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The Australian Rangeland Society

BUSINESS OR PROPERTY - THE CHANGING SKILLS REQUIRED OF PROPERTY MANAGERS

Lesley Johnston

Warrego Graziers Association, P.O. Box 51, Charleville Q 4470

Grazing is no longer a way of life

Regardless of a property manager's location or what his commodity may be, the question for today's manager is survival. Survival not only in the financial sense but also in running a successful business.

Managers need to come to terms with the notion that grazing, farming, whatever, is not merely a way of life. It is also a business venture upon which they themselves and their families depend upon for financial security and maintenance of their lifestyle.

It is no longer satisfactory or indeed acceptable to "muster the sheep, shear them and wait for the cheque to come in". Nor is it satisfactory to blame misfortune on the weather, bank manager or stock firm.

Today's property manager needs to be proficient in a wide range of skills. These include management, technical, business, financial and of course livestock production skills. The time and effort put into developing these skills can only contribute to the future success of the business.

There is a plethora of technological and industry assistance to help the grazier develop these skills and to use these to his advantage.

Using outside assistance

Why not use and take advantage of outside assistance? For a long time this was unheard of and yet it is a valuable use of time and money. Today there is a myriad of consultants, government departments, investment advisors, environmental groups etc to help in the successful planning and running of the business. It pays to shop around but an investment of time and money here can certainly pay off in terms of increased production and financial stability.

Financial

Take your accountant for example. How many property managers see an accountant once a year, discuss the weather and worry about the amount of tax to be paid? Discussions with your accountant need to be an ongoing process, with plans being made for the present and future. It is no good seeing an accountant with the transactions already carried out. Certainly, it is the grazier who makes the final decision, but a bit of help along the way doesn't go astray. The accountant can also be of great benefit to the manager in teaching the basics of those business and financial skills I spoke of earlier.

Business and financial skills appear to be the biggest hurdle facing property managers. Yet they are probably one of the most important. A lot of property managers are unable to do a simple bank reconciliation at the end of the month, and then sit wondering where the money went. Just by learning this, the manager can start to take financial control of his business and not expect the business to provide him with more than it can.

Together with this, a grasp of budgets, farm plans and cash books are going to be an essential element in the future. They will be just as important as a pair of fencing pliers.

Business management ability is another area where the manager needs to develop skills. This means knowing when you are in the right business at the right time or even making an additional purchase at the right time. Certainly, these are hard skills to develop, but in a business where income is seasonal, the weather unpredictable, and the economy fairly unstable, skills in this area are essential.

Technical

Technical and mechanical skills are also essential. The ability to control capital and machinery expenditure is extremely important both in good and bad times. Spending simply to avoid tax is foolhardy. Other measures should be explored here, as with spending when the cashflow may be slow or even non-existent.

This area is particularly suited to obtaining some independent advice due to any normal person's ability "to spend" when the money is there!

Technical skills in the area of production are extremely important especially with governments today freeing up the markets for most commodities. Improving the quality of the product to meet the demands of the buyers and the public is something that all managers need to look at. Take wool for example. No longer is there a set price for any type and quality of wool. Premium product means premium price.

Personnel management

Another area which is sadly neglected in a lot of ways is "people management" skills. For those with staff, the employee is one of the most important assets. Effective leadership and organisation of staff means maximum output with minimum labour costs. For the majority of managers few are actually trained as employers. It is important for managers themselves to further their education in this area, just as we try to encourage better skills and training in employees. Short labour management courses are available and should be taken advantage of.

The decline of workers in the rural industry is of particular concern. Property managers should be concentrating on attracting motivated and qualified people to the industry, keeping them there and bringing this to the attention of Government.

Adapting to change

Probably the most important area in which skills are required is the ability to adapt to change and the attitude of the manager toward the running of property. It is also probably the first skill to learn before the others flow on.

A manager needs to be able to look critically at current practices and honestly assess whether they are suited to today's changing industry. Can the business/financial programme change if circumstances change? Can new production techniques be adopted if the old ones are outdated? Can changes in political/economic areas be accommodated with the running of the business?

Adapting to change means that the grazier needs to utilise and recognise the resources of his family. The impact of change on the family also needs assessing. Change also means looking at diversification of the business if necessary.

Probably the first thought that every property manager will have when confronted with these issues is "I don't have the time". Time needs to be made to survive the rapidly changing agricultural environment in Australia.

But by setting out goals and objectives and trying to achieve them, even if slowly, will mean a more successful business in the long run.