

On&Off Farm

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Starting up 'another business' and winning

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No man is an island", neither is your farming business. Business has to initially exist and then succeed within its trading environment.

This trading environment tends to go in cycles farming is currently going through an upward cycle, while many non-farming businesses are going through a dip which appears to be very deep, but this is because of the height that they have fallen from.

The one certainty about cycles is that every peak is followed by a dip and every dip is followed by a peak. It is always difficult to call either the top or the bottom of the market. This is where good judgement calls about future trends come into play.

Your effectiveness at making these calls will have a far bigger bearing on your future commercial success than working harder at your current job. In my view, there is very little relationship between business success and sweat. You have to work smarter rather than harder.

A LITTLE GREED IS GOOD

Greed contributed to getting us into this "mess", but we are also depending on greed to get us out of it and onto the next upward cycle.

In any market there are the early adaptors, who are eventually followed by the "herd". Early adaptors are already starting to snap-up value out there.

Their greed instinct,

KEY POINTS

- You should always be looking for business opportunities.
- Dips in the economy bring opportunity.
- Clarity of purpose is vital.
- Start by answering the key questions.
- Always focus on return on investment.

which is necessary for forward investment and progress, is starting to fuel these initiatives.

Eventually the "herd" will start to follow and thus a new "bubble" will be born. The problem is if you are part of the herd, then you cannot go any further than the herd. In markets, by the time the herd arrives it is already too late.

Successful business people are always looking to optimise their Return on the Investment (ROI). They achieve this by building their business model which is reflective of the changing mood of their targeted market.

Instead of moaning about its changing dynamics, they are excited about developing strategies to exploit the emerging opportunities.

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What are the messages for you?

You need a peripheral vision in order to spot new business opportunities.

To keep it performing at a high level day to day, you need intense operational focus. When new threats or opportunities emerge on the periphery of their usual business environment, most fail to notice them or misinterpret their importance.

They have a hard time with the weak and ambiguous signals that are often the early warning signs of impending change.

Canaries were once regularly used in coal mining as an early warning system of toxic gases. You too need to have your canary equivalent

in order to suss out the emerging opportunities and threats.

There are many examples of business failures and missed opportunities.

How many second and third generation businesses (other than farming) do you know in your locality? Why so few? As a farmer, you always face the temptation to focus on managing your farm business. Someone has to do this, and giving unwavering attention to operations will often pay off in short-term performance.

However by focusing only on what's in front of you, you naturally lose peripheral vision—and that can

Successful business entrepreneurs tend to have the following profile. If you were to score yourself one to 10 (with one being weak and 10 being very strong) what would your score out of 80 be?

	Score
1. Clarity of purpose	
2. Confident	
3. Charismatic	
4. Focused	
5. Energy	
6. Impatient	
7. Assertive	
8. Smart at getting the planned output	
Overall score	

threaten your commercial long-term possibilities.

Economist describes this as the opportunity cost of keeping your head buried in your current business.

A vigilant attitude is the

most important trait of business people who are good at anticipating and exploiting change.

They search beyond the boundaries of prevailing views.

Looking out for possible opportunities

We all get blinded in our everyday environments. If you want to develop "another business", then you must consciously decide to scan for possible opportunities.

You need to look at this as an investment in your future rather than an expense.

➤ Would you borrow money to go to relevant foreign trade shows in order to spot opportunities?

➤ Would you invest some of your time resource and scarce money to attend relevant training programmes or non-farming networking events in order to get a different perspective?

Clarity of purpose is by far the most important ingredient in your future commercial success. It is very difficult to have a sustained burst of energy if you are not sure what you are trying to achieve.

Running faster down the wrong road will not get you to your commercial destination. You need to be on the right road.

From your sussing around and market research you

need to clarify the following:

1. Who is your future target market?

2. What relevant need/demand have they in which you can satisfy more precisely than your competitor?

A. Don't fall into the trap of trying to be all things to all people.

B. Differentiate your "offering" in a meaningful way in order to give your business the edge.

3. Then decide on your action plan and on how you will deliver your solution at a price point which will give you your required ROI. The initial steps may be:

A. Prototype development, protection of intellectual property (IP) and delivery model.

I believe that you, as the owner manager of your business, must understand that you have to professionally manage your business as per the following two time frames;

1. During the current dip.
2. Post current dip.

Your style of management and the strategies and tactics you need to adopt should be different for both phases. You have two choices as follows;

1. Put your head in your hands and use all the negativity out there as an excuse for your poor performance.

2. Start to manage the variables you do have control over and get out there and make it happen.

Everything has a price.

Are you prepared to pay the price necessary to get your "other business" up and running commercially?

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