

Perspective 91

Tracking Goannas



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Your professional interest may be in small animals, dairying or equine. Mine is in beef cattle. It may be tempting to lose interest at this point and keep turning the pages, but please try to resist that. This narrative is not about beef practice, it is mostly about life experience and much of it has universal application no matter what your specialty. This narrative departs from mainstream veterinary science right from the start because, although my livelihood is mostly dependent on a number of large family owned commercial beef herds, I do not pregnancy test, evaluate bulls, attend dystocias, prescribe therapeutic drugs or do any surgery. In fact, my only instrument is a computer. If I cannot demonstrate that those herds become more efficient and profitable over time as a result of my advice, I am out of a job. To follow, is how all this came to be.



The Original Goanna Tracker

Figure 1. Tom Hungerford pictured next to his wife, Roslyn, and holding his textbook Diseases of Livestock

Many years ago, a young veterinary graduate decided to take a very different path to his peers. He had a burning desire to excel rather than just succeed both professionally and materially. His operational model was to be seen as 'THE'

authority in a particular area and through shrewd reasoning, he chose poultry. To provide some perspective, at that time, the Australian poultry industry was emerging from parturition and new growing sheds were appearing everywhere on the outskirts of Sydney. The Ingham brothers were bursting onto the scene. Chicken was moving from being a luxury on the dinner-plate, to a lower cost, easier alternative. He had the foresight to know what this meant to his future. He mastered the literature on one or two diseases critical to the industry and soon knew as much as anybody on earth about those diseases. His major point of difference, and the perception that made him unique, was to use this knowledge as a lever to gather clients and grow his business. He was not trying to be all things to all people. He focused on one or two profit limiting diseases and turned himself into the professional of choice in those areas. Once he had his foot in the door, the plethora of production limiting issues in those growing sheds became his for the taking, and ultimately his domain. His name was Tom Hungerford, 'Hungry Tom' (affectionately) to those of us who knew him. He was the impetus behind the establishment of the Post Graduate Foundation in Veterinary Science (renamed the Centre for Veterinary Education in 2008) and the publication you are now reading.

He summarised his approach to his career as 'The Goanna Track to Success', and implored the rest of us to try it. I did.

Background

Before we get to how all that unfolded, some background may be helpful.

I had no choice in my career. As difficult as it may be to comprehend in this day and age, my father chose it for me. He announced when I was five years old, one morning at the breakfast table, that I was going to be a vet. Perhaps it was because he bred horses as a hobby and wanted a family vet, or he wanted something better for me than he had; I will never know, and at that stage, never questioned it, as you did then. Anyway, I eventually made it through the Sydney Vet School after an excursion into a BSc (Vet) in veterinary parasitology at the end of 4th year. In those days, institutions like the Universities, CSIRO and the state DPI's reigned supreme and many undergraduates considered the private sector with some trepidation because of the perceived risk relative to institutional tenure. I was interested in a career in veterinary parasitology then, but the BSc (Vet) year cured me of that. Little did I know then how valuable that scientific diversion would be in later years as a consultant.

The point of this background is, if I had my time over again, nothing would change. A BVSc is the best tertiary grounding you can have for a career

in livestock based agriculture or, in fact, any industry based on the broad biological sciences. You have the lot; the basic pillars of science, physics, chemistry and biology, plus biometry to pharmacology and everything in between. As well, to some extent, you are taught how to think independently and critically. The only other discipline that may surpass veterinary training in terms of rigour, is engineering in all its forms, at least in my view. At this point, it is unpolluted by non evidenced based alternatives. Imagine an aeronautical engineer being asked to re-design the wing of a Boeing 747 on the basis that passengers would 'feel' better if it had a different shape.

And So To Work...

Within six months of graduation in 1973 I was running my own mixed veterinary practice in central west New South Wales. There was a lot of optimism in that decision because in reality I had no clients and arguably, too little experience. The fact that it worked out, gave me confidence that I could do it again in future if needed. To be fair, the process was made a little easier by the fact that the BTEC (Brucellosis and Tuberculosis Eradication Campaign) programme was about to get into full swing in the beef industry and the cash flow from that work made a big difference early on.

