

MANAGEMENT ACTIVITIES

The purpose of the activity is to build on the previous exercise where you identified the main management functions of the farm. The management functions are usually organized as human resources, marketing, finance and operations. Each of these areas will have management sub-functions.

A management sub-function is really the management task that is associated with each specific management function. A task **is not** considered to be a management task if it is completed by a non-management employee (or family member).

For example, under the management function of operations, harrowing may be work done by an employee but the manager is responsible for developing the harrowing schedule and assigning it to the employee. The management activity would be to supervise harrowing or create and communicate a harrowing schedule.

It's not about who does the work but who is responsible for managing the work.

The next step in the exercise is to identify the management personnel involved in each of these management sub-functions.

Why is this Relevant?

The Management Activities topic is the next step towards a defined management structure. Working through this topic, the farm family can:

- identify what areas the retiring and succeeding generation currently manage,
- what the management activities are, and
- what transitions need to take place.

This is very important to identify during transition planning and implementation.

This exercise helps to align the management with your strategic direction. It is really challenging to have an idea about where you think the farm should be in the future — especially when it involves transition — but find out that you do not have the management in place to make it happen.

How will this aid in transition planning?

- The exercise will promote communication.
- It helps to get family members on the same page.
- The communication will help to minimize the potential for conflict that comes from people not knowing or not understanding what it is they should be doing.
- The clarity will help to attract and retain employees.

Instructions

1. The management activities exercise should be completed as a group.
2. The management activities exercise should be completed according to the **current** management structure, or the first management structure chart you developed in the previous topic.
3. Read through the suggested management functions and sub-functions. This is a basic list of common management functions. Your farm may have more, less or differing functions.
4. Add or delete items according to the first management structure chart you made in the Management Structure topic.
5. For each main management function, fill in the information according to the column headings, as is relevant for your farm.
 - a. Management area — the main categories. Management tasks exist within each main management function.
 - b. Management sub-function — the management tasks that are involved within each management area.
 - c. Who manages it — record *who currently is responsible* for making sure the task gets done correctly.
 - d. Who does it — record *who actually does the task*
6. Now refer to the second or **future** management structure chart you created in the Management Structure topic. Fill in the last two columns to reflect what you think needs to happen in three year's time.

| Management Area | Management Function | Sub-Function | Who manages it | Who does it | Who manages it | Who does it |
|-----------------|-------------------------------|-------------------------|----------------|-------------|----------------|-------------|
| | | | Currently | | In 3 Years | |
| Human Resources | Benefits | | Faye | Faye | John | John |
| | Payroll | | Faye | Faye | John | Rebecca |
| | Wages | | Faye | Faye | John | Rebecca |
| | Performance Reviews | | no one | no one | John | John |
| | Workplace safety and training | | Faye | Robert | John | John |
| Marketing | Projected yield | | Robert | Robert | John | John |
| | Inventory management | Inventory reports | Robert | Robert | John | John |
| | | Grain marketing | Robert | Robert | John | John |
| | | Grain deliveries | Robert | Robert | John | John |
| | Advertising | | Robert | Robert | John | Rebecca |
| Website | | Robert | Robert | John | Rebecca | |
| Finance | Recordkeeping | | Faye | Faye | John | Outsourced |
| | Year-end analysis | | Faye | Faye | John | Outsourced |
| | Accountant | | Faye | Faye | John | Outsourced |
| | Invoicing | | Faye | Faye | John | John |
| | Accounts payable | | Faye | Faye | John | John |
| | Accounts receivable | | Faye | Faye | John | John |
| | Insurance | | Faye | Faye | John | Outsourced |
| | Compensation | | Faye | Faye | John | John |
| | Crop insurance | | Faye | Faye | John | Outsourced |
| Operations | Machinery | | Robert | Robert | John | John |
| | Planning | Needs for upcoming year | Robert | Robert | John | John |
| | | Usage next three years | Robert | Robert | John | John |
| | | Scheduled maintenance | Robert | Robert | John | Employee |
| | | Service intervals | | Robert | Robert | John |
| | Calibration of all monitors | | Robert | Robert | John | Employee |
| | GPS equipment | | Robert | Robert | John | Employee |
| | Trucking | | Robert | Robert | John | Employee |
| | Safeties | | Robert | Robert | John | Employee |
| | Manpower/Scheduling | Daily work schedule | Robert | Robert | John | John |
| | | Weekly work schedule | Robert | Robert | John | John |
| | | Monthly work schedule | Robert | Robert | John | John |
| | Nuts and bolts inventory | | | | John | Employee |
| | Buildings | | Faye | Employee | John | Employee |
| | Maintenance | General buildings | Robert | Employee | John | Employee |
| | | Bins | Robert | Employee | John | Employee |
| | Improvements | | Robert | Employee | John | Employee |
| | Crop 1 - Canola | | | | John | Employee |
| | Field records | | Robert | Robert | John | John |
| | Soil test | | Robert | Outsourced | John | Employee |
| | Fertilizer recommendation | | Robert | Outsourced | John | Employee |
| | Fall Fertilizer application | | Robert | Robert | John | Employee |
| | Spring field work | | Robert | Robert | John | Employee |
| | Planting | | Robert | Robert | John | Outsourced |
| | Monitor weed and insects | | Robert | Robert | John | Outsourced |
| | In-crop spraying | | Robert | Robert | John | Outsourced |
| | Harvesting | | Robert | Robert | John | Employee |
| | Drying | | Robert | Robert | John | Employee |
| | Fall field work | | Robert | Robert | John | Employee |

How does this apply?

- Farms need to have a clear understanding of their management activities before they starting transitioning management.



PLANNING POINTERS:

- This exercise can be completed with the template provided in the appendix on page 285. However, using a computer spreadsheet program will allow you to make changes much more easily. Feel free to build your own management activities spreadsheet if you wish.
- **Note:** The exercise refers to employees. For farm families who do not have employees (where family members do the work), consider family to be employees for purposes of this exercise. You will need to refer to your management structure that was completed in the previous topic.
- There will very likely be overlap or uncertainty in how the different activities are managed. This is common.
- There will be uncertainty about what the structure should look like in three years. Make your best estimate about what you think needs to happen.
- Review the structure annually and make changes to reflect the current situation and what you think needs to happen.



WHAT TO WATCH FOR:

- Try not to become bogged down in detail. Make your best attempt and review on a regular basis if you are finding it difficult. Time will help to bring clarity to the exercise.



EXERCISE: Go to the forms appendix at the back of this guide for a blank copy of the Management Activities exercise on page 285.

Next steps

Congratulations on completing this topic. You are now a step closer to having a transition plan for your farm. Update your transition planning form and proceed to the next topic in your chosen approach.

