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WHITE PAPER

# Enterprise Farm Management

## A Systematic Approach to Empowering Business Decisions on the Farm

### Executive summary

In an unpredictable market, control over bottom-line issues is a matter of survival for farmers. But unreliable processes and poor communication undermine their ability to make good business decisions. To address this challenge, growth-minded farmers are embracing the philosophy of “Enterprise Farm Management” or EFM. Combining proven business practices, standardized processes, services and technology, EFM enhances business performance in key areas: from planning to real-time decision-making to communication with stakeholders. Conservis is a leader in this emerging discipline, helping growers on four continents unify their operations and create a sustainable competitive advantage.

### The challenge

*Good business practices are now key determinants of a grower's success.* Just improving agronomically is no longer enough to drive the business forward. More than ever, growers need to be intentional about planning for profit. They need plans informed by good information. They need to enforce those plans reliably with their workers and communicate them easily to financial stakeholders. Finally, they need to see and control the thousands of small details that impact their bottom line. Without these fundamental business practices in place, unforeseen issues can have dire consequences.

#### **Not knowing where the money goes.**

As commodity prices fluctuate, labor costs rise, and resources become scarcer, inefficiencies in the farmer's operation are magnified. Making money under these circumstances isn't easy, and inadequate accounting practices make the problem worse. Farmers frequently use guesswork to plan their year, set their operating budgets, and pre-order inventory. Once orders are made, they can't easily see what was spent, compare orders to what was received, and ensure discounts were received. These blind spots can result in thousands of dollars lost in a single season.

#### **Demands for greater accountability.**

Ag funds, asset management groups and other financial entities are increasingly tied into the farmer's business. These investors and stakeholders want visibility into all aspects of business productivity, adding pressure on farmers to maintain good records and share them. In a volatile price environment, those with financial interest

in the farm want to see operating plans and monitor progress against those plans. But growers struggle to deliver. Banks are less willing to extend credit to operators that cannot clearly illustrate how they will make money. Tightening of credit can severely restrict operators' options and, in some cases, even shut them down.

#### **The challenge of communication.**

Sound management means keeping everyone informed, from workers in the field to managers in the office. But farmers lack easy transparency between decision makers, supervisors, and workers. What's in the manager's head isn't easy to share within the organization. Unable to delegate to workers on the ground, growers are forced to make all the minute-by-minute decisions on their own. The result is slowdowns and inefficiencies even under the best of circumstances.

#### **Missing the big picture.**

The fragmented systems and analog methods farmers use to manage their operation day to day have evolved little in 50 years. These approaches are inefficient and prone to error, unable to capture information accurately or provide a high-level view of the business. Until now, there's been no way to easily collect information from workers, machines, weather sensors, and other data sources into a unified system. That lack of integration holds back growth. Farmers can't easily evaluate performance or make sense of problems in time to avert losses. When new opportunities arise, growers don't have the means to quickly analyze their options, make sound decisions, and transfer knowledge.

## The solution

These conditions are giving rise to a new paradigm in farm management. Growth-minded farmers are adopting a business philosophy that works to unify the many variables in a complex operation.

The approach is known as “Enterprise Farm Management” or EFM. EFM is a single language connecting everything that happens on the farm, a basis for informed planning, transparent communication, and efficient decision-making. EFM adapts business processes proven in other industries to the farm setting, supported by a platform of hands-on training, software, and service to make it effective.

### **Improving business processes operation-wide.**

Enterprise Farm Management complements farmers’ ag expertise with business processes and systems that strengthen their efforts day to day and season to season. Instead of using disconnected systems to manage each discipline (planning, financial management, inventories, production, harvest), EFM treats them as facets of a connected whole. Operational and financial pieces are tracked systematically with the data stored safely and accessibly. Instead of relying on guesswork and spreadsheets, EFM gives farmers answers in real time, from the number of loads harvested from a given block, to the cost, quantity and location of inputs.

### **Streamlined communication and information.**

With this data in hand, communication is greatly simplified across the enterprise. EFM helps farmers plan work easily and get the right people and resources in place to execute. Managers are connected to knowledge on the ground and are able to easily push plans out to workers and contractors. Those workers are empowered to detect problems, propose workarounds, and share information with those who need it.

The visibility extends throughout the investment chain. Growers can provide financial stakeholders with an investor’s-eye view of their plans and business productivity. The practice strengthens relationships with financial entities, who are better able to make informed decisions about where and how to invest.

### **Making progress season after season.**

With better information at their fingertips, farmers are prepared to squeeze out inefficiencies from every piece of their operation. Real-time tracking helps them respond quickly when issues are detected and avoid costly errors. The process of planning is simplified as well. Farmers can run “what if” analyses to evaluate their options, then choose the most profitable course of action.

With consistent production processes used across the enterprise, farmers spend less time on small decisions and can focus on more operation-critical activities, such as long-term profitability and growth planning. By collecting operational information year after year, EFM shows growers how to improve and where to focus investments. As new opportunities arise, growers can quickly measure future earning potential and make informed choices. When it’s time to scale, they can onboard new properties and personnel much more efficiently. All these factors contribute to a sustainable competitive advantage.

### **Putting the systems in place.**

Enterprise Farm Management is a total investment, touching all aspects of the farmer’s business and tailored to its unique team, equipment and geography. Managing that change requires deep business expertise and hands-on operational understanding. Conservis is a pioneer in this area. Our team has developed a proven approach to deploy EFM processes and technology around the farmers’ existing infrastructure and get the operation up and running in a matter of days.

The process begins with Conservis meeting with farm leadership, managers, and relevant stakeholders. Through a joint planning process, we do gap analysis to understand specific needs and challenges and create a roadmap to address them. Once plans are aligned, Conservis manages the roll out on site. That includes software implementation in the field and back office and hands-on training of all users. In the months and years that follow, the process is sustained by knowledgeable customer service people who know the farmer’s business and are committed to supporting its success.

**To learn more about Enterprise Farm Management and how it can improve business practices and performance, contact Conservis at 612-424-6300.**

## About Conservis

Based in Minneapolis, Conservis is the leading provider of Enterprise Farm Management Solutions. Dedicated to advancing the business of agriculture, the Company’s cloud-based software and proactive support provides growers, managers and Ag investors comprehensive solutions to create operational plans, manage production activities and make better decisions. Reports are easily shared with partners, landowners, funders, insurance companies and regulatory agencies. Founded in 2009, Conservis is the first enterprise management platform for agriculture, created with, and for growers in the row crop and permanent crop markets.