I spent seven years as a one-man band doing everything from caesarean sections on mares to trimming budgie beaks and had the broadest possible experience, including falling victim to brucellosis and leptospirosis and being kicked and struck unconscious on more than one occasion by recalcitrant equines. My passion then was sheep and cattle work and I became increasingly frustrated that the fire brigade service that I was offering, as necessary as it may have been, was just another farm expense. I wanted to help clients make more money from their flocks and herds. I took on my college entrance exams in this period, conscious of the need for the additional formal qualifications and hoping some deeper insights would be forthcoming.

I thought deeply about Tom's advice on the goanna track and decided to give it a go. I chose to make my point of difference flock and herd fertility, so I sold the veterinary practice and faced the great unknown for the second time in my professional life with no clients, no potential income, no clear understanding of what I would actually do and no deep understanding of the field in which I had chosen to become an 'expert'. I wasn't as smart as Tom.

Sadly, as undergraduates, we were not taught much about flock and herd production, especially fertility. Mostly fertility was taught from a disease perspective and I knew that I had to get well beyond that to be of much use. However, fertility had a natural fit about it for a veterinarian and producer perception was that vets should know more than most about the subject. So, fertility it was.

It may seem inconceivable now, but at that time, advertising of any kind, including perceived touting, had you up before the Veterinary Surgeons Board in no time flat. So, I had the additional burden of a veterinary degree constraining me from some of the important commercial aspects of pursuing a specialist career. It was at that point that my views on the huge educational benefit of a veterinary degree, and on how the profession was administered, began to diverge. On the one hand, I knew how valuable my BVSc was, but on the other, despaired at the myopic attitude of the profession's back room seniors.

Mentors

Looking back, I don't think everything would have turned out as it has, if it were not for the influence of a handful of indispensable mentors. It is difficult to emphasise how important the mentor's role is unless you have experienced it. Good mentors are usually gifted professionals in their field of expertise but, more importantly, take the role of encouraging up-and-comers very seriously. The best of them give you deep insights, save you years of floundering and put you in a position to go head-to-head with anyone with knowledge in that field. As well, if they identify you as having some passion and innate ability, they exercise their role for love not money. All you have to do is be prepared ▶

to give up your time, turn up, listen and question. The more you do it with the good ones, the more they will give. As we proceed, I will describe the role that mentors took along my goanna track. Mentors just turn up in your life as you pursue your specialist interests; you don't necessarily need to go looking for them. The trick is, to know that you are looking at one when they are staring you in the face. If that signal passes you by, mentors will be hard to find. One reliable clue is that they are generally either well published or well quoted, in both instances gold stamped by the quality imprimatur.

The Early Years

In the first two years, there was next to no income, in fact, a total of about \$4K, and if it were not for the income from my long-suffering and supportive wife, we would have starved. When you begin to specialise with large farm animals, you have a clear choice on how and where you will work. Either you can work locally, and accept that only a small percentage of your clients will be switched on and profit driven. Or you can work far and wide with the very best clients in any district. I chose the latter, but did not fully realise what the cost would be.

When we married, my wife, justifiably, expected a life with a husband who would be home most nights and would be there to share family duties. With the help of ego, some selfishness and drive, I single-mindedly pursued my career and, to my everlasting regret as far as my family was concerned, I was not there for so many of the important milestones in our kids' lives. If it were not for the dedication and support of my wife, our kids would not have turned out as they have, both successful, well adjusted and happy. To do what I have done, you need a supportive partner. If that does not happen, your marriage, family and career are potentially in jeopardy.

A lot of the time in those two years was spent travelling Australia with a professional sheep classer. His name was John Coy and at that time he had a powerful influence on the direction of Australian Merino genetics by virtue of his influence in the big parent studs in at least three states. I had entree into those studs through John and learned a great deal about how the Australian Merino industry worked and had evolved to that point. Whilst the experience gave me a first-class background to the industry and many contacts, ultimately it was negative because I realised that science and quantitative genetics were missing, in fact scorned. That is not to detract from what John taught me or did; he was a product of his time and the industry that he served. Sadly, he is no longer with us.

