



Final report

Business Mentoring for the Australian Meat and Livestock Sector

Project code: P.PSH.0745
Prepared by: Gordon Stone
Agri-Business Development Institute Pty Ltd
Date published: 31 March 2022

PUBLISHED BY
Meat & Livestock Australia Limited
PO Box 1961
NORTH SYDNEY NSW 2059

This is an MLA Donor Company funded project.

Meat & Livestock Australia acknowledges the matching funds provided by the Australian Government to support the research and development detailed in this publication.

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Abstract

The 2013 beef industry and prime lamb situation analysis reports identified meat and livestock enterprise growth limitations, relevant to Small to Medium Enterprise (SME) businesses and the industry. They were defined as eight economic sustainability criteria.

Existing Agri-Business Development Institute (ABDI) business management programs were customised to address these criteria and to pilot a suite of business management programs. Planned communications and engagement (with key project partners, using feedback from a Queensland State Reference Group) was implemented to support promotion and delivery of the programs.

Limitations to SME business owner engagement (including continued drought, understanding of the term 'business', languaging around 'business' and management of cultural change) were identified and addressed.

Monitoring, evaluation and reporting (MER) data demonstrated high level impact (average 9/10; 12 areas of actual / intentions for business practice change, over seven program-types); covering 1,942 producers, 304 advisers and 40 'other', Australia-wide across beef, sheep meat and mixed farming sectors, identifying key 'factors affecting' the success and continuation of this work.

Continuation of program delivery would benefit from further research on three key areas of: climate variability, social licence to operate and sustainability (updating programs); expanded delivery Australia wide through accredited deliverers (Profitable Grazing Systems collaboration) and with development of an industry run Business Hub (a one-stop shop where SME business owners could access business and production professional development support).

Contact:

Gordon Stone

Director

Agri-Business Development Institute

PO Box 7642

Toowoomba South QLD 4350

Ph: 07 4615 2255 / 0408 063 229; E: gordon.stone@abdi.com.au

Executive summary

Background

The project's purpose was to address the key findings of MLA's Northern Beef Situation Analysis 2013, Southern Beef Situation Analysis and Prime Lamb Situation Analysis 2013. Both analyses identified industry profitability challenges related to business skills, financial management, climate risk and on-farm business management (defined as eight economic sustainability criteria).

It was concluded that producers, as well as their advisers, would benefit from professional development in business management (as opposed to production) skill development. The Agri-Business Development Institute (ABDI) customised and tailored its agribusiness management (professional development) programs to support increased adoption of better business management practices. These programs use the [ABDI 12 Pillars of Business Best Practice](#) as a framework to support adoption of improved profitability, sustainability and risk management (and mitigation) and include 1:1 coaching/mentoring.

As program delivery commenced in northern Australia, participants from Australia wide attended. The project was then expanded to create an Australia wide meat and livestock sector and broadacre business mentoring program.

During the project, the Haynes Royal Commission resulted in tightening of lending requirements. As a consequence, the application of business best practice to daily business management, business growth plans and loan applications assumed increased importance.

Concurrently industry strategic plans identified the importance of improved adoption of better business management practices as a way of addressing industry growth limitations, demonstrating increased industry professionalism and improved customer engagement.

Objectives

The objectives of the project were to develop and deliver a suite of business management programs (specifically the 12-month ABDI CEO Mentoring Program and a Lender Ready Program), plus communicate elements of business best practice, to support adoption by producers (and advisers) of more professional business management practices.

The Monitoring, Evaluation and Reporting (MER) data demonstrates these objectives were achieved and practice change occurred.

Methodology

Collaboration between project partners facilitated delivery of a customised communications and engagement process (comms) direct to red meat producers and their advisers.

Existing ABDI business management programs were customised to meet the expected needs of meat producers and advisers to improve adoption of the eight economic sustainability criteria. A continuous improvement process occurred, based on applying project MER data and input of a Queensland State Reference Group (QSRG), to program development and comms. A Lender Ready Program was added to the program suite recognising the importance of accessing loan funds (drought and Haynes Royal Commission).

