He and a brother and cousin, along with their parents, formulated an estate plan to pass the farm to the next generation, which included 14 other off-farm relatives.

He continued doing consulting work with other farmers on the side, but in the mid-1980s family and farm economic crises hit.

In his application for the Chevron scholarship to the Texas A&M program, Wittman wrote:

"Over the next 10 years, we dug out from the hole using every tool we could find. We wore out

cashflow budgets, extended our cattle marketing through retained ownership, started learning how to log and manage our timber, moved to minimum tillage, direct seeding, self-service application of chemicals and fertilizer and added custom work. Our wives took off-farm professional jobs and I continued to do part-time consulting."

They dug out and are now two years away from paying off the last generation and the off-farm contracts.

Wittman had wanted to attend the executive management program at Texas A&M before now, but there wasn't time and he didn't believe he could afford the tuition.

He had had two previous contacts with the program, however.

He sat on the program's advisory board assembled 10 years ago in St. Louis when the program was being formulated.

About four years later, he was invited by the program's new alumni association to deliver his seminar on family farm management.

Last year, Chevron Global Lubricants of San Francisco, a division of a wholly owned subsidiary of Chevron Corp., announced it would offer seven scholarships to the program, including the \$2,750 tuition and \$750 toward room and board.

Wittman applied for one and got it.

In his essay about why he wanted the scholarship, Wittman wrote:

"The agricultural economy in 1998 is as ugly as I've seen in 20 years. We need innovative solutions if we are to pass this heritage on to our children."

One innovative idea he was reminded of through the class is that farmers should bring all their informal advisers together periodically throughout the year into more of a formal advisory board.

That group might include an accountant, lawyer, insurance agent, grain marketing handler and chemical fertilizer field expert.

He hasn't done that yet, but he knows people who have.

"They think it's the most wonderful thing they've done."