

Building an effective management team for your dairy

Dr. Greg Bethard | High Plains Ponderosa Dairy

Notes

Paper and PowerPoint slides on following pages

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People are the life blood of most businesses. The dairy business is no different. Books, seminars, coaches and experts dominate the landscape in an effort help dairy producers and other business owners navigate the complexities of building and motivating a group of individuals into a functioning team. This can prove to be one of the more challenging aspects of running a dairy.

Most businesses are reasonably good at developing protocols, writing job descriptions, building org charts, having parties for employees, writing a mission statement, creating a vision, meeting regularly, having performance reviews, etc. Despite all this effort, many dairy farmers, author included, are challenged to staff and develop a high performing team.

What makes someone want to come work for you? Why would someone choose the life of working on a dairy with long hours and stress? How can our dairies become a place people want to work?

In the authors experience, three things stand out as necessary to attract top talent: a leader that people want to follow, a vision that is optimistic and exciting, and a culture the people want to be part of.

For HPPD it has always been about trying to create a work environment where people find intrinsic value in the work they do. Surely this does not work in every case and for every person, yet we strive to achieve this lofty standard. If people like doing the work, and enjoy what they are doing, quality of work is more likely to result. The trick is how to achieve this.

Culture is an important part of what attracts people to a business. It is best defined by one but nurtured by all, and it should evolve and grow with the business. HPPD culture is about transparency, empowering people and giving them autonomy with accountability. Allowing people to grow and make mistakes has a cost, but it can also lead to a team that is engaged and committed. Whatever your culture is, it has to be genuine or people won't buy in. Fake never works. It works when everyone buys in and contributes to the culture.

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Recruiting and Building a High Performing Team

Greg Bethard, Ph.D.
 CEO and Managing Partner
 High Plains Ponderosa Dairy
 Plains, KS

Every talk about employees and culture has to say...

- We have protocols
- We have job descriptions
- We do annual reviews
- We meet often
- We try our best to communicate
- We have company parties
- As a business we have a mission statement
- Blah, blah, blah.....

What attracts talent to your organization?

Three Things....

- a **Leader**
 - *that people want to follow*
- a **Vision**
 - *that is optimistic and exciting*
- a **Culture**
 - *that people want to be part of*

HIGH PLAINS PONDEROSA DAIRY

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Dairy is hard
Not quite cookie cutter but getting closer
How do you put together a team of motivated people?

A successful dairy business has...

- Leadership
- Vision
- Talent
- Culture
- Accountability
- People who find intrinsic value in their work
- Commitment to excellence
- Never quit, never give up approach
- Put your boots on and go to work every day mentality

How I made the transition from Consultant to Dairyman....

- What I always wanted to be when I grew up
- Tons of help from other dairyman. Too many to name.
- Mentors...Dr Bob James, Dr John Smith, Dennis Armstrong, Dr Brian Perkins, former clients
- Visit other dairies whenever possible. Learn from watching and listening.
- Read a lot about all kinds of topics. Can't read enough.
- Observe and challenge our business to be better.

\$200/hr work versus \$10/hr work

This applies to Consultants
And to Dairyman
And to Managers

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Leader



Characteristics of a **Leader** that people want to follow and join..

- Committed
- Decisive
- Believable
- Accountable
- Trustworthy
- Vision for the future

To be a **Leader**

- Need to show up to work rested and ready to work
 - Your mood and attitude carries throughout the organization
 - How you treat people matters
- Your people have to trust you. You need to show you care about them, and that they can count on you.
- You need to have some empathy, yet have high standards that you expect others to adhere to.
- You have to be all in. Fully committed.
- Need to have passion for the business and the people. It shows if you don't
- Your people need to believe in your message
- Trust and Verify
- Need to have perspective.....