I spent much of the rest of my time in DPI research station libraries (there were no internet literature databases then; in fact there was no internet, nor mobile phones) trying to get on top of the literature, corresponding with a developing network of specialist research workers and trying to put the jigsaw together. I was floundering on my own until I stumbled across the name Mike Blockey in the literature. I rang Mike and soon after made the first of a series of trips to western Victoria to spend time with him, his wife Margot and family. He was my first mentor. In next to no time, as we worked together, he cut through all the literature and taught me the fundamentals of bovine fertility in such a way that I was able to appraise any new information in a structured way. This is such a necessary skill that is not often taught to undergraduates. He also taught me the importance of secondary data in publications. He said that the authors always have a primary goal in the experimental design, but if you look carefully at the published data, there are often secondary conclusions that can be drawn that may or may not be as important as the primary one. He was taught that by one of his mentors, Barry Restall, and he passed it on to me. It has been invaluable advice.

Thanks to Mike, my understanding of the biology of reproduction in the bovine, and how it is mediated on the male and female side, is as strong as I think it can be and it has never been found wanting. I still have the key papers that formed the foundation of all of it. In essence, Mike taught me that bovine fertility is all about the passage of time. On the day the first calf is born, the clock starts ticking and it either all comes together or falls apart after that point. Sure, that is a tad simplistic, but it is at the heart of it.

I will never be able to repay the debt to Mike. Some of Mike's work remains contentious and, for a time, he battled with the AVA and state veterinary boards on some issues, but, to me he remains a towering figure in his field within the profession for his deep insights and the fact that he broke new ground and extended knowledge to levels that did not exist before he arrived on the scene. All the best mentors are considered eccentrics at the time and this complicates the ease in identifying them.

There was no equivalent mentor to Mike on the sheep side. There were plenty of specialists on ram and ewe fertility, but no-one who could draw it all together like Mike. I muddled through, trying, incorrectly as it has turned out, to apply what Mike had taught me about cattle, to sheep.

With sheep, there came a 'Eureka' moment.

One of my contacts in the sheep world was Professor David Lindsay from the UWA vet school, a world authority on ram fertility in that era. I remember vividly,

talking to him on the verandah of a motel one afternoon in a small town in WA, when we were both on the road together for a multi-speaker series of forums on the plight of the WA sheep industry at the time. I am not quite sure how I got onto the speakers list on that road show, because I knew next to nothing then.

I said 'David, why is it that the ram has more grams of testicle tissue per kilogram of bodyweight than any other herbivorous male?' His response was:

'The ovine species has no physical defence mechanisms against predation. It can neither out-run nor out-fight carnivorous predators. So, it evolved a species survival mechanism over millennia. The species created a 'lamb storm' where so many lambs appeared in such a short space of time in the spring, that any level of predation would always result in some survivors; the classical numbers game. To do this, the males evolved testicles of such a size that they could impregnate large numbers of females quickly. The females evolved an ovulatory pattern that peaked in the autumn, alongside ram seeking behaviour when they were in oestrus.'

This insight, thrown up by chance as it was, provided the critical piece in the sheep fertility jigsaw for me. Suddenly, it all became clear.

There eventually came a point where I thought I was ready, so I set up a service based on the pre-mating breeding soundness evaluation of bulls and rams, including service capacity testing, and pregnancy testing of cows and ewes. The latter became possible after training on ultrasound pregnancy diagnosis and substantial investment in the technology, including a trailer with a mounted VE machine that delivered the ewes to the diagnostic point, labour, efficiently. Cows were pregnancy tested traditionally as the ultrasound technology had not been developed for that species then. I built my business on these services and travelled widely, trying to make a living, and mostly relying on word of mouth for growth as I was not able to promote myself professionally. If a field day came up anywhere, I did my best to get on the speakers' list. On one occasion, while demonstrating ewe pregnancy diagnosis at a NSW Riverina field day, I was reported to the Veterinary Surgeon's Board for 'touting' by a friendly colleague and had to reply to a 'Please Explain' letter. Professional cynicism grew and my income was still far short of what it was as a pure veterinary practitioner. In the background, the 1982/83 drought was worsening, culminating in the now infamous footage of the dust cloud rolling into Melbourne.

I did not realise it at the time, but what I was doing then was little different to traditional veterinary practice. I was providing a service, but, in the end, it was not really delivering value to clients, it was just another expense. I never really extended the results of the work into comprehensive client advice and certainly never subjected it to economic scrutiny. As well, I had given no thought to the fact that in order to make a living with those products, I would hardly ever be home. There was still a lot to learn.

