

## LEADERSHIP LESSONS LEARNED FROM A PIG FARM

Tough Times are Breeding Ground for Great Opportunity

*By Dr. Fred Johnson*

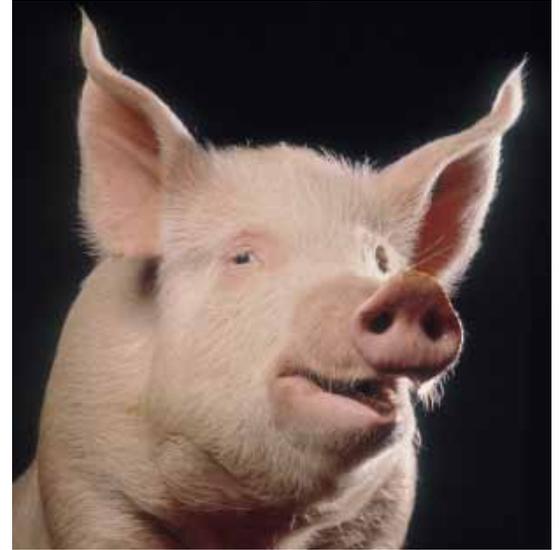
While attending college in the early 80s, I found myself in need of a summer job. In the midst of the Carter Administration, our economy was in a severe recession. Much like now, unemployment was high and hope was low.

One day, a local pig farmer offered me a position as a temporary laborer. I soon learned this was no average pig farmer and no ordinary pig farm. At the time, it was one of the largest family-owned hog operations in Iowa, sending hundreds of pigs to market each week.

The owner was a very shrewd business man. I quickly learned the price of pork was depleted. In fact, for every pig that went to market, the farm lost an average of \$15 per pig. One day, I asked the owner, “Why do you stay in business when every animal you sell loses money and sends you further into the hole?” Riding along with him in his pickup truck, I’ll never forget his explanation. His wisdom still impacts me to this day, and is relevant as we look for information during this difficult time.

“Fred, there are two cycles in this business. The first is when you make money. There are boom times when the market is strong, and just about any farmer can make money at a time like that,” he said. “However, the second cycle is the one that separates the great operators from everyone else.”

He went on to explain that the second cycle occurs in downtimes, when many farmers become discouraged and quit the business. He taught me that this is when you make your market share – this is essential for long-term business success. “If the farm can weather these months, even at a short-term profit loss, we emerge as a stronger player in a thinner playing field when the economy reverses,” he said. “I may be losing money this year, but I’ll more than make up for it in the years ahead.”



He helped me understand that it’s much more difficult to gain market share in an up economy. A company can make greater strides to ensure long-term business success if it can weather the challenging market while some of its competitors are weeded out.

“What is your secret to survival during these times?” I asked. “It is pretty simple,” he said. “It’s all in how you think. I see this as a time for investing in the future.”

He taught me a valuable lesson that day – how most owners in a similar situation would begin to shorten their long-range thinking, focusing only on the immediate crisis. They quit investing in capital improvements on the farm. They quit investing in the growth and development of their key employees. They stop planning for the future. They miss opportunities to make the market situation work for them. Most of all, they stop taking risks, and get so immersed in the crisis that they stop working to improve their business.

Lastly, I’ll never forget his parting words. “The average person will give into fear in a time like this, and worry about all the things that are going wrong,” he said. “Instead, I choose to look for the opportunities that this down market gives me that don’t occur during any other time. The great farmers are the ones who stay the course and look past the crisis to the other side. It is all in the attitude, my boy.”

That day, a young student got a graduate school leadership lesson from an old farmer with 40 years of successful experience. However, the application still rings true for any leader, any company or any industry in 2009. The great ones will take full advantage of this time, realizing that it will require course adjustments and preparation to position for future success.