Vision



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Vision

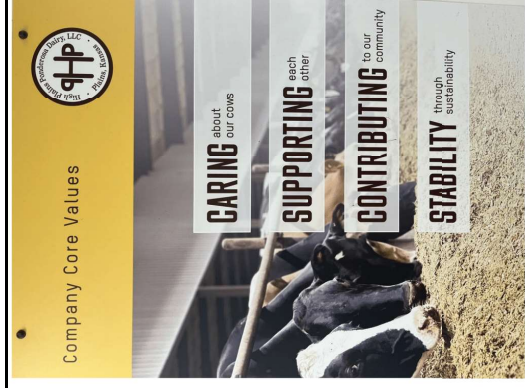
- What is the business model?
- How will the model evolve?
- Where is the business going?
- How do you intend to compete and lower your breakeven milk price?
- Has the vision been articulated?
- Can you **sell** this vision to others?

Growth

- Depending on your business goals, Growth may or may not be a good fit.
- Most people like being part of a Growing business
- Get the right people in place first
- Growth does not have to be more cows. There are many opportunities in the dairy business for Growth.
- Book:
 - *No Man's Land: Where Growing Companies Fail* by Doug Tatum

What does Sustainability mean to HPPD?

- Many definitions of sustainability are being used in today's world
- We prefer to think of our business as **infinite**
- There is nothing wrong with being **finite**
- To be **infinite** we need to first and foremost be **profitable**. Then we need to care for:
 - Our cows
 - Our people
 - Our community
 - Our environment



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Culture



Culture

- Defined by one but nurtured by all
- It should evolve and grow as the business does the same
- If everyone “buys in” then everyone contributes to the evolution

For Culture to be effective...

- It needs to come from within you
- It must be genuine or people won't buy in. People quickly figure out fake.
- It can't be given to you by someone else
- *The leader must live it, embody it, and own it.*

High Plains Ponderosa Dairy Culture

- Find **Intrinsic** value in your work through **Autonomy** and **Empowerment**
 - Make your own decisions
 - Make the work your own
 - Take ownership and accountability
- **Transparency**
- **Data-driven**
- **Tolerance and Respect**
- We try to avoid micromanaging our managers. We give them enough rope to hang themselves.
- How you treat people matters

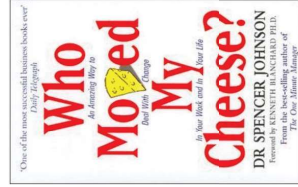
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“Wikipedia allows people to not merely access other people’s knowledge but to share their own. When you help build something, you own it, your vested in it. That’s far more rewarding than having it handed down to you.”

Jimmy Wales, co-founder of Wikipedia as quoted in *The Innovators* by Walter Isaacson.

Who Moved My Cheese
An Amazing Way To Deal with Change in Your Work and In Your Life



One of the most successful business books ever!

by Dr. Spencer Johnson

Who Moved My Cheese?

An Amazing Way to Deal with Change in Your Work and In Your Life

DR. SPENCER JOHNSON

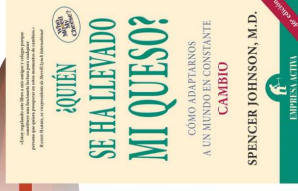
Illustrations by John Van Dyke

From the bestselling author of *The One Minute Manager*

Spencer Johnson, M.D.

Has Sold more than 26 million copies in 37 languages

In 2005, Amazon reported *Who Moved My Cheese* was their #1 all time selling book



¿QUIÉN SE HA LLEVADO MI QUESO?

COMO ADAPTARNOS A UN MUNDO EN CONSTANTE CAMBIO

SPENCER JOHNSON, M.D.

EMPRESA ACTIVA

What industries have changed? Where

was the **New Cheese**?

- Kodak film – digital photography
- Barnes and Noble – Amazon (brick & mortar vs electronic)
- Blockbuster Video – Netflix
- Sears and Roebuck – catalog versus electronic
- What about our industries?
 - Yogurt
 - Butter
 - Cheese
 - Powder
 - Dairy production
 - Crop production
 - Analytics

In Agriculture, we are at the Forefront of Momentous Change

We have a Choice to Adapt, Innovate and Succeed,
or
Resist and Slowly fade into obsolescence

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What is coming?

- Technology
- Data
- AI

What was different about the World Wide Web and Social Media compared to networks or individuals on PC's?

