USING ON-FARM RESOURCE TEAMS

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Today’s Session

• Why a team and what does it “look” like?
• The basics of team management
  • Common goals
  • Good facilitator and team members
  • Use of data and continual improvement
• Getting started with your team
  • Stages of development
  • First meetings, making progress
  • Ending the team
• Questions and Wrap Up.
Why use a Team?

• Team can help to . . .
  – Improve dairy profitability
  – Improve communication and work together
  – Correct a specific problem – low milk production, poor reproduction, low cash flow, others.
  – Plan for a significant change – herd expansion, management succession, etc.

  – Make a good business better.
Deciding to use a team.

• Why is the Team Needed?
  – Profit Team – Long term business focus
  – Target Team – Short term issue focus
  – Succession Planning team – Transition dairy

  – ALL team members take an index card.
  – Think about WHY this team is needed.
No “I” in Team

- Team members work together.
- Team members work with information.
- Team members work with trust and honesty.

- Good teams take time to mature.
- Changing team members, delays the process.
- Teams are essential management tools.
Selecting Team Members

• Has an interest in being on a team
• Willing to listen and learn
• Willing to put “own” interests second to team
• Committed to attending meetings
• Usually, some area of technical expertise
Good Teams Have

• 4-10 core team members, typically, some larger
• Regular, scheduled meetings
  – 1 to 1.5 hours in length --- NO LONGER!!
• Written, shared agenda
• Structured format for operation
• Focused, productive discussion
• Systems for monitoring progress/performance
Good Teams Can

• Accomplish much more together than separately.
Basics of Team Management

Setting Goals
Setting Team Goals

• All teams need to have a shared vision or common purpose.

• Write down and gain agreement on 2-4 shorter term (first two months) and 2-4 longer term (6 months to 3 years) goals.

• Don’t set too many goals
  – *It is overwhelming.*

• Set “stretch” goals that challenge a bit.
SMART and DRIVE Goals

- **S**pecific
- **M**easurable
- **A**ttainable
- **R**esult oriented
- **T**ime bounded

- **D**irectional
- **R**easonable
- **I**nspirational
- **V**isible
- **E**ventual

- Attain herd pregnancy rate of “X” % by “Y” date.
- Improve reproduction in herd
Basics of Team Management

Good Facilitation
Teams are a major investment for any organization. Facilitation is needed to ensure the best use of that investment.
Choosing a Good Facilitator

• Someone who can guide the team
  – Both the People and the Process
• Someone who can be organized
• Someone who is a good communicator
• Someone who is able to change “hats”
  – Technical specialist vs. facilitator
  – Asks tough questions, summarize data, manage time

• **Remember: ALL team members are responsible for outcomes of the team.**
A Facilitator is...

• One who contributes structure and process to interactions so groups are able to function effectively and make high-quality decisions.
• A helper and enabler whose goal is to support others as they achieve exceptional performance.

Who Should Facilitate?

• Someone who is a . . .
  – Good communicator
  – Supporter of teams
  – Good listener
  – Good organizer
Who Should Facilitate?

• Someone who . . .
  – Can help to establish ground rules
  – Includes everyone in process
  – Understands problem solving process
Facilitator Duties: During the Meeting

- Focus the team on increased:
  Productivity, profitability, and satisfaction
- Oversee Profit Team process
  Data analyses, SWOT analyses, goal setting, action planning, and monitoring
- Ask probing questions
- Raise issues
- Foster trusting atmosphere
- Involve everyone in the discussion
Facilitator Duties: During the Meeting

- Summarize discussion
- Help others to listen
- Implement ground rules
- Monitor agenda and progress
- Assign responsibility for action items
- Celebrate successes
Facilitator Duties: Outside the Meeting

- Formalize ground rules
- Set agenda with the owner
- Design a system of tracking critical data
- Design a system of communication
  - Minutes, notes, phone calls, action plans, progress reports with the team and others
Facilitator Duties: Outside the Meeting (cont’d)

- Write action plans which:
  determine tasks, spread workload, set deadlines

- Learn more about the team process

- Suggest methods to improve team outcomes
Being a Facilitator

Is about leading a problem solving process that uses people’s time more efficiently. And arrives at better solutions.
Summary

• Facilitators play key role in Teams.
  – Facilitator assists producer in guiding the team.
  – Does not need to have an interest in the dairy
  – Additional time and effort is required.
  – Facilitator tools are available on the website.
Facilitation is critical to effective group process

Facilitators need to learn the core practices and expand their toolboxes

Good facilitators help team succeed, BUT the final outcome of the team is everyone’s responsibility.
Questions?
Basics of Team Management

