

Outside the Box

Vision and execution each require specialists.

by Tom Field, University of Nebraska–Lincoln



Imagine the experience of being a trail boss responsible for moving 2,500 head of cattle

from central Texas to the railheads in Kansas, Nebraska or Colorado in the late 1800s. Such a venture was no small undertaking and would require the best of human capacity in both vision and operational excellence.

While circumstances, technology and infrastructure have changed significantly since those heady days of difficult months spent on the Chisholm, Goodnight-Loving or Shawnee trails, we are reminded that a successful trail drive required both leadership and management.

The distinction

Leadership is the establishment of vision and mission based on clearly identified values to establish a new organization or to take an existing organization in a new direction.

Management is the development of processes, allocation of resources, and identification of metrics to take an organization as smoothly as possible in the direction it is already headed.

Business success requires both leadership and management. Periodic assessment of these two elements provides a framework for continuous improvement and the opportunity to reset direction, renew focus and clarity, and adjust operational procedures. The challenge for

family businesses with limited staff is to make the time to conscientiously evaluate and enhance these two capacities.

Perhaps it would be useful to clarify the differences between leadership thinking and management thinking (see Table 1 below).

Your needs

Consider your current enterprise. Which components of your business need improved management? Which need improved leadership? In other words, where is directional change required, and where do processes need to be improved to enhance efficiency and effectiveness?

The most difficult focal point is always leadership. It is the most likely to elicit resistance, because change is uncomfortable. Make sure leadership and the accompanying accountability is expended on the most critical decisions.

Management decisions are important, but can be allocated to others. When possible, operational decisions should be delegated. For this process to work, leaders must give significant attention to developing the people in their organizations — employees and family alike.

Leadership focuses on the direction of an organization and being proactive in making course changes intentionally and proactively. In other words, to make hard choices before they are forced upon us. Leadership is dependent on our ability to step back from the tactics and the

Continued on page 210

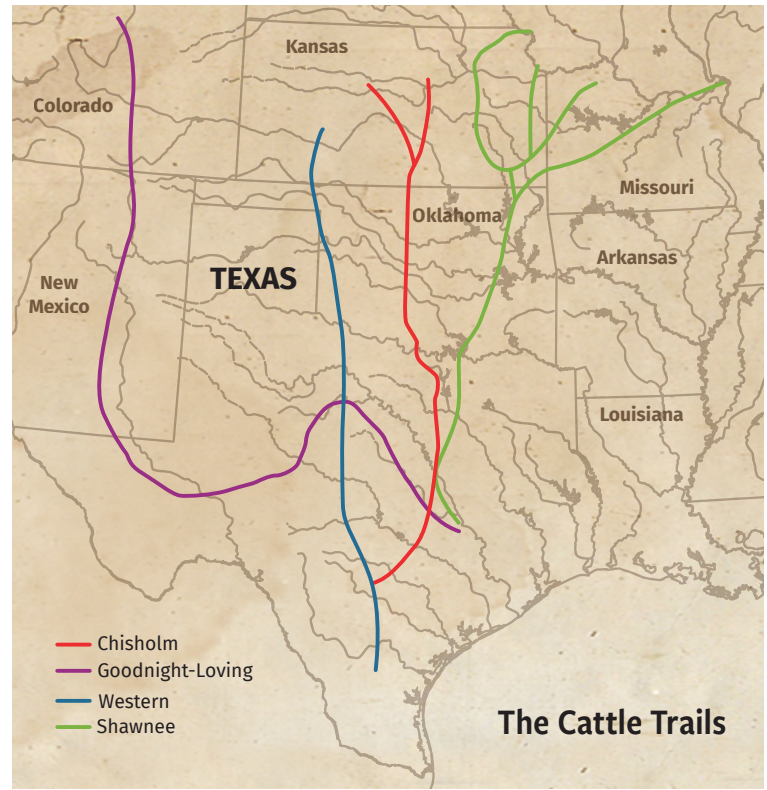


Table 1: The difference between leadership thinking and management thinking

Leadership thinking and focus	Management thinking and focus
Establish vision, mission and values.	Execution: Follow the road map and measure progress toward the target. Keep score.
Inspire and influence others to embrace the mission, vision and values.	Focus on people, listen to understand, direct their activity, assure proper resourcing.
Communicate, communicate, communicate.	Analyze, measure and inform.
Challenge the status quo.	Build processes, guidelines and systems to enhance the status quo. Train for conformance.
Ask questions — lots of them.	Execute to enhance effectiveness and efficiency.
Focus on “Why?” and “What?”	Focus on “How?” and “When?”
Build trust.	Control key steps and decisions.
Higher levels of uncertainty	More stability and certainty
Time horizon is extended (months and years in the future)	Time horizon is relatively short (days, weeks and months)

activity of a business to ask, “Why are we doing what we are doing? Then follow with: “Is what we are doing aligned with our mission, vision, values, resources and core talents?”

Unlike tactical questions that often have more clarity as to cause and effect, leadership questions require deeper understanding, struggling with the blending of quantitative and qualitative information, taking on risk, and demand that we look beyond the immediate horizon.

Operational decisions require excellence in management with a focus on outcome-based metrics — pregnancy rates, stocking rate, inventory numbers, cash flow, employee training and the like. Execution of the business plan tends to get most of the attention because it is immediate, progress is more easily measured, and the

work is hands-on and familiar.

In the trail drives of old, leadership was required to set the destination and to make course adjustments when conditions and circumstances changed. Management of day-to-day operations was also important — how to cross the river, when to stop for the day, where to make camp. This truth still holds: Lasting success requires a blend of leadership and management, and the recognition that these require different skills and specific allocation of time and treasure to each. **ABB**

Editor's note: In “Outside the Box,” a regular column in both the *Angus Journal*[®] and the *Angus Beef Bulletin*, author Tom Field shares his experience as a cattleman and his insightful perspective on the business aspects of ranching. Field is director of the Engler Agribusiness Entrepreneurship Program at the University of Nebraska-Lincoln, where he holds the Paul Engler Chair of Agribusiness Entrepreneurship.