- It allowed people to collaborate and it created communities of collaboration
- It made communication and collaboration easier and created communities
- The collaboration of human and machine led to an exponential explosion of ideas
- If we can better connect people, ideas multiply and feed off each other, creating a culture that people want to be part of

The Innovators by Walter Isaacson

Watson and Deep Blue

- IBM computers that triumphed at Jeopardy (Watson) and beat chess masters (Deep Blue).
- We learned that computers can beat humans. Is this AI?
- When computers and people were paired in a chess match...
 - The fastest computer didn't win
 - The best chess master didn't win
 - A combination of people and machine won.
 - *And it wasn't the best chess player with the best computer*
- *We learned that a combination of people and machine produced the best outcome. AI will work best when combined with smart people.*

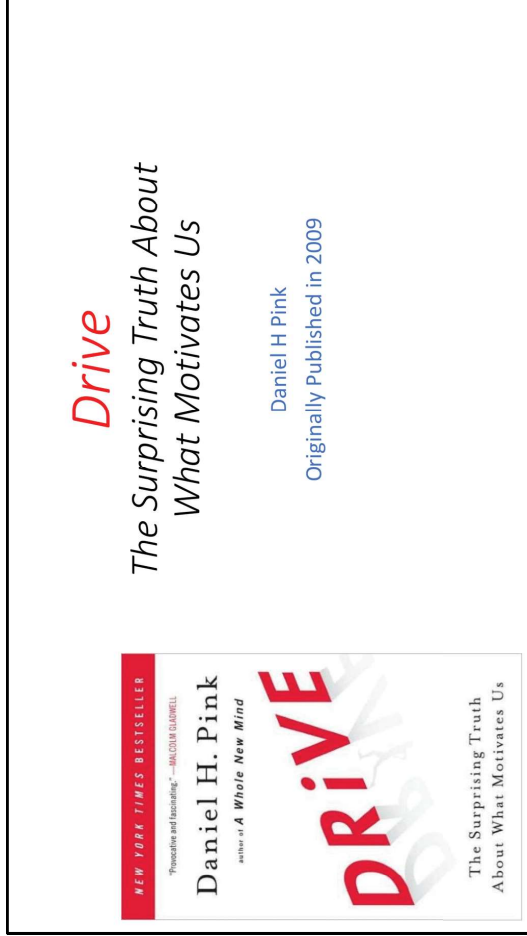
From The Innovators by Walter Isaacson

How do you deal with change on your dairy?

- Does your culture allow for an embrace change?
- Do you seek and anticipate?
- Or do you react?
- How you deal with Change is critical in today's changing dairy industry worldwide

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Drive

*The Surprising Truth About
What Motivates Us*

Daniel H Pink

Originally Published in 2009

Behavioral Science

- The study of human behavior
- Goal is to learn why we do what we do, why we behave the way we do, and what motivates us to do what we do

What Drives us to act?

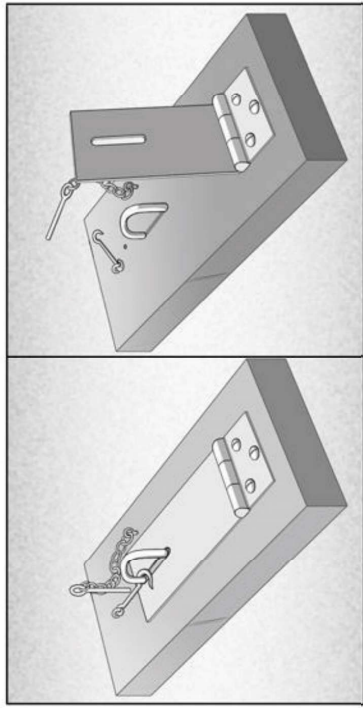
- Long-held notion was there were Two motivators
1. Biological
 - Sate hunger
 - Drink to quench thirst
 - Copulate to satisfy carnal urges
 2. Reward/Punishment – “sticks and carrots”
 - We will modify behavior to earn a reward
 - We will modify behavior to avoid punishment

Harry F. Harlow, 1949
University of Wisconsin

- Experiment with Rhesus monkeys
- Simple Mathematical puzzle

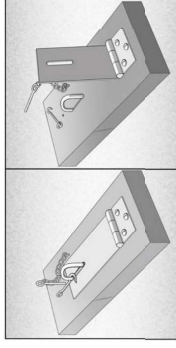
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Harry F. Harlow, 1949