Results/key findings

MER data demonstrates success in participants improving their knowledge of, attitude towards, level of skills, and aspirations/intentions to change their overall business management practices to address the eight economic sustainability criteria. Data reveals specific practice change in terms of varied changes to 12 defined areas of business management and overall profitability. Tracking enterprise profitability data was excluded from the project scope. Livestock numbers directly influenced through program participants were estimated as 251,270 head of cattle and 66,000 head of sheep.

Benefits to industry

Change in mindset of program participants has resulted in a majority expanding their businesses in terms of increased numbers of livestock, hectares of land, improved meat quality, higher value customers, improved profitability and involvement elsewhere in the value chain, while addressing the eight economic sustainability criteria.

Project data reveals changes made by participants are aligned with future industry direction (Red Meat 2030 and MLA Strategic Plan 2025) and a changing marketplace.

Future research and recommendations

MER data, QSRG and lender advice (changes to lending criteria) is that the business management programs could support continued industry adjustment and be expanded, by:

- Research in 3 key areas of climate variability, social licence to operate and sustainability – to reflect expanded lender risk assessments
- Applying findings to update the program suite
- Expanded Australia wide program delivery through accredited deliverers
- Development of an MLA Business Hub (one-stop shop) to support SME business owners access professional development support.

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1. Background

The [MLA Northern Beef Report; 2013 Situation Analysis](#) (Northern Beef Report) concludes “the majority of northern beef businesses are not economically sustainable at present and performance is deteriorating due to increased debt with no increase in profit. Despite a long-term decline in their profitability, the top 25% performers consistently outperform the average and have businesses more likely to be economically sustainable over the long term, indicating that there are successful business models for producing beef in northern Australia, with an optimal operating scale range, either side of which different factors can erode performance.”

Both the MLA 2013 Northern Beef Situation Analysis and [Southern Beef Situation Analysis and Prime Lamb Situation Analysis 2013](#) reported specific room for improvement in core business performance measures (criteria), relevant to the project, namely:

1. Improved financial literacy and debt management
2. Understanding profit drivers
3. Focusing on increasing income
4. Improving climate risk management
5. Managing stocking rates matched to long-term carrying capacity
6. Improved personnel management
7. Understanding business expansion processes, and
8. Managing expenses.

The aligned findings of the northern and southern situation analysis reports demonstrated value in enterprise owners and senior managers reviewing key elements of their business operations around costs, personnel, business expansion plans, etc.

The aim of this project is to scope, develop, trial and then deliver a robust extension program that focuses on expanding the business development skills of the top 20-30% of meat and livestock producers, including mixed farmers, their advisers and others in the value chain.

1.1 ABDI business management programs

A series of knowledge gaps were revealed to be key elements of managing the business (not production) components of the enterprise. These key elements included: processes and systems; whole farm business financial management (wider financial literacy); linking production aspects of the enterprise to internal profitability (the contribution that all aspects of managing the business make to the overall revenue generation and profitability); enhance understanding of the requirements of the marketplace and customers; managing people and understanding the importance of applying business best practice.

From 2010-2015, ABDI had delivered a series of business management programs for the national agribusiness company, Landmark. These programs had been piloted in northern Australia with demonstrated success. There had been informal collaboration with MLA.

In order to address the findings of the industry situation analysis reports of 2013 (delivered in 2014), ABDI was approached by MLA to consider customising the business management programs piloted with Landmark to address the report recommendations.

As result, this project was developed and funded.

During the project development phase, it became apparent that the ABDI programs, built around the [ABDI 12 Pillars of Business Best Practice](#), provided the only holistic business management programs in existence in the agri-sector in Australia. Many other programs touched on key elements of the 12 Pillars without integrating them into a complete business package. Several current MLA/industry Programs, such as Business EDGE, were identified as being complementary to the ABDI programs and vice versa.

1.2 Target audience

The industry situation analysis reports proposed that the top 20-25% of the industry (producers) were open to adjusting their enterprises according to the situation analysis recommendations.

ABDI's experience was similar, namely that this market segment was open to and prepared to change their business. In essence, they were prepared to undertake professional development in improved business management. Furthermore, ABDI had been working with Landmark's top tier advisers to improve their business management skills, so that they in turn could support the skills improvement of their clients.

1.3 Application of the project results

Recognising these knowledge gaps and ABDI's experience, the project trialled a series of customised business management programs, commencing in northern Australia.

