

Disruption to Key Management Personnel on the Farm **Developing Contingency Plans**

A conversation about contingency planning with
Jason Karszes¹ and Dr. Rich Stup²

Question: What happens if one of the middle or senior management personnel on the farm can't come to the farm for two weeks, is out of contact with the business for two weeks, or will be no longer available to the farm for a longer period than that?

Will feed get ordered?
Will payroll get generated?
Will checks get signed?
Will paper work get properly filed?
Will orders get filled?
What gets planted where?
Water system is down, where are all the valves?
What decisions are not made?
Etc.?

Outside of agriculture, **Succession Planning** is heavily focused on transfer of knowledge and skill – how does the business continue if a key person is gone for whatever reason: retirement, job change, illness, death. Often every manager, right down to the first line supervisor, has a designated successor.

Contingency planning for the loss of key personnel, more than transfer of knowledge and skill, is what to do if something unusual happens to ensure continued operations of the business. The continued transfer of knowledge and skill is one part of a contingency plan.

What is contingency planning?

- Can be known by many different names – Disaster plans, plan B's, scenario planning, or business continuity planning. For many years in management programs taught by PRO-DAIRY, scenario planning has been emphasized.
- Developing a plan in case something happens
- Not defining what caused it to happen, just that it happened
- Plans thought of in advance, over time, not during times of stress (emotional, limited amount of time to make decision, financial) tend to be better thought-out and more successful
- **Probability and Impact.** Focusing first on those things that have a higher chance of occurring, and if occur, would cause significant disruption
 - A devastating barn fire has low probability but high impact.

¹ Senior Extension Associate, PRO-Dairy, Department of Animal Science, College of Agriculture and Life Sciences, Cornell University

² Senior Extension Associate, Cornell Agriculture Workforce Development, College of Agriculture and Life Sciences, Cornell University

- A significant drought might be more probable but less impactful.
- Really focus on things with high impact and high probability.
- Might initially ignore things with low probability and low impact.
- Limited by management capacity; can't develop a plan for everything.

Disruption of Key Personnel has happened before

- Accident and out of contact for two weeks, away from farm for two months
- Personal family matters – out of the loop for period of time
- Key manager leaves for another opportunity
- Death of actively engaged personnel in management roles

The current COVID-19 pandemic has increased the risk of disruption of key personnel, so currently focus is increased on developing contingency plans in case something does happen.

Developing plans for the following

- Can't come to place of work, but available by phone
- Can't come to place of work and not available by phone
- Will not be returning to work

Contingency Plan for Loss of Key Managers

Developing a plan – Step 1 – What is being done and where is the info!

- What is the person's Job Description
 - What are main areas of responsibilities
 - Focus efforts on the key tasks taking place
- What SOPs are already prepared for management tasks?
- Managers - answer the following questions (in writing, video recording)
 - By Week or Day
 - What manual labor is provided each day
 - What decisions are made each day
 - What communications take place each day
 - Ordering supplies
 - Consulting agriservice personnel
 - What recording keeping is done each day
 - By Month
 - Responsibilities accomplished each month
 - Budgeting
 - Financial reporting
 - Record keeping
 - Other management tasks?
 - Things done monthly over course of the year?
 - Crop rotations
 - Land rental agreements
 - Informal business relationships

- Who else on the farm is familiar with any of the tasks/activities?
 - Who is cross-trained already; need to make a list of who can do what
 - Does anyone else have ability, but maybe not the knowledge, to accomplish?
 - If not, need to have a plan in place so someone else can do weekly tasks at a minimum
 - Sign checks, electronic banking, etc., might need to address now.
- Who has the ability to make decisions on the farm?
 - May not currently be making decisions but would be capable
 - What coaching might they need in advance?
- What agriservice provider/consultant might be familiar with tasks/activities
- Develop lists of the following information, with contact info:
 - Suppliers for products/services used by the farm
 - Consultants who are familiar with activities occurring on the farm; could some of your advisory team help out with decision-making
 - Location of important or critical information that might be needed
 - Login/Password of important programs/websites
 - Lender/Accountant/Lawyer
 - List of all agreements currently in place
 - Files containing labor, rental, legal contracts and agreements

Developing Plan – Step 2 – What is the plan?

- Write it down, perhaps an organization chart and advanced communication of the plan
- Who takes over daily manual tasks
- Who takes over daily/weekly management tasks
 - A nutritionist, veterinarian, educator who might be able to step in for a time
 - Perhaps not on farm daily but available at some times and by phone
- What will communication plan be?
 - If something happens, how will the plan be implemented?
- Where is supporting information found?
 - Folders with key information
 - Detailed instructions
 - Video recordings using smart phones

Developing Plan – Step 3 – What to do?

- Communicate info to other management people – so they know there is a plan
- Communicate to people impacted by the plan – do they know they are part of?
 - Understand their role
 - Provide feedback if aware of something that was missed
- Update plan as needed