- Experiment with Rhesus monkeys
- Simple Mathematical puzzle
- Puzzles placed in cages to observe how monkeys reacted



What Drives us to act? Harlow proposed a third Driver

1. Biological
 - Sate hunger
 - Drink to quench thirst
 - Copulate to satisfy carnal urges
2. Reward/Punishment – “Carrots and Sticks”
 - We will modify behavior to earn a reward
 - We will modify behavior to avoid punishment
3. The performance of the task provided *intrinsic* reward
 - He dubbed this “intrinsic motivation”
 - This was controversial and not well accepted in the scientific community of the 1950’s

Harlow, 1949

- Something strange happened
 - With no prompting, they started to play with the puzzles
 - They were *focused* and appeared to *enjoy* solving the puzzle
- In short order they figured out the puzzle
- The researchers thought this was odd
- What motivated the monkeys to solve the puzzle?
 - The two known motivators (Biological and Reward/Punishment) did not apply

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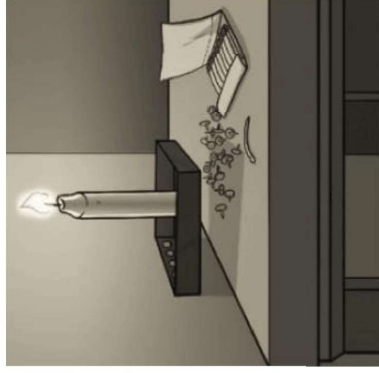
Candle Problem

- A candle, some tacks, and a book of matches
- Challenge: fix the candle to the wall so that the wax does not drip on the table



Solution eventually comes to most

- Need to overcome “functional fixedness”: You see only one function for the box, to hold tacks. The box can also hold the candle
- Solution isn’t algorithmic, it is heuristic



Algorithmic tasks

- You follow a set of established instructions down a single pathway for one conclusion

Heuristic work

- The opposite, no algorithm exists
- You have to experiment with possibilities and devise a novel solution

Experiment with Candle Problem

- 1st group: timed, but told it was to establish “norms” for time
- 2nd group: incentives given based on how quickly they found solution
- Results
 - It took the 2nd group *longer* to solve the problem
- *Performance of a heuristic task was dampened by an incentive*
- *Why?*
 - Rewards narrow our focus
 - *Narrow focus* is what you don’t want for heuristic tasks.
 - You need to think outside the box or go down a different path to solve heuristic tasks

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- Example - On line encyclopedia
- What jobs on your dairy are algorithmic vs heuristic?
 - Perhaps they have different motivators?

Are Carrots addictive?

- Rewards are addictive in that once offered, a contingent becomes expected

Carrots and Sticks – 7 deadly flaws

- They can extinguish intrinsic motivation
- They can diminish performance
- They can crush creativity
- They can crowd out good behavior
- They can encourage cheating, shortcuts, and unethical behavior
- They can become addictive
- They can foster short-term thinking

Carrots and Sticks are not all bad

- Starting Point with all motivation for employees
 - Ensure that the baseline rewards – wages, salaries, benefits and so - on are adequate and fair
 - Without adequate baseline any sort of motivation is difficult

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How much pay is enough?

- For key employees:
 - I try and figure out what they want
 - If that is within my budget, we are good
 - If it is beyond my budget, I don't negotiate
 - Employee held accountable for results commensurate with pay
- My experience has been that paying to get top talent has been worth it.

How does this apply to HPPD?

- For algorithmic jobs:
 - We stress stability....
 - Caring for each other
 - Caring for our cows
 - Caring for environment
 - Caring for our neighbors
 - We offer opportunity for growth if they choose
- For Heuristic jobs:
 - We pay competitive wages
 - Autonomy is necessary
 - Accountability is paramount
 - People have the freedom to express their talents
 - Expectations are high, but the routes to achieve them are not always defined
 - We give people enough rope to hang themselves. It doesn't always work out.

Training at HPPD

- Learning styles from Monty Miller
 - Global/Sequential
 - Kinesthetic/Visual/Auditory
- DISC® profile

Questions?

