



Small Operation or Large Ranch — Why Any Business Should Be ENTERPRISE LEVEL

by Sarah Beth Aubrey

Think back to the time when you returned to the ranch from college or decided to invest in the first show heifer that launched your foray into Hereford cattle. What is different from today? Certainly, a great deal has changed, even if you have only been in the industry a handful of years. You have probably had to adapt to stay

in business, maybe without even realizing it. Often, change happens without our ability to stop it.

With livestock, work is truly never done, leaving what seems like little time to work on the business, not in the business. When was the last time you sat down to decide on changes or upgrades to make your business stronger? If it has

been more than 12 months, you are overdue for a checkup. A lot of people resist change as a general rule. However, when it comes to business, that stubbornness is a dangerous proposition. But what could be possible if you changed your business intentionally with real focus on the future?

Today, I would like to introduce the concept of enterprise-level business.

Enterprise-level agricultural businesses commonalities:

- Long-view oriented; looking toward the next generation
- Profit-minded ventures that add income
- Set up with business, inventory and accounting structures and processes
- Most importantly, serious businesses that are careers

Enterprise-level businesses

What do I mean by the term “enterprise level?” Going enterprise is like going pro. Pros have committed to the craft, decided it is their business and their best efforts go toward building it, getting better and acquiring the coaching and professional tools required to compete against other great players.

Taking a business to enterprise level has nothing to do with size, number of employees, what your customer looks like, your current annual sales or whether it is a part-time endeavor or one that provides the livelihood of three families. Even if you run a small show cattle operation, why not “go pro” and create it to be the “very best of the boutiques?” For those of you in larger businesses or ranches, it is time to reevaluate what has “always been that way.” A bigger business with more head on feed, expenses and acreage does not mean enterprise level unless the operators design and run it that way.

No matter what size of business you have now or wish to build, you can convert your business to enterprise level at any point. Here is a quote by author Steven Pressfield from his book *Turning Pro*:

“The sure sign of an amateur is he has a million plans and they all start tomorrow.”

How many times have we made plans to get more organized, to be more professional, to upgrade to more digital systems or to clean up only to put it off? It is certainly true for most of us at one point or another; we may like the idea of improving some aspect of our business, and we may even jot down some plans, but, yet, when tomorrow comes, something more pressing always keeps us from implementing the new goal. You know what that is called? Working. Or, more specifically, working in the business. Yes, conducting business — the feeding, breeding, moving cattle, calving, entering data manually,

Table 1: Comparing qualities of an enterprise-level business to a side business

Enterprise business:	Side business or poorly run large business:
Aims for intentional growth through planning, budgeting and developing strategic goals.	Expects only “accidental” growth such as gaining customers only from word-of-mouth or referral.
Has a dedicated marketing budget with return on investment metrics.	Has little to no marketing budget and/or does not use metrics to evaluate success.
Always evaluates success based on a long-term view of the business.	Often has no plan for the business to grow, change or adapt.
Offers a career opportunity for the leaders to do important work or industry involvement, even if it is part-time.	Adds only marginal income or barely breaks even.
Has potential to be passed to another generation.	Offers no sense of a satisfying career for those involved at all levels.
	Has limited chances of being sustainable for another generation.



talking to customers or making hay — is actually preventing us from growing our businesses. These essential tasks prevent us from turning pro. This difference starts with a mindset shift. If you want to turn pro — go to enterprise level — setting aside time to work on the business, not just to run the business, is the critical first step.

Enterprises verses side businesses

In Table 1, I compare ways of operating your existing business (or side business) with the way enterprise-level operations are run.

What we are really talking about is the difference in how a business is run on a consistent basis. So, if I have intrigued you about the idea of building an enterprise, how do you do it? In my consulting work, I have found four elements that are always in play for top-notch businesses:

- 1) Strategic thinking
- 2) Modern financial management
- 3) Planning for customer acquisition and retention
- 4) Emphasis on professionalism

In keeping these articles brief, I will not go into depth on each point. Instead, I will just include questions to begin.

1) Strategic thinking

- What is the vision and theory for operating my business?
- What actions, adaptations and models will make me successful?
- Do I deploy my limited resources of time, money and personnel efficiently? Where could I improve?
- Do I have a solid business planning process?

2) Financial management

- By what percentage would I like to grow the business each year?
- How modern are my financial management systems such as accounting software, inventory tracking and general invoicing?
- Do I conduct at least quarterly reviews of profit and loss and adjust throughout the year accordingly?

3) Customer acquisition and retention

- What part of this market do I want to be in? Has that changed in the last 12 months? Should it change in the coming years?
- What intentional work do I do regularly to foster current customer relationships?
- Do I keep detailed customer profiles with notes about the customer's business and future plans?
- Do I have a regular plan for prospecting?
- Do I know how much new business I need to bring in each year to meet my financial goals?

4) Personnel and professionalism

- Do I present myself at my best to the marketplace with neatness and timeliness and by conducting business professionally?
- Do my employees represent me accurately or could they use an update?
- Do I have the right people in leadership or customer-

facing roles, or do those need to be changed?

- What do I need to implement such as team skills, new or updated resources or training?

Enterprise-level farms and ranches are built to have an impact and to leave a legacy.

If this is the year you decide to move away from doing the same old thing and go pro to enterprise level, schedule time away from the daily workload. Your farm or ranch goes where you alone take it. It is as simple as that. If you are ready for enterprise level, the opportunity in this market exists. Remember, if you are serious about growth, invest for growth — most importantly, with an investment of your time. **HW**