The scene remained much the same until February 1985, when we decided to return to Sydney to educate the kids. I sold my 'consulting' business to David Sackett who was then just about to complete his MVS at the McKinnon unit at the University of Melbourne Vet School under the tutelage of Dr Fred Morley, my second and perhaps most influential mentor. The sheep pregnancy testing business and the infrastructure were sold separately. I did not think, prior to the impending move, that I could continue to 'consult' from a Sydney base.

Going International

I applied for and accepted a Sydney based position at MSDAGVET, a subsidiary of Merck & Co, a USA based pharmaceutical company. The timing was perfect as I joined just before the Australian release of ivermectin, a completely new anti-parasitic active, unrelated to anything developed to that point. Five productive years were spent in this environment. I had the opportunity to travel widely both within Australia and overseas and learned a great deal about how the international animal health industry functioned. I had the responsibility for running a series of replicated trials on the company research station in Victoria and the experience in experimental design and statistical analysis was invaluable. As well, I received additional in-house training on public speaking and gained important insights into how the sales and marketing process worked in the corporate world. But, in the end, this world was not for me. I needed to get back onto my goanna track.

Starting Again

Throughout the years in the animal health industry, I maintained contact with David Sackett, initially to ensure that all was going well with his purchase from me. Increasingly, we talked of working together informally on small projects and by the time I decided to leave the animal health industry, we had got to know one another reasonably well. David had significantly changed the nature of the business I had sold him and the products on offer. He used the knowledge that he had gained at McKinnon to start providing a range of advice that went well beyond what I was doing. We began jointly publishing a bi-monthly newsletter, 'Holmes and Sackett on Farm'. The first issue hit the streets in August 1989

and it is still published to this day, although David and I no longer contribute articles nor have any editorial influence.

I left MSDAGVET in late 1989 to get back onto my goanna track and begin consulting all over again. For the third time in my professional life, I had no clients, no potential income and was still unclear about just what services would be on offer or what I would be doing.

Fortunately, at that time, I had significant exposure to Dr Fred Morley, my second and most influential mentor. David Sackett was fortunate to have had almost two years of continuous exposure to Fred at McKinnon, and I did my best to make up for the lost time, albeit, mostly remotely. Fred was a genius. You could put almost anything in front of him of any complexity and he could cut to the heart of it almost instantly. He had a command of the scientific literature that I have never seen surpassed and he had this unique ability to assimilate complex data and instantly know what it meant in terms of in-paddock production. He could spot shonky data and sloppy thinking a mile away, and if you were the culprit, God help you. A withering blast from Fred held no joy.

The hardest pill to swallow with my exposure to Fred was to accept that the emphasis on fertility in flocks and herds was mostly a waste of time. In the case of commercial merino flocks, fertility is not a major profit driver. In this case, fibre diameter and stocking rate are the two main profit drivers. With commercial beef herds, fertility is a little more important, but stocking rate and turn off weight are still just as important, or even more so, at least in southern temperate Australia. Even in prime lamb flocks, the number of ewes/hectare taken through winter is just as important as the number of lambs weaned. In summary, get your stocking rate right to optimise profit, and then just work with what happens in the flock or herd and tweak the margins in a cost effective manner. All of the above statements assume that the existing fertility is somewhere near the accepted norm and is not being seriously constrained by malnourishment, disease and/or predation, and, most importantly, the unit of measurement is the hectare, rather than the individual animal (Fred again!).

This is a simple concept at face value, but try going out there with that message and see how you go. The producer antagonism that you will encounter might surprise you. There will also be antagonism from technical experts who do not understand the farm business behind the issue. Antagonism is good, at least they are engaged. The remainder will just stay mute or fall asleep until drinks and nibbles, or dinner, arrive. These are the hard yards. Hundreds of these events over the years are a part of the scene. I have to say, unless you are prepared to put the extension time in if your message is different, nothing much will happen.

Fred made us think hard about the implications of stocking rate because if this was to be optimised, time of lambing and calving became critical. This then led to the construction of pasture growth curves and matching feed supply with feed demand. A whole new world of flock and herd management was emerging and Fred was showing all of us who listened to him, the way forward. At that time, the majority of commercial flocks and herds in southern temperate Australia were lambing and calving in the autumn, so our potential market was huge. All the management implications of cost effectively changing lambing and calving to late winter/spring and staying there, had yet to be worked out.