1.3.1 Business management program structure

A communications and engagement (extension) program, a robust monitoring, evaluation and reporting (MER) process, development and delivery of a webinar program, a one-day Better Beef Business Management Workshop and a CEO Mentoring Program (held over 12 months, including 1:1 coaching and mentoring, face-to-face workshops and online program delivery, plus group coaching) were to be applied during the project life.

The intent was that, after a piloting process, the program would be rolled out more widely on a commercial basis to red meat producers and their advisers. The MER data would support further adjustment and customisation to support the rollout.

It was proposed that a group of alliance partners would support the program rollout, contribute to the matching MLA Donor Company (MDC) funds and support program delivery.

The project was managed by ABDI, in conjunction with a Queensland State Reference Group (QSRG) representing Department of Agriculture and Fisheries (Queensland); AgForce (the Queensland broadacre peak industry body); MLA and ABDI. This QSRG regularly reviewed MER data and provided insights and commentary on project process and progress.

1.3.2 Project variations

A project variation 1 commenced in July 2017. It provided for expansion of the project Australia wide, an expanded communications processes and reflected the views of the QSRG, particularly recognising the adverse impact of continued drought on producer professional development (reflected in reduced numbers of program participants).

A second project variation 2 commenced in February 2020. At its October 2018 meeting, the QSRG determined that the project ought to continue, despite the adverse effects of drought and recognising the emerging findings of the [Haynes Royal Commission](#) (covering misconduct in the banking, insurance and superannuation sectors).

The QSRG concluded that the commercialisation of the business management professional development elements of the programs be put on hold and substituted with development and delivery by ABDI of a Lender Ready Program (subject of variation 2).

1.3.3 Professional development in business management

These professional development/education programs were expected to improve the business skills of meat producers and other SME business owners in the meat and livestock value chain. On ground adoption, actual practice change, longer term intentions to change and enhanced business skills of the top 20-30% of SME business owners were also expected, with wider industry flow on effects.

Significant industry secondary benefits were identified during the project. Further development of them is included in proposed further research as is further program commercialisation.

2. Objectives

The project objectives were defined as a series of project KPIs to guide planning, implementation and continuous improvement, based on the MER data being collected during the project and feedback from the QSRG.

2.1 Project objectives

By February 2020:

- At least 10% (135) of the top 20-30% of meat and livestock enterprise owners open to better business management will have participated in the 12 month ABDI CEO focused business Mentoring / Management Program.
- During the ABDI CEO focused business Mentoring / Management Program, attendees will develop a Business Action Plan (BAP) and have adopted at least 3 new business management practices aligned with their BAP (Enterprise KPI's).
- Attendees will demonstrate a tangible change in their level of profitability (as individually defined per enterprise, at the beginning of the program and reported at the conclusion of the program through their BAP). They will also have demonstrated tangible change in some or all of the 8 definitional criteria for economic sustainability (as defined in the 2014 Northern Beef Report) and aligned with their Enterprise KPI's.
- At least 7% (380) of Australian meat and livestock enterprises will have participated in the industry events at which ABDI presents, including the 1-day Agribusiness By Design Workshop Program, and demonstrated a stronger understanding in at least 3 of the Enterprise KPI's and an aspiration to implement practice change related to those KPI's.
- At least 9% (495) of Australian meat and livestock enterprises will have attended one or more of the online/phone information/workshop sessions related to the enterprise KPI's and demonstrate an aspiration to change practice.
- At least 60 consultants, advisers (including vets) will have participated in the ABDI CEO focused business Mentoring / Management Program and/or 1-day workshop program, and be in a position to expand their business management advice to clients.

By September 2021, a fully operational, commercial Business Mentoring Program for the Australian meat and livestock sector, including the Lender Readiness set of modules/package, will exist and have been developed based on:

- Understanding the characteristics of the changing lending landscape including lender attitudes, updated lender requirements and the short and long-term impacts of these changes to meat and livestock sector business and industry;
- Assessing the positioning and preparedness of a sample (see additional details) of meat and livestock sector businesses – including the level of risk these businesses might present to lenders, their level of preparedness and capacity to respond to changes;
- Analysing and developing a best in class, cost-effective process to allow meat and livestock SME business owners to convincingly demonstrate they are lender ready via their planning (business plans) and literacy (ability to engage with lenders) – to access working capital and capital expenditure in the current adverse lending environment;
- Developing and trialling a range of extension and adoption strategies, tools and services – to support implementation of these processes in a range of settings and for a range of industry beneficiaries (across sectors);
- Assessing how the Lender Readiness Package and components acts as an entry point to, or part of the overall structure, of the Business Mentoring Program.

2.2 Meeting these objectives

The extent to which these objectives have been met is the subject of the remainder of this report, with additional project descriptions and MER data included in Appendices 1-3.

3. Methodology

The core issue to be addressed by the project was to expand the Knowledge, Attitude, Skills, Aspirations and support Practice change (KASAP) in the implementation of better business management (as opposed to production) by Australian meat and livestock sector SME business owners.

Secondary issues included developing a business (vs production) professional development psyche and commence creating a fee-for-service payment mentality in the industry.

Recognising these objectives, the following are key elements of the methodology:

Methodology component	Purpose
A Queensland State Reference Group	Support partner engagement, project sounding board, review MER data
The ABDI 12 Pillars of Business Best Practice	A business management framework – creating a context to describe business best practice and better business management (not production)
Client engagement (a comms process)	To support informing and engaging with interested SME business owners on business (not production) issues, plus entry to the programs
Delivering a one-day workshop program	Interested participants gain insights into better business management and business best practice; an entry point to the 12-month program
Delivering the 12-month CEO Mentoring / Agri-Business Management program – subsidised attendance costs reducing over time	Provides detailed knowledge, insights into necessary skills, supports practice change over time, tests delivery methods and changed pricing and payment scenarios
Comms program addressing fundamental issues including – ‘What is <i>business</i> ’? Who is a ‘CEO’? ‘Turf wars’	Defines key elements of business best practice; implementing a CEO mindset, tests the understanding of business terminology and language and supports complementary program delivery/collaboration with others
Alliance Partners	Supports the industry communication, program rollout and subsidised attendance costs
The Lender Ready Program	New program developed to reflect industry changes to lending settings during the program delivery
The additional ABDI Agribusiness by Design Program	Additional customised program held over three months recognising a gap in program delivery (supports participants commencing practice change in business management)
Connection with MLA Profitable Grazing Systems Program	PGS provides an additional vehicle for program commercialisation and delivery.

Where appropriate summary MER data are used to explain the effectiveness of the methodology.

3.1 Queensland State Reference Group

An early step in the project was to engage with Directors General of the three State Departments of agriculture in northern Australia. Strong support was received from all three, with a decision that Queensland's Department of Agriculture and Fisheries or DAF would take the lead. The NT Department of Primary Industries and Fisheries continued strong interest, whereas the WA Department of Agriculture proved to be less interested (Royalties to Regions Program as their pre-eminent initiative). DAF and the NT Department have been continuous supporters throughout, as has the Queensland broadacre peak body, AgForce.

DAF became the only Tier 1 financial partner as part of its Drought and Climate Adaptation Program (Phase 1).

The Queensland State Reference Group or QSRG was established to monitor, evaluate and support reporting, as well as to act as a sounding board for the project. The QSRG represented senior personnel of DAF, AgForce, MLA and ABDI. The QSRG established its own key criteria, namely:

- Support professional development of the industry – in business (not production)
- Work towards making fee-for-service professional development embedded in SME business owner psyche and costs of doing business – rather than being optional, and taken advantage of only when a subsidy is available
- Address 'the people side of things' – as well as the black and white elements of financials, market engagement and other business matters (in other words focus on capacity building in business skill development)
- Where appropriate, engage with other industry programs – so that Business Mentoring Program participants were made aware of where other programs could be complementary to enhancing their wider skill development
- Support alliance partner engagement – in particular accessing additional funds
- Consider future program plans – in light of MER data and strategic considerations.

After reviewing the ABDI 12 Pillars of Business Best Practice, the QSRG concluded that the ABDI Business Mentoring Program was indeed holistic around 'all things business'. They concluded that other aspects of 'doing business', such as Business EDGE and the former QLD Grazing BMP, could be regarded as complementary to the Business Mentoring Program and vice versa.

3.2 The ABDI 12 Pillars of Business Best Practice

The [ABDI 12 Pillars of Business Best Practice](#) represent the core framework used for the business management programs delivered under this project. They encapsulate business best practice, as used and described in mainstream business and is the basis of language used in the lending sector.

They also represent:

- A common language and framework for business (as opposed to production)
- A way of considering business continuity planning
- A description of best-in-class business management, business growth and lender readiness
- A checklist through which business owners can determine the extent to which they are managing the business aspects of their enterprise

- A risk assessment framework – to consider all aspects of business risk (as opposed to production risk).

The 12 Pillars have been specifically validated by lenders (banks and investors) as being fit for their lender readiness assessment purposes.

3.3 Client engagement

An early task was for ABDI was to develop a comprehensive strategy with the MLA, DAF and AgForce Comms Teams. This was to ensure a complementary promotional and engagement process between the four project partners.

There is qualitative data to support that this high level of comms support (and feedback) from those consistently supportive project partner organisations has been pivotal to project success.

Assumptions underpinning client engagement

Client engagement was built around a number of assumptions, namely:

- That the word ‘business’ has a common understanding – proven not to be so (discussed with QSRG)
- That business owners would regard increased business certainty and gaining a better understanding of business as a high priority for their professional development – proven to be a lower priority than ABDI and the QSRG imagined
- That business owners would make the distinction between business and production – again proven not to be so (discussed with QSRG)
- That, over time, cultural changes regarding professional development and paying fee-for-service could become embedded in the industry psyche – proven not to be so; with the recognition that this is more so an intergenerational change (discussed with QSRG)
- That business owners would be prepared to pay for business professional development at a level commensurate with an organisation like the Australian Institute of Management – very much dependent on the market segment, and noting significant resistance still to paying for good quality advice (ABDI observation and discussed with QSRG)
- That business owners would understand where the varied program offerings ‘fit in the marketplace’ and how each program complements the others – proven not to be so; to the extent that the varied scale and scope of industry programs, which are not adequately described (or demonstrated to have ‘fit’ with others), are regarded as competitors rather than complementary. Furthermore, qualitative evidence suggests that potential industry program participants can be overwhelmed with the choice of professional development and as a result choose to do nothing rather than something. (This is further exacerbated when there is a cost for programs, as that represents a further disincentive.)

Other relevant elements of the methodology included: the adverse impact of drought, the importance of testimonials to demonstrate credibility, the time taken for new program activities to be regarded as credible in the marketplace, the importance of client segmentation, the time for sales and marketing processes to be effective, the market distortion provided by subsidised programs when compared with full fee for service programs, and the relatively unseen value of coaching and mentoring (noting the significant time and cost of coaching/mentoring).

It is noteworthy that after three years, the QSRG concluded that the required adjustments to industry psyche regarding expanded business professional development (vs production) are best based (at a wider industry level) around intergenerational change (in other words, when business owners who are currently in their 20s and 30s become the pre-eminent business decision-makers).

Managing the comms process

ABDI initiated an integrated comms strategy between MLA, ABDI, DAF and AgForce which was updated several times during the project. This sought to maximise the capabilities of each of the alliance partners while providing partner, member and wider industry benefit. The core elements of the public comms strategy were:

Comms element	Purpose	Process
Email marketing (direct response marketing or DRM) strategy	Inform the industry regarding key elements of business best practice Market the programs – in a timely fashion related to their scheduling	Regular integrated email distribution by MLA, ABDI, DAF and AgForce Providing general business information Addressing ad-hoc topical items
Webinar program	More detailed insights to interested business owners – using 30-75 min webinars Promote key elements of the programs – to pique participant and industry interest	Regular integrated distribution (as above) Recordings sent out to all registrants' post-webinar Exit survey provided limited satisfaction ratings out a possible 5 (highly satisfied)
Media engagement	Opportunistic media engagement – as sought / offered Add to industry information delivery	Contributions to MLA, AgForce and DAF newsletters and magazines Newspapers (e.g. QLD Country Life), newsletters (regional) and interviews (ABC)
Industry events	Provide business information Publicise programs Public presentations	Attend events as invited or as exhibition sites purchased (e.g. Beef Expo)

The webinar program was determined to be most 'fit for purpose' because it provided detailed information with an element of interactivity (compared to email marketing). Its purpose was to cover a range of topics, principally focusing on business management, as opposed to production. However, the program also covered issues such as cash flow management, climate variability, succession, organics and other matters which were regarded as bridging both business and production.

This collaborative comms process was pivotal to project success; noting:

- Trialling of the comms process exceeded 12 months before being deemed fit for purpose

- The multiplier effect of the webinar program, regular engagement of potential clients via industry databases, attendance at industry events and other flow-on effects, is unknown – although the data in Appendix 2 provide some insights to the flow-on effect
- One of the less tangible outcomes of the program, and potential benefits, is the gradual diffusion of the concept of business best practice into the psyche of SME business owners in the meat and livestock sector (producers and elsewhere in the value chain). For example, accountants, production advisors and lenders have all expressed (qualitatively) an opinion that business best practice and the importance of robust and best in class financial management is poorly known in the industry. Therefore, the capacity for the flow-on effect of ABDI’s promotional activities (in collaboration with MLA, FutureBeef and AgForce in particular), in creating positive attitudinal change, is worthy of better understanding.

In summary, this multi-strand communications process was used to inform SME business owners about key business topics and market the various business programs on offer. This communications process (to support extension, adoption and practice change) required significant resourcing.

Program component	Impact data	Rating
Webinars	No. of webinars	38
	Registered to attend	1147
	Attendees	354
Respondents	Providing process and impact data	146
Overall webinar program – supporting understanding of ‘business’	How effective and relevant did you find this webinar on expanding your understanding of business (out of 5)?	3.7
Industry Presentations	Number during the project	24
	Producer attendees (where able to be counted)	1,416
	Advisers	143
	Other	40

3.4 The One-Day Workshop Program

The purpose of the Better Beef Business Management Workshop, renamed to be the Agribusiness by Design Workshop, was to introduce higher level business management concepts to participants, with a view to also securing their attendance in the CEO Mentoring Program.

The workshop program covered topics / sessions of:

- The Agri-Business CEO Mindset
- The 5 Foundational Steps of a Successful Business
- The ABDI Pillars of Business Best Practice (as a framework)
- The Contemporary Agri-Business Marketplace
- The 5 Key Profit Drivers
- Integrating the business and the farm
- The Seven Ways to grow your business
- Understanding Self and Others.

Each participant received a personal workbook in which to complete their own work.

The one-day workshops were promoted in a number of locations in Queensland (Brisbane, Toowoomba, Gympie, Durong and Beaudesert, SE QLD; Emerald, central QLD and Roma, southern inland QLD). Regrettably at this time in 2016 there was significant rain which proved a significant disincentive. For example, attempts to run a workshop in Roma were washed out twice before being successful on the third occasion.

Workshops were finally conducted as planned in Brisbane, Durong and Roma.

Concurrently, it was discovered through the comms and sales and marketing process, that a number of participants were prepared to book straight into the CEO Mentoring Program without going through the preceding steps of participating in the one-day workshop.

A further issue causing the discontinuation of the program was unwilling collaborators. In particular, two potential organisational collaborators advised ABDI and formal alliance partners that this program had the ability to adversely affect their program work with members/levy payers/stakeholders and they were unwilling to support program delivery. (ABDI ultimately recognised that this stemmed from their lack of understanding of the term 'business' and their unwillingness to share their database with other industry programs).

As a result, the one-day workshop program was discontinued due to significant running costs and the downtime required to convince relatively unwilling potential collaborators that there was industry benefit in their support of this program.

Program component	Impact data	Rating
Workshops	Successfully run	3
	No of attendees	23
	Satisfaction rating – out of 10 (highly satisfied)	7.9
	Intention for practice change – out of 10 (change one or more practices)	8.1
	Number of unsuccessfully run workshops – insufficient numbers or unwilling collaborators (2)	4

3.5 The CEO Mentoring Program / Agri-Business Management Program

This was the pre-eminent program being piloted during the project.

During 2016 and 2017, there were two initial intakes of the CEO Mentoring Program with 31 participants. In 2017 there were two additional intakes (participants 35). The final intake in June 2018 comprised 12 participants, completing in May 2019.

During the sales and marketing process, ABDI received feedback that business owners in the meat and livestock sector do not regard themselves as the CEO of a multi-million-dollar business. As a result, the decision was taken to change the name from the CEO Mentoring Program to the Agri-Business Management Program, with a view to making the name more understandable.

The MER data and input of the QSRG