What is Management?
- MW Definition
  - To exercise executive, administrative, and supervisory direction of
- The Bottom Line:
  - Combining resources to produce and market a product or service for a profit

What Is Your Product?
- Milk (milk components)
- Cattle
- Beef
- Nutrients
- Services
- Expertise
- Land Stewardship
- Consumer Education

What Are Your Resources?
- Cattle
- Land
- Facilities/Equipment
- Money (Owned and Borrowed)
- Family
- Employees
- Industry Support
- You

What Is Profit?
- Checkbook Balance
- Savings Account
- Return on Investment
- Net Income
- Equity
- Per
  - Cow
  - Year
  - Acre
- cwt milk
- Dollar Invested
- Milking Stall
- Employee

What Does a Manager Do?
- Establishes direction
- Perceives change and deficiencies
- Formulates alternatives
- Evaluates alternatives
- Makes a decision
- Implements the decision
- Evaluates decision
Direction
- Vision & Mission Statements
- Easier with strong economy
  - High Tech
- Dairy Industry
  - Similar to prices in 1979
- True managers shine during economic downturn

Perceives Change
- Who Moved My Cheese?
- Tillamook Cheese
- Johne’s
- Markets
- BSE

Formulating Alternatives
- Knowledge
  - Education
  - Read – not just your area
  - Ask – consultants, extension
  - Visit
- Creativity
  - What are we trying to accomplish?
  - How might we do that?

Evaluating Alternatives
- Effectiveness (projected)
  - Will it get the job done?
  - What are the risks?
  - What are the long-term effects?
- Efficiency (projected)
  - What is the cost relative to other alternatives?
  - Is it financially viable?

Making the Decision
- Procrastination
  - Don’t be forced to make the decision
- Often it is not wise to be
  - The first
  - The last
- The early bird
  - Takes the risk
  - Reaps the rewards

Implementing the Decision
- Plan for it
- Determine what to delegate
- Timing can be critical
- Minimize delayed return on investment
Evaluating Decision

- Goals accomplished?
  - Financial
  - Efficiency
  - Morale

A Successful Business

- Generates cash to cover cash expenses, principal payments, and family living
- Pays interest on owed capital
- Maintains productivity
- Earns a reasonable return for the operator

Impediments to Success

- Weather
- Price Cycles
- Personnel
- Support Services
- Government Regulations
- Environmental Regulations
- Waning Product Demand

Three Principles for Success

- Offer a quality product or service that the market demands at a fair price
- Appreciate your customer. Say thank you and always ask for more business
- Copy success. Find people who are already successfully doing what you want to do and do what they are doing, and improve upon it.

Characteristics of Success

- Personal
  - Energy
  - Attitude
  - Creativity
  - Communication
  - Negotiation
  - Anticipation
  - Discipline
  - Perseverance
  - Change
  - Integrity

- Management
  - Personnel
  - Cattle
  - Forages
  - Time
  - Financial
  - Family

Why Managers Fail

- No clear perspective as to their job
- Undervalue their employees
- Communicate poorly with their employees
- Fail to motivate their employees
- Do not meet planning responsibilities
- Fail to organize, prioritize
- Rarely measure success
Apply yourself. Get all the education you can, but then, do something.

Don’t just stand there, make it happen.

Lee Iacocca