Looking back, it remains inconceivable to me why all of this came down to the insights of one man, genius that he was, although to be fair, the group of students under Fred had significant input as well. There was the full weight of the intellectual capital of the veterinary profession that could have worked it all out from the literature and experience, as was its charter, and taught it to us in the animal production component of the veterinary science course. If nothing else, we could have been taught how individual animal performance declines with increased stocking rate, but it is the per hectare result that matters. As well, the implications of stocking rate on disease, particularly with respect to gastro-intestinal parasites, surely the province of the profession, just seemed to slip under the radar. I still despair. The single minded focus of the profession on death, disease and pestilence in farm animals at the individual animal level still persists without any reference point or context. Some tertiary institutions are trying to address this in some way in their vet schools, but time will tell if their efforts bear fruit.

A Serious Lack of Perspective and Knowledge

David and I did more and more work together, mostly on issues that our exposure to Fred had revealed. We were working very much at the paddock level, pretty much exclusively with the livestock enterprises. It soon dawned on us that advice given and decisions taken at the enterprise level may not be appropriate, and may even be deleterious at the whole business level. A favourite example of mine to illustrate this point follows:

I have been asked by a client to set up a footrot eradication program in a flock of Corriedales. The animal production consultant/veterinarian in me would tackle the task at face value and come up with a protocol in an attempt to

achieve the end result. On the other hand, the whole business consultant in me, working from a much broader perspective, would bypass the specific technical request and suggest that the whole flock should be sold, and after an appropriate quarantine period, replaced with more profitable genetics.

We quickly realised that we had to understand the whole farm business and acquire a good working knowledge of pasture and crop agronomy, farm accounting and taxation, business structures and some fundamental legal principles. We also had to develop a range of spreadsheet based decision support tools to quickly answer the more common technical and business issues raised in client meetings. All that took time, especially understanding how complex multi-enterprise farm businesses worked and if the enterprise choice and mix was optimising profit or eroding it. As well, the livestock/crop interface took a lot of time to understand in order to try to optimise the mix and make sure it fitted together for the best long term result.

Most importantly, we had to develop a system of farm business performance measurement, otherwise we had no means of determining if our advice was having a positive impact or not. We did not realise at the time that the data we would subsequently collect from that performance measurement process would allow us to clearly identify the key profit drivers at the whole business and enterprise levels. Knowing these and having the data to back it all up became our major point of difference and, arguably, our greatest asset. We knew our advice was always on a rock solid foundation with this, especially if the science behind it was also sound.

David and I continued to work as individuals for about four years, gradually doing more and more together.



Figure 1. Group Meeting: Workshop environment at a group meeting

The Numbers Man

A Cooma based accountant, Mick Boyce, was instrumental in helping us get on top of accounting and setting up a system of farm business performance measurement. Mick was an unusual accountant in that he had, and still has, a vibrant personality and a brain that thought laterally; more an entrepreneur than an accountant. He was also a grazier tragic, mostly through passion than logic. Through deep insight he encouraged us to use cost of production as a key performance indicator, which meant that overhead expenses had to be brought to account and allocated out to enterprises on a rational basis. This distinction between enterprise and overhead expenses and moving away from the old gross margin approach forced us to learn basic accounting principles on the run and Mick was always there with timely advice and laterally derived views on how to deal with issues. He told us that a set of tax compliance accounts were almost useless as a business diagnostic tool and encouraged us to use management accounting principles instead and be very clear on the difference between the two. We did. These days, I work closely with the accountants for most of the businesses that retain me. I would not be able to do that as I do, were it not for the firm grounding that Mick provided.

I worked more closely with Mick than David did at the start and he became my third mentor. Mick taught me about business. More specifically, he taught me how to recognise good businesses instantly and know why bad businesses were bad, mostly from the numbers. I remember him telling me one day that if you want to know the total expenses of a business, find out the wages figure and double it. Not only did that prove to be a pretty accurate rule of thumb, it drove home the importance of labour efficiency and productivity, both very big issues in farm businesses.

