



# Forage Management System Building the Road to Profitability

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# Forage Management System

- ⌘ Thinking about as a system, and how to get the most out of the system, allows the farm to maximize profitability of the business, the “road to profitability”
- ⌘ There is always room for improvement
- ⌘ Question becomes – where to start - and what to do first?



# Series of Questions

- ⌘ Every business is unique
- ⌘ What may be a priority for one farm might not be the most important thing for your business
- ⌘ To help determine where to start, a list of questions has been developed



# Series of Questions

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- ⌘ These questions focus on key management concepts associated with the different areas of the forage management system
- ⌘ First step – go through the questions, answering yes or no



# Series of Questions

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⌘ Refer to your packet

⌘ Take one of copies

☑ A second copy provided to be used at home with all the management

⌘ Take the next five minutes and answer the questions



# Series of Questions

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⌘ With the no's highlighted, now time to start working through a decision making process to determine what to work on first



# Decision Making

- ⌘ What area/objective/goal do we need to work on first, second, third, etc.?
- ⌘ Usually have more things to work on than have resources to provide.
  - ☑ Management
  - ☑ Capital
  - ☑ Labor
- ⌘ Need to decide which ones will work on first



# Decision Making

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- ⌘ First step in decision making is identifying the different things that could be done
- ⌘ Working through the questions may help in determining what things could be worked on within the business
- ⌘ The next step is to prioritize the options





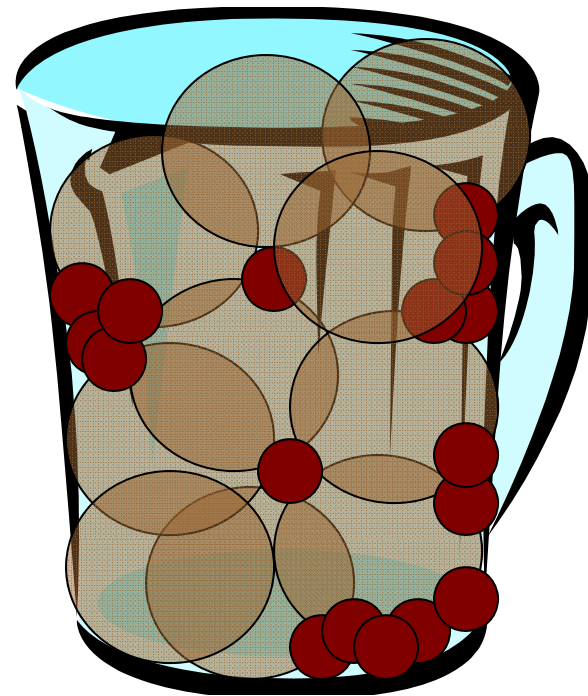
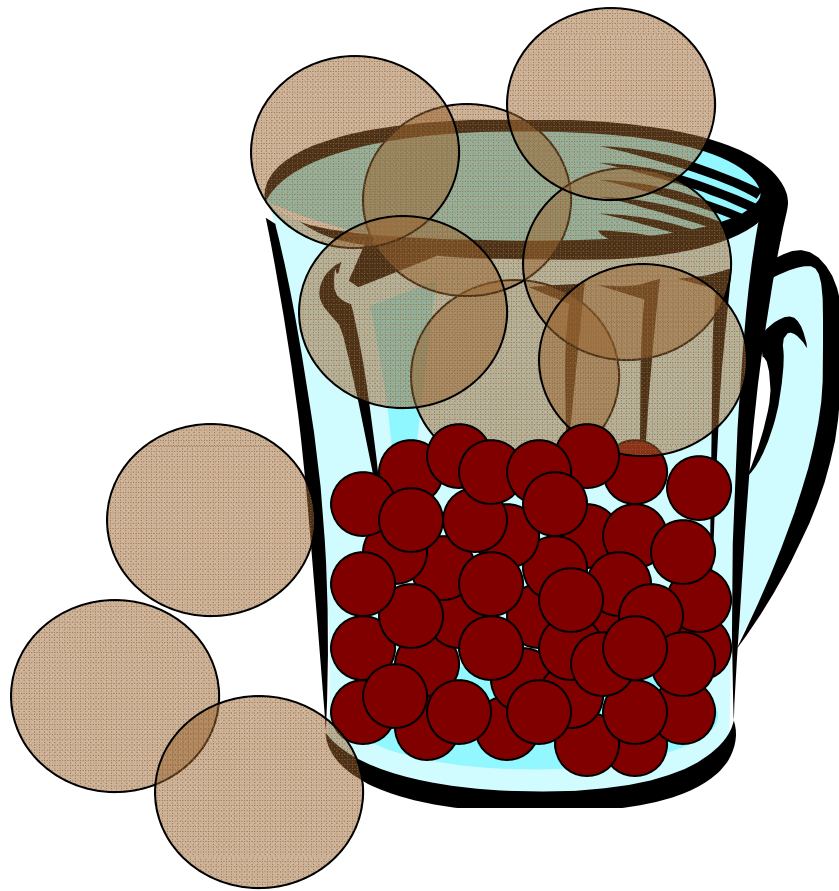
# Prioritize

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- ⌘ Comparing the different choices to determine which makes the most sense to work on first
- ⌘ Assigning an order to the options so can focus management efforts on those that have the highest priority



# Work on the Big Rocks First





# Prioritize

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- ⌘ Need to look at each option/choice/decision in the same manner
- ⌘ Follow a set of rules/guidelines/or criteria for each option
- ⌘ Relying on management process to rank list, not emotions



# How do you make “your” decisions?

- ⌘ The easiest decision
- ⌘ The quickest decision
- ⌘ The emotional one
- ⌘ What the neighbors did
- ⌘ What people will think decision
- ⌘ Flip of the coin decision
- ⌘ Make no decision until have no choice
- ⌘ Make no decision – stay the same
- ⌘ The gut feeling decision
- ⌘ The decision that address the issue
- ⌘ The most profitable
- ⌘ Generates the most cash
- ⌘ Best use of resources
- ⌘ Supports direction of business



# Prioritize

## ⌘ Partial list of criteria to utilize for prioritizing

- ☑ Profit impact?
- ☑ Cash impact?
- ☑ How much labor is needed to do?
- ☑ How much management is required?
- ☑ How much capital is needed?
- ☑ How fast will results be seen?
- ☑ What other things need to be done for full impact?
- ☑ Degree of certainty that it will work?



# Decision Grids

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- ⌘ Matrix approach to helping decide which objective to pursue first, or which ones
- ⌘ Formally evaluate the different objectives with a score assigned
- ⌘ Add up the totals to determine which objectives have the highest ratings



# Decision Making Grids

**Problem:** CORN YIELDS ARE LOW. NEVER ENOUGH CORN SILAGE FOR AN ENTIRE YEAR.

Ratings:

3- Good rating for criterion

2- Fair rating for criterion

1- Poor rating for criterion

	Grow more acres	Set Up & Follow Crop Rotation	Soil Test & Follow Rec.	Start Planting & Harvesting on Time	Buy a Whopper Chopper	Check Rotations vs. Ration	Improve Storage
<b>Low Cost</b>	1	3	2	3	1	3	1
<b>Least Labor</b>	1	2	3	2	3	3	3
<b>Positive impact on yield</b>	1	3	3	3	1	1	2
<b>Easy</b>	1	2	3	2	2	3	1
<b>Fast Results</b>	1	2	3	1	1	2	1
<b>Total</b>	5	11	14	11	8	12	8



# Homework

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- ⌘ Go over the list you made up –
- ⌘ Pick five of the areas that you think will have the biggest impact that you said no to.
- ⌘ Think about criteria to rank
- ⌘ Utilize the blank decision grids
- ⌘ Assign ranks and score





# Decision Making

- ⌘ Prioritizing helps to decided what to do first
- ⌘ Important part of decision making is implementation
- ⌘ Making a decision and not implementing is the same as not making a decision
- ⌘ Goal setting a critical component of implementation
- ⌘ Tactical plans critical to meeting goals



# Summary

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- ⌘ Think about the forage management system
- ⌘ Look at the series of questions
- ⌘ Work through a decision making process
- ⌘ Make steady progress improving performance
- ⌘ Take full advantage of the forage potential



# Goals

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- ⌘ What are the specific things we want/need to accomplish to change no to yes
- ⌘ Set goals
  - ☑ Communicate to all involved people
  - ☑ An end in sight
- ⌘ "SMART" Goals



# "SMART" Goals

<b>S</b>	Specific
<b>M</b>	Measurable
<b>A</b>	Attainable
<b>R</b>	Rewarding
<b>T</b>	Timed



# Tactical Plans

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- ⌘ What needs to be done to meet goals?
- ⌘ Who is going to do it?
- ⌘ How will it be done?
- ⌘ When will it be done?
- ⌘ Why is it being done?
- ⌘ Specific plan of action to accomplish different tasks



# Tactical Plans

## ⌘ Personnel Management

- ☑ What tools does each person need?
- ☑ What training is needed?
- ☑ What does each person contribute?
- ☑ What feedback can be provided?
- ☑ What performance criteria will be used to evaluate each person's contribution?