

Outside advice heads off bad business decisions

You're young, inexperienced, suddenly in charge of a large farming operation, and fearful of making the wrong move. Don't panic. The help you need may be as close as your local business community

When his father died of cancer, John Byland suddenly found himself at the helm of the family's Kelowna, B.C., wholesale ornamental plant nursery. Only 24 years old and still a university student, he sensed he lacked the experience and management skills to run a business.

Following up on an idea he found at a farm business management conference, Byland decided to set up a council of senior advisors to provide the guidance he needed.

Advisors force you to face facts

The life of a small-business owner/manager is tough. They often face all the challenges and problems that confront presidents of large companies — but without the backup personnel. In this situation, an advisory council is invaluable. Its members can:

- Function as a sounding board on decisions related to anything from strategic planning to production, personnel, or financial management.
- Help you determine what your priorities should be and stick to them.
- Point out shortcomings in your business strategy so you can make contingency plans.
- Make sure new land, livestock, equipment, or other acquisitions will pay for themselves within reasonable time.
- Suggest new products, production methods, or marketing alternatives that will diversify your operation and improve profits.

He didn't want lawyers, accountants, or insurance agents on his council. "You can get accounting or legal advice easily enough," he explains. "What's hard to get is good common-sense help on how to run a business."

Byland wanted the counsel of years. "You can plan and figure, but nothing beats experience."

100 years of management expertise

So he found 3 retired Okanagan business executives — Jim Eccott, Allan Mitchell, and Jim Grindlay — willing to sit on his council. Byland, his wife Maria, mother Katie, and their accountant Stewart Campbell comprise the balance of the council.

It didn't concern Byland that none of the 3 outsiders knew much about agriculture. "They were all successful business people in their own right."

Eccott had owned his own building supply company and was president of Dia Met Minerals. Mitchell was co-owner of Mitchell Auto Parts. Grindlay owned a number of building supply stores and was an experienced investor.

The trio's extensive business background outweighed lack of familiarity with farming.

"With more than 100 years of experience among them," says Byland, "they offered a depth of management expertise that was impossible for any individual to match. There wasn't a problem they hadn't encountered. They'd seen it all, heard it all, done it all."



At first, Eccott, Mitchell, and Grindlay focussed on helping Byland get his feet on firm ground. Since then, they've served primarily as a "sounding board".

Although final say lay with Byland, he structured the council so he had to justify his plans to his advisors. If, for example, he wanted to buy a new tractor, he had to prove he needed it and that it would pay for itself. Having to produce "facts and figures" that would satisfy Eccott, Mitchell, and Grindlay helped ensure his plans were well thought out.

Business never outgrows need for good advice

When Byland first took over the nursery, he held advisory council meetings every month. As he grew more sure of himself, meetings became less frequent. Now, the council meets quarterly.

Over the past decade, Eccott, Mitchell, and Grindlay have counseled Byland on everything from land purchases, building construction, and equipment acquisitions, to marketing,

contract negotiations, and personnel management. They've taught him the importance of cash flow control and helped him prepare a strategic plan for the nursery.

For these advisors, the satisfaction has been in seeing a young entrepreneur take over the family business and double its sales. The operation has 100 employees to help tend 250 acres of woody ornamentals which he ships all over western Canada, and fruit trees that are sold in B.C. Maria Byland direct-markets some of the nursery's products through their Kelowna retail outlet.

Despite feeling confident about being able to run the nursery on his own, Byland has no intention of dissolving his advisory council. It's too valuable. "I don't think a business ever outgrows the need for good external advice," he says.

Council members are happy to carry on, too. Advising Byland gives them a chance to share their years of knowledge and remain active in the business world. CG

Succession strife? Get outside input

Passing on the family farm is among the toughest challenges many farm operators ever face. Guidance and advice from trusted outsiders can make the whole process easier and much more likely to succeed, says B.C. ag. ministry's farm management specialist Lorne Owen. He's co-ordinating a series of family communication and business management seminars under the Canada/B.C. farm business management program this winter.

A farm advisory council can help choose a successor. Many parents find this difficult because it's such an emotion-laden task. They're afraid to be unfair or hurt their children's feelings, says Owen. Having a non-family task force make the choice helps ensure the best candidate is selected and deflects any resulting dissension.

Members of an advisory council can guide the successor-elect. Having parents teach their own children the ropes is often a recipe for dis-

cord, Owen explains, because both parties are handicapped by established parent/child roles and ways of interacting. They can't relate to each other as independent adults. Non-family mentors don't have that history to contend with. That puts them in a better position to mediate differences of opinion, too.

An advisory council is also a source of support and advice if a farm operator unexpectedly dies or is incapacitated. It can guide family members through the bewildering maze of decisions they must make, he says. An advisory council serves as an "insurance policy" against bereaved, inexperienced family members making hasty, emotion-clouded decisions that may compromise the security and continuity of the farm.

Last but not least, an advisory council offers cohesiveness and continuity as the torch is passed from one generation to the next, and helps successors remain true to the family's original goals and values.



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