Mick advised us jointly on setting up our business and the advice was invaluable. He made three major points that we probably would not have ►

thought of on our own. The first was not to build a business based on selling billable hours alone. If you do, he said, your gross income will always be limited by the number of hours available, and you will have to be there for every one of them to make it happen (a big issue for veterinary practices). He said we had to think creatively about other revenue streams that did not require our immediate presence. The second was that you do not start to make any money out of a product or service until it is boring you to death. The intellectually stimulating phase at the start is consuming hours that only persistence will pay for. The third was to appoint an independent chairman to add rigour and discipline to the business, to meet quarterly and work hard on business performance.

At around this time, David and I jointly attended a one day seminar conducted by an American, Michael Gerber, author of 'The E-Myth' and 'The E-Myth Revisited'. His message was that you should never set up any business unless your ultimate goal is to sell it. That message meshed well with Mick's message about working hard on business performance, so that became our mental framework.

The Holmes Sackett & Associates (HSA) Years

So, in 1995, away we went. We formed the company and made a conscious decision not to employ debt. All that we did, including business growth, had to be funded from cashflow. The discipline imposed by that decision was so important. It forced us to think long and hard on how we would allocate capital for business growth because we could not afford to make too many wrong calls when going to the bank was not an option. Almost everything we did had to generate more cash than it consumed if we were to grow.

I cannot emphasise this enough. The lessons you learn from running your own business have a big bearing on the advice you give to others trying to run their businesses well. We held the view, rightly or wrongly that if we could not run our own business properly, we should not be giving advice to others on the subject.

We set the objective of having no more than 50% of gross revenue coming from billable hours and created a growing range of products to generate the other 50%. Most of these were subscription based publications on technical, marketing and business issues in agriculture, but there were also services such as farm business benchmarking. Not everything we tried succeeded and if not, we moved on. Professional and support staff numbers grew over time, but all along the way, the bottom line for the business grew faster than revenue; not easy to achieve without a lot of effort.

On the billable hours front, we decided that it was more efficient to have a mix of work that combined producer groups with individual clients. The advantage of producer groups was that you could get a lot of production principles and technical information across more cost effectively. If you spend a day with 15 – 20 producers, it saved 14 – 19 days over doing it on a one-on-one basis. When we formed these groups, the protocol was simple and practical:

- We would meet 2 to 3 times a year on the property of the host business for that meeting.
- Everybody brought their own smoko and lunch to minimise the imposition on the host business.
- Every business in the group was required to benchmark their business performance with us and all the data was open book between all group members. This required trust and confidentiality on their part and, to the best of my knowledge, that has never been broken.
- The host business was the case study for any particular meeting and the principals of the business outlined their management plan and objectives and everyone had access to the benchmarking data. A short property tour was part of the day.
- Group members would then be asked to workshop what they had seen and heard and was apparent in the numbers, to provide constructive advice on the way forward. The fact is that there is more collective wisdom in the heads of a roomful of switched on producers than there is in the head of an individual consultant. The consultant's role in all of this was just to maintain direction and discipline.
- The host business was at complete liberty to accept or reject the advice.

This protocol was designed primarily to encourage producers to think critically and objectively about farm business management and get them outside their own boundary fence to do this, ultimately to equip them with the skills to work it all out, mostly by themselves for themselves. There is an important philosophical principle here. The worst possible basis for a professional relationship is client dependency, particularly where they abrogate their thinking. The irony of this is that the best possible client does not really need you, but they retain you anyway because that is the way they are. The ultimate consultant/client relationship is where each party contributes equally intellectually and the outcome is optimised through collective wisdom, rather than the blind following of advice.



Figure 2. Cattle Scene: Typical Alice Springs beef production environment

I remember once suggesting to the Alice Springs group (more later) that we go to King Island in the middle of Bass Strait to visit the beef producers in that group for a week. Initially, their reaction was less than enthusiastic and it took some effort to get the whole thing working. We did go and at the end of the week, we had a debriefing and the essence of it was:

We could not understand initially why you would want to bring us here. Most of these farms would sit inside our house paddock, but we now understand because all the regional differences are largely irrelevant. What you were trying to achieve was to get us inside the heads of the producers who spoke to us and the principles and attitudes that they had was the main message. They have universal application and we have learned more in this week than we ever thought possible. Eureka!

