



Outside the Box

► by Tom Field, University of Nebraska–Lincoln

Six pillars

Seventeen businesses visited in four days — enterprises ranging from retailing to value-added agriculture, energy technology to manufacturing, and investments to risk management. Our associates consider the annual entrepreneurship tour the highlight of the year. In 96 hours, we were face-to-face with business leaders who shared their vision, challenges, triumphs and failures. The experience was an immersion into the lives of entrepreneurs in pursuit of their dreams and aspirations.

While each story was unique, six core pillars of success were consistent across the diverse spectrum of business models and their owners — character, cash flow, competency, creativity, culture and customers.

Getting started right

The six pillars provide a foundation for both start-up and established cattle producers. However, the lessons for those just beginning their journey into the beef business are particularly applicable as these concepts provide a roadmap to getting started right.

Character — Do the right thing, live in such a manner as to build trust, live up to commitments and own your mistakes. These are founding principles of the beef industry. The cattle industry is a relatively small circle, and it was built on the strength of handshake deals and keeping promises.

Above all else, integrity is the business pillar that must be made of granite to assure longevity and prosperity. As Jim Possehl, founder of Republic Financial, shared, “Reputations are built when times are toughest and you learn the most about a man

when the deal is difficult.”

In the midst of all the chaos that is part of starting a new enterprise, take the time to thoughtfully write out the core values upon which you will stand; that document will provide guidance when you hit those bumps that are most certainly part of the road.

Cash flow — All 17 entrepreneurs, regardless of business maturity or level of gross revenue, pointed to the challenge of cash flow and working capital. Seedstock, cow-calf and stocker operators are faced with significant cash-flow challenges given that the vast majority of revenue occurs in only a few months of the year. For all the non-financial challenges, enterprises in the beef industry are dependent on sound fiscal management for success.

Competency — Time and time again, our conversations with entrepreneurs eventually

focus on the need to be deeply knowledgeable about the enterprise and the industry in which it functions. There are no shortcuts to building competency. Credibility is created when superior competency is coupled with character. At the same time, each business leader was clear that they couldn’t know or do it all. Thus, they depended on the skills, talents and capacities of the people on their team. Ultimately, success depends on both the capacity of the individual and the competency of their team.

Creativity — Without exception of business model, value proposition or target market, the

need for innovative, out-of-the-box thinking and behavior is essential. Interestingly, as each entrepreneur discussed the importance of creativity, it was rarely a situation where a monumental, earth-shattering discovery made the difference. Instead, most pointed to the accumulated impact of creativity applied consistently across their businesses to create solutions and solve problems. Still, each had the confidence and conviction to go against conventional wisdom to blaze a unique pathway. Furthermore, they hired people with creative capacity and empowered them to excel.

In each instance, business leaders established an organizational **culture** that helped them to attract not only the right kind of employees and teammates, but also customers who were the best fit for their products and services. By thoughtfully and intentionally establishing and communicating company values, expectations were made clear throughout the organization.

Mistakes, outright failures and wrong turns were a part of the story of each organization. The strength of culture is what allowed them to overcome challenges, to take appropriate corrective action and to grow from their most difficult circumstances.

Customer focus is the final pillar. The best measurement of business success is a satisfied, loyal client. While it would seem like common sense that every business would pay attention to the customer experience, far too often customers and their needs get lost



SIX CORE PILLARS OF SUCCESS



CONTINUED ON PAGE 260

in all the conversations about strategy, best practice protocols and the myriad of other details. Business success is ultimately earned at the customer interface, and woe to the entrepreneur who ignores the customer pillar.

Staying power

Character, cash flow, competence, creativity, culture and customers are foundational to building an enterprise with

staying power. Success in the cattle business is not an easy path. The beef industry is complex and there is not room for undisciplined approaches. However, these six established pillars of success provide guideposts that can increase the chances of attaining prosperity with a cattle enterprise.

The right start can be significantly enhanced by taking the time to seek the advice and counsel of those who have created

success both within and external to the industry.



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