



# Time for a Management Makeover?

**Building a better business starts by building a better relationship with yourself, suggests ranch consultant.**

*by Kindra Gordon, field editor*

**I**f you always do what you've always done, you'll always get what you've always got."

This Henry Ford quote is one Dallas Mount, owner of Ranch Management Consultants (RMC), likes to share with ranchers as he challenges them to evaluate their business and production efforts.

In short, Mount says, he wants this quote to remind producers that without making changes, they can't

expect to get different results.

Mount notes that most coffee-shop conversations — and even cattle industry programs — tend to dwell on three topics: the weather, the market and the government.

"What do these three things have in common?" he asks, then answers: "We can't do anything about them."

Instead, Mount, whose company hosts the popular "Ranching for Profit" seminars hosted around the

country, advises those in agriculture to stop being a victim and "look at what you can fix."

He explains that, as ag producers and business owners, our "paradigms" — the way we see the world — may need to be examined and challenged.

"The biggest factor that determines an ag business profit or loss is management," Mount emphasizes. He points out management is something



everyone can adapt and change. His company and the ranching seminars and workshops it hosts help individuals examine the steps to make such changes.

In essence, Mount says, the road to a stronger business begins by evaluating — and perhaps initiating — a makeover of your own goals and actions.

### **WITB vs. WOTB**

In talking about management, Mount asks producers to consider the differences between “in” vs. “on.”

He explains that “working in the business,” or WITB, includes activities such as feeding, fencing, fixing and other daily tasks.

Essentially, these are the \$20-per-hour physical jobs that take a lot of time, but perhaps don’t result in much change.

Conversely, “working on the business,” or WOTB, are the projects that require mental focus, planning and decision-making. These tasks fall into the \$200-per-hour (or more) category. Examples include strategic planning, marketing plans, drought plans, succession planning, economic forecasting, financial analysis, building customer relationships, and even investing in education and personal development.

Mount notes that, too often, ag owners and operators get so busy working “in” the business they fail to

work “on” it. As a result, the big-picture planning — and financial improvements — don’t become a reality.

Mount, who is himself a Wyoming-based rancher, says he too is guilty of this trap. He tells of a change that he knew he needed to address, but was busy and didn’t take the time. When he finally did, the project took about a half day, and the change resulted in a \$40,000 difference in savings over the next six months.

“It is not about working harder in the business; it is about taking the time to work on the business,” he reminds. “Producers need to step back and realize being productive doesn’t always mean being profitable.”

To facilitate the process of thinking about what you might do differently within your operation, Mount suggests thinking like your neighbors for a moment. He explains that it is often easy for ranchers to point out to themselves or others what their neighbor should or shouldn’t be doing.

Thus, Mount suggests trying to look at your own operation through the eyes of your neighbor and asking, “What are they probably saying I should be doing?” Mount says this might help give individuals a fresh set of eyes for their own management and may help challenge the existing paradigms.

### **Actionable advice**

Mount is always cautious to give blanket advice to any ag producer, noting that every ag operation is different.

“There is not a prescription on how to run a profitable ranch,” he states.

That said, he does encourage ag

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producers to look at their business by enterprise or division and figure out what is working and what's not working.

As examples, this might mean looking at hay production, cattle production and direct meat sales as individual entities. Then within those entities, look at gross margins within those enterprises. He reminds not to forget about including the costs for using land, and paying yourself or taking draws for the family.

### Per cow, per person

Additionally, from the many ranch clients he has worked with, Mount says, there are two indicators that can give valuable insight into a ranch's finances. The first thing he likes to look at is the pounds of hay fed per cow annually.

He explains, "It's not just about the cost of feed, but how many animals



PHOTO COURTESY DALLAS MOUNT

Dallas Mount advises those in agriculture to stop being a victim and "look at what you can fix" rather than focusing on what you can't.

are being fed that feed." Mount likes to see operations that can support grazing as much as 11 months out of the year most of the time.

Secondly, Mount likes to compute "gross product per full-time employee." On average, he suggests about \$400,000 is needed per employee. But again he emphasizes these benchmarks may be different depending on each ranch situation.

### Ranch weird

Lastly, Mount notes, if he were to create a slogan to put on RMC ball caps to remind clients to challenge their paradigms, it would say: "Ranch weird." He explains that the bottom-line advice is to think differently and look outside the norms to find opportunities for holistic success across production, finances and lifestyle. **ABB**

Editor's note: Kindra Gordon is a freelance writer and cattlegirl from Whitewood, S.D. Learn more about RMC and the educational seminars they offer at <https://ranchmanagement.com/>.

### Carve out office space

Wyoming-based Dallas Mount, a rancher himself and an advisor to numerous ranch operators through his company, Ranch Management Consultants, advises having a dedicated office space for the ranch business. He notes that this can be an important strategy to help ranchers enhance their management.

Mount explains that many ranches handle millions of dollars' worth of transactions. That type of business deserves more than an occasional spot going through paperwork at the kitchen table.

Mount says an office space can help individuals focus more on managing the ranch like the valuable business it truly is. Additionally, having a specific office space may help create some separation between ranch work and family time, which can also be beneficial.



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