

Sharing Monthly Reports Can Increase Worker Quality and Motivation.



Lyman Rudgers of Attica, New York getting his calf ready for the fair this past summer.

From Bruce Dehm's Desk

The dairy industry has received some of the highest pay prices ever during the past several months. Many producers are using the extra cash to pay down debt or invest in equipment and facilities. High milk prices often result in big income tax liabilities next spring. Start planning now to manage this potential cash crunch. See your tax preparer to estimate your 2001 taxable income and develop a tax management plan. Then see Dehm Associates to make sure it will cash-flow.

Congratulations to two of our clients: [Coyne Farms](#) of Avon, NY for being selected as Dairymen of the Year and to the [Merry Brothers](#) of Arkport, NY for making it on the cover of Northeast Dairy Business magazine.

Many of our Dairy Business Management Program clients utilize our FarmFax record keeping service. [Marci Frutkoff](#) does a splendid job of making sure everyone's reports are accurate each and every month. When clients provide her with complete information on a timely basis, the result is a better management report. This month, we recognize [Don Krenzer](#) of LeRoy, NY for his outstanding timeliness and effort.

Everyone wants to see the results of their efforts, including owners, managers and workers. This is as significant on a dairy farm as it is anywhere else. The important difference is that on dairy farms, owners and managers often are also the "workers." They don't have the luxury that the traditional business manager has of analyzing the business while directing the work.

So how does a manager analyze the business and share the results with workers on a dairy farm? One method is by using the reports that are part of our Dairy Business Management program. The monthly reports produced by Dehm Associates summarize details so the owners can share the reports with key employees, partners, creditors and other professionals.

Sharing information can also improve employee productivity creating employees that are proactive in reducing costs, increasing efficiency and providing a sense of ownership and pride in their work.



Wayne and Korinna Taylor of Pavilion, New York review their reports with Wayne's father Robert. Copies of reports are used by the Dairy Advisory Team. Monthly reports also go to their lender.

The monthly benchmark reports give employees an idea of areas that need improvement and pride in the areas at which the farm is excelling.

This is important on smaller dairies as well as on larger farms. Farms with fewer employees may realize improved efficiencies sooner since each employee has a larger influence on the farm's overall performance. On large farms, middle managers are often only remotely aware of

the farm's business performance, even though this person makes many of the critical day-to-day decisions regarding the farm's operations. Showing middle managers the results of their work can help focus and motivate their performance. Share information and you will find that others really want to help your business succeed.

QUESTIONS AND ANSWERS: SHARING INFORMATION

My business information is sensitive. How do I share this information?
The DBM program provides information in many styles. Some report financial information on a per cow or per hundredweight basis such as the monthly Dehm Dairy Benchmark. Actual-to-budget reports include mostly operating information. Year-end reports provide complete financial disclosure. You can decide which level of information you want to share with others.

Will others be able to understand the reports?
Yes. DBM reports are easy to understand because of the use of charts and color. These tools show trends, goals and comparisons to others.

How often should information be shared?
Information should be shared at least monthly with key personnel. This includes actual-to-budget analysis and benchmarking reports.

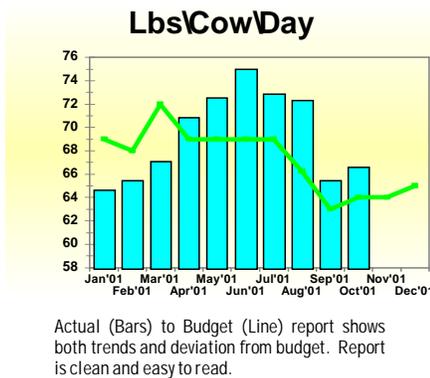
So we have the reports, now what?
Use the reports to see what area of the business are weak, then develop specific plans to improve those weaknesses. When employees, partners and professionals know why a specific project needs to be completed, they will be motivated to help you accomplish these tasks.

Using outside advisors like Dehm Associates can spread the burden of developing and implementing these plans.

Exploring DBM: What Good Is A Budget?

If budgeting seems like a thankless chore, then you need to change your idea of a budget's purpose. Most people think a budget tells you what you need to do in the future. This couldn't be more wrong. A budget tells you what you need to do now, based on what you see happening in the future.

If your budget doesn't tell you what you need to do now (today, tomorrow, and next week), then it's not a good budget. 80% of management is simple goal set-



ting, and in the words of Eagle Development's Bob Cannan, "Nothing is achieved in general. Everything is achieved in the specific task." Budgets are a tool to help plan your activities.

This budgeting season, let us help you develop a plan that gives real meaning to the everyday activities you do or supervise on your dairy facility. Involve key employees and key suppliers. Budget not only for expenses, but for cow numbers, replacements, production and capital investment.

DEHM ASSOCIATES FARM BUSINESS SERVICES

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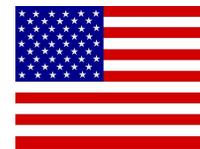
ABOUT DEHM ASSOCIATES

For over ten years Dehm Associates has helped dairy farmers and managers operate more profitably. We offer our clients a range of business services from budgeting to benchmarking so they can improve how they manage their dairy operations.

Our Dairy Business Management Program provides farmers with current, accurate and easy to understand financial reports and analysis of their dairy business. We give farmers the information they need to lower costs and increase productivity.

REWARD FOR REFERRALS

If you're happy with the Dairy Business Management Program, why not tell a neighbor? If someone you refer becomes a client, we'll pay you \$100 as a thank you. [Help your neighbor and help yourself by referring us a new client today.](#)



HOW TO CONTACT US

For more information about how Dehm Associates can increase the profitability of your dairy farm:
Call Bruce Dehm at (716) 243-4427.

Visit our web site at:
www.DehmAssociates.com