*Using data, monitoring progress*
Key financial benchmarks

**Profitability**
Return on Assets (ROA) >10%

**Financial Efficiency**
Operating Expense Ratio
OER< 75% - Corp
OER<65% - SP/P

**Liquidity**
Term Debt & Lease Coverage Ratio (TDLCR) > 1.20

**Solvency**
% Equity
% Equity > 60%

**Capital Efficiency**
Asset Turnover Ratio
ATR >.6 Dairy & Crops
ATR> 1.0 Dairy

Profitability Factors

Profitability - ROA

Operations Efficiency
Operating Expense Ratio (OER)

Capital Efficiency
Asset Turnover Ratio (ATR)

Return to Unpaid Family Labor & Owner Labor and Management
Monitoring Data for the Team

Key data for goals
Trends for the operation
   Monthly monitor
   DHIA, financial data
Key industry benchmarks
Using the “right” information

• What factors are critical to success?
  – Milk Volume
    • Milk per cow per day
      – DIM
      – Repro Performance
      – Udder Health - SCC
  • Cow numbers
    – Cull Rate
    – Replacement performance
    – Repro Performance
Monitoring information

- Milk Production – Daily
- Feeding data – Daily??
  - DMI, FE, IOFC
- SCC / Milk Quality Indicators – Dairy tests
- PG rate – 21 days
- Cull Rate – monthly / annually

- Cash Flow
- Break Even cost of production
Monitoring Tool

- Monthly Monitor
- Available on website or through Dairy Extension office at:
  - 1-888-373-7232

[Monthly Monitor 3.0.xls]
III. Targets for Teams

Monitoring the right information helps detect and prevent bottlenecks.
What is a Bottleneck?

Production Systems Are Pipelines

INPUTS

PRODUCTS

Source: B. Hilty
What is a Bottleneck?

A restriction in the product pipeline

Fixing the wrong bottleneck is of no benefit.

It is important to detect & correct the most restrictive bottleneck first.

Source: B. Hilty
PA Dairy Tool from Penn State

Contact the Dairy Extension Office toll free at:

1-888-373-7232
• "There are no problems we cannot solve together, and very few that we can solve by ourselves."
--Lyndon Baines Johnson
Getting Started with your Team
Build your framework

• Choose core team and facilitator
  • May need temporary team members
  • May need additional outside expertise
• Establish expectations
  • Both within and outside the team
• Establish ground rules
• Set GOALS
• Set meeting dates/times
Analyze the Dairy Operation

• Gather Information
  – Profit Team Data
    • Production information – DHIA (1 yr), on farm records
    • Financial information – balance sheet, income statement
    • SWOT – Strengths, Weaknesses, Opportunities, Threats
  – Target Team Data
    • Current and historic data for issue at hand
    • Financial, facility, other limitations
  – Succession Planning Team
    • Production and Financial data
    • Projections, expectations, future needs
    • Various experts (on team or available)
Organize the first team meeting

• On-farm
  – Walk through and review data
  – Analyze information, determine what else is needed.
  – Set goals, ground rules, timelines.
  – Be clear about expectations!
First On-farm Team Meeting

1. Allow at least 90 minutes
2. Walk through farm operation at beginning
3. Evaluate data, trends, share thoughts
4. Identify strengths and areas for improvement
5. Ask producer to share expectations
6. Develop – ground rules, communication, expectations, questions.
7. Assign roles to team members.
8. Begin to develop goals and monitoring systems
9. Identify “key items” that need to be worked on by next meeting.
10. Set meeting dates for next 6-12 months.
Stages of Teams Development

1. **Forming** – Anticipation, commitment, positive feelings
2. **Storming** – Disagreement, uncertainty, negative feelings
3. **Norming** – Some level of accomplishment,, positive feelings – sometimes stop here.
4. **Performing** – Positive challenge, learn, grow, achieve.
5. **End** – When team is no longer needed.
Storm to Norm to Perform

Lack of progress ---WHY???

- Too much info – overwhelming
  - Refocus, prioritize, accomplish, celebrate.
- Dragging our feet (accountability)
  - Clarity and consequences.
- Think we know, but . . .
  - Use outside experts, review data, reset goals.
- Dairy producer won’t change.
  - Discuss. Direct. Disband team.
Keeping the Pace

• Continue to celebrate successes
• Seek new challenges to incorporate
• Move from more “tactical” issues to more “strategic” issues as appropriate
• Refine communication
  – Can meetings be shorter?
  – Can meetings be less frequent?
Ending the team

• Reasons to disband a team:
  – Purpose completed (no new purpose).
  – Team is not functioning (and can’t be fixed).
  – Team members no longer committed.
  – Wrong time for dairy producer.
  – New team needs to be formed
    • Different issues
    • New members
Questions?