The producer group protocol worked well from the start and continues to work well to this day. The majority of the producer group members ended up as individual clients because the process made them realise that there were issues within their own businesses that required specialist advice. The old goanna track again... a foot in the door starts it all. In the HSA years, we formed a total of 14 producer groups in three states, comprising a total of 177 farm businesses. The longest-running group met for 18 years before calling it a day, with most groups persisting for more than 10 years. It is hard to keep the momentum of a group going when you have to take into account the inevitable sale of businesses and/or retirement. We always tried to take each group away annually on a trip, preferably to visit the businesses of like-minded producers in other groups (as described above). One interesting observation in all of this is that two of those 14 groups formed initially on the basis of government funding being provided for the first two years. Both those groups lasted exactly two years and disbanded as soon as the Canberra trough dried up. There is a very strong message in that for aspiring consultants.

During this time I took on five years of part time study in applied finance and investment to improve my skills on the business side. The study resulted in a Fellowship of the Financial Services Institute of Australia, but more importantly gave us a firmer footing to develop some of the spreadsheet based business decision support tools that we needed to maintain our point of difference. The only disappointment with this study was that the investment side of it was based on Efficient Market Theory which was questionable at the time and has subsequently been de-bunked. The applied finance side was sound and that was the main reason for doing it.

The Red Centre

At some point in 1998 the phone rang in my office. That phone call changed my career and life. It was a producer from Alice Springs and he rang me on behalf of a group up there who wanted to do things differently and have a go. I went up to talk to them and explained that I did not have a clue about beef production in the arid rangelands, as all my experience had come from southern and/or eastern regions.

They formed initially as a buying group. They felt that if they had group buying power they could reduce expenses and so each business took it in turn to coordinate group buying of things like poly pipe, tanks, tyres and the like. By the time they had done one lap, none of them wanted to do it again. So, they appointed and employed a coordinator in Alice Springs to do it for them and guess what... the expense of employment almost exactly equalled the group buying savings. The point of this aside is about focus. In agriculture, if you are focussed on expenses, you have lost the plot. Agriculture is all about income because at least 70% of the expense structure of the business is fixed and, apart from improving labour efficiency, little can be done to change it. If you want to succeed in agriculture it is all about producing more kilograms of product without the expense of doing so going up too much.

When we started, it quickly became apparent that their herd and business records were inadequate in terms of making sound business decisions. We spent three years getting that process in order and another five years of data gathering and analysis before we felt confident about the real issues at hand. One of the interesting and critical outcomes from improved record-keeping was that their actual branding rates were much lower than they thought and their death rates were much higher than they thought. Historically, their actual performance in these two areas resulted in few if any surplus female sales over time; they thought this was just normal for the region. When the data that we had gathered showed that it wasn't and we set in place a programme to address it, improvement appeared immediately. Today, group average performance shows that 30% of gross revenue now comes from surplus female sales, which wasn't there before. Most of this revenue flows straight through to the bottom line and represents the profit that was never there. This single issue alone has transformed these businesses, all mediated through the simple procedure of better record-keeping. From the start, we have just kept plugging away at what we have identified as the major constraints to productivity and profitability and will keep doing so until we arrive at the unlikely position of having nailed them all.

About four years in with this group, I started a part-time PhD on some of the issues that faced them in the future. I am in the process of writing the thesis up now. David was always very supportive of my involvement in central Australia and also taking on the PhD, and for this I will be forever grateful.

My professional work in central Australia, combined with the PhD study, led to more work in the rangelands over time and today, around 90% of my professional time is spent on rangeland issues. All this came from an out of the blue phone call.

Calling It A Day

David and I had many characteristics and views in common, but, more importantly, our differences were complementary. David was and is a superb administrator with the capacity for great attention to detail, and an intellect that still intimidates me. He made the HSA office hum, as well as being out there doing the hard yards with clients. On the other hand, I was mostly out there doing it, leaving a trail of unfinished stuff behind me that somebody had to clean up. Too often it was David. There were bumps, but it worked.

In January 2007, David and I felt we had achieved all that we had set out to do with HSA and it was probably time to move on. In June of that year, we sold the business to the two employed consultants at the time and they continue to run it to this day. David chose to remain in agriculture but now works in a different role and a different area even further away from veterinary science. I have chosen to remain doing what I have always done and my involvement in the rangelands continues to grow. The need for specialist involvement and advice at the whole business level in rangeland beef businesses is, arguably, even greater than in higher rainfall regions, and yet there is practically nobody operating in this field in the rangelands. It is wide open for anyone with knowledge, skills and products to go in and make a huge difference.

Evolution

Individual farm business consulting is a process of constant evolution. When the professional relationship starts, it is mostly about production. The enterprises have to be optimised and/or rationalised and all the emphasis is on efficiency in order to achieve the lowest possible cost of production in each enterprise. Generally, this is a five to eight year process. Ultimately, if it all comes off, the business starts to consistently generate surplus cash and the issue then becomes one of capital allocation. What do you do with the cash? Do you retire debt, start provisioning, buy out some or all of the neighbour's place, or help off farm? Along the way, we had to develop decision support tools to help answer all these questions objectively.

Eventually, you get to the point where that young kid going off to school in shorts when your relationship started with the family, is now ready to come home and take over. Farm business succession is perhaps the most difficult area that you ever have to deal with as a consultant because it involves families and all the skeletons in the closet associated with that. As well, if it is not properly planned and funded it is invariably very difficult at best, and a disaster at worst. Farm business succession is one of the hardest things to deal with, because not only can it destroy businesses, if handled badly it can destroy families as well. It can be Stress City!

In this field, you may find yourself in the position, worst case, where you are the conduit between two generations of the one family who are no longer able to communicate directly; not a good scene, I can say from experience. It does not happen often, especially if early planning is put in place. There is an army of facilitators out there specialising in the human relationship side of this field, forever trying to guide the process through to the best outcome. However, an ounce of prevention, especially on the early financial provisioning for it, can go a long way. Money speaks all languages, especially family languages.

Having said that, if farm business succession is well managed, it can be a seamless transition. It's just that it is different from and more difficult than almost everything else that happens within the business because it is about family and human relationships across generations. I have got to the point over the years to believe that, in the absence of family goodwill, if the cash is there, mostly everyone can accept their lot. If not, get the facilitators in. It is a sad indictment and well beyond the horizon of where I thought the original goanna track may lead.

Professional Support

Successful veterinary practitioners deeply appreciate the value of highly skilled veterinary nurses and administration staff. They realise how difficult professional life can be if the support staff are not as they should be. The same is true for farm business consulting, and any professional service. The fact is that the business cannot function unless there is someone there in the background doing all the heavy lifting, allowing the person up front to do what they do with confidence. ►



Figure 3. Group Bore Run: Alice Springs Group taking a break on a host station tour

In my case, I have been fortunate. In the HSA years, we recruited excellent staff who were loyal, hard working and kept the show on the road when David and I were away. The success of HSA was as dependent on them as it was on David and me. One of those staff was a qualified accountant, Monique Medway, who largely ran our books but also became involved in the farm business benchmarking process. She always understood numbers, but, over time, developed a sixth sense for farm business performance and knew when things were not right in those specific numbers. When we sold HSA, Monique elected to set up her own business, with me as her principal client. Today, I could not function professionally without her background support.

Some Parting Words

Today, as I continue to work with successful pastoral businesses, I sometimes ask myself about the role and relevance of the traditional veterinary profession in their affairs, and always come up with the same answer. It is largely irrelevant to the future of these businesses. Stock horses are close to extinction, most working dogs have a finite value and are replaceable, and most of the major economic diseases of flocks and herds are preventable or can be managed for minimal impact. As well, many producers pregnancy test their own herds and lay operators have a significant market share where this procedure is outsourced. Feedback from veterinarians in rural practice these days suggests to me that they would be uneconomic if they built their work exclusively on flocks and herds.

And yet the need for specialist involvement in commercial flocks and herds remains as strong today as it ever did, providing you are offering the right products. The majority of those veterinarians graduating today with any interest in sheep and beef cattle, have little idea what the right products are, by virtue of their training. It seems almost like a Catch 22 situation where the circular reference needs to be broken with some vision and leadership. Maybe it is more appropriate to do this at the post-graduate level, but there is no reason why the founding principles cannot be introduced at the undergraduate level, if for no other reason than to spark interest. It is to be hoped that the two vet schools that have made some effort in this area make a difference in the industry with their graduates.

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