

Scott Campbell Keith, SA



Professionalising the business through an Advisory Board

Scott Campbell, of Brecon Proprietors at Keith are producers of quality lucerne seed, grain, prime lamb and wool in the south east region of SA.

Scott has been involved in Rural Directions Advisory Board Service since 2008. During this time the Campbell family has been able to grow their business and labour force with assistance from the advisory board. This is what Scott had to say about the service.

Why did you start an advisory board?

"In 2006, basically post succession, we had a bit of a change in structure. Our debt loading went up substantially but as part of that system we really wanted someone outside of our business to come and look in at what we were doing. We were quite concerned that we were a large farming enterprise, not answering to anyone except ourselves. My father had stepped away so his day to day management had disappeared from the business. So really we weren't accountable to anyone and I always looked at the fact that I didn't know where we sat compared to other people".

"So it was quite important for us to get an external view of our business; people looking from the outside of the business in. We spoke to our accountant and he basically suggested that this may be a good process to undertake so that was sort of the starting of it".

Who is on your board?

"On our board I've got my wife and myself, our bank manager, an agribusiness consultant, our accountant and my father. My father is actually a mentor on it and the accountant and consultant give us an external view in".

How many board meetings do you have a year?

"Four. We've set our meetings up so that we have one around May with a bit of a budget focus meeting so I'll present a budget for the next financial year. Any performance reviews and that sort of stuff is normally around August/September/October so we try to put a strategy in place with what we're doing at each meeting so there's a bit of a pattern over the year. And that works really well".

Are your board meetings mainly financial focussed since your bank manager and accountant are there?

"Our board meetings generally go from about 10 o'clock until 3 o'clock or 4 o'clock in the afternoon. We do have a period of discussion on financials within our board meeting but it certainly isn't the focus. We've sort of stepped away in the last 2 years to more blue sky thinking. But we've certainly taken an external view to our business rather than focusing purely on financials".

"A lot of our management information is sent to the board members before the meeting".

The board is really trying to talk about broader things than what I did yesterday on the farm or any cash flow issues".

What about input from the farm regarding what's happening with agronomy? How does that all fit in?

"We are quite structured in what we do in our board meeting. We run a very structured agenda every time. I have a management report that I submit a week prior to the board meeting that just outlines main events, such as any HR issues and that sort of thing that has come up and may need addressing. But we don't really spend a lot of time on the management report. It's the business side of it that we want to focus on".

"Basically a heap of documents are sent out to the board the week before the meeting. The documents are there to read and provide a lot of it is background information. For example, if we are looking at machinery purchases or something like that, we do a cost of ownership analysis. But at the end of the day it is an advisory board, if we make a decision that's our decision to make. We certainly run it by the board but at the end of the day it's on us what we do".

Do you struggle to go against what the advisory board has discussed sometimes?

"No I put a lot of emphasis on our board. Since we've had the advisory board we've had some pretty tough times and that's sort of made us really sit down and rationalise what we're doing. I really put a lot of emphasis on what the guys on the board tell me so I never sort of run against that. We pay them to give us an advisory role so we really do utilise that information".

"I think the advisory board certainly helps us promote ourselves being not just farmers, but a professional agribusiness and stand out from the crowd".

"I've got 4 people who I can basically call at any time to get advice, within reason, on issues that we've got. It makes us actually draw on that expertise that's sitting there, otherwise I think a farming business can get very lazy and not realise that you've got these people on tap that you can use and talk to. You sort of become that insular business".

"Certainly one thing it has done for us is that it's really professionalised what we do with business plans, strategic plans and HR policies. It's pushed our business a lot further ahead than I think if we didn't have it. I reckon we'd probably be a bit more stagnant".

How has the board developed since you first started it?

"I'm really happy with where we are at. Last year I had to step out of the business, management-wise, for 8-10 weeks unexpectedly. I think if we hadn't put in place what we had done with the advisory boards to date; it would've ended up in a hell of a mess. Whereas everyone knew their roles so everything just flowed on".

"It actually showed me that I could spend more time out of the business than I do. In saying that, looking at individual enterprises within the business we've really done a lot of focus on that over the years and some of the answers probably aren't the ones that I really liked but it becomes a bit more clinical rather than emotional and that's good".

How Rural Directions helps

Rural Directions Advisory Board Service provides Brecon Proprietors with a structured coaching and mentoring service. This enables them to really look into their business systems and performance, whilst seeking outside advice.

For more information, contact us on 08 8841 4500 or visit www.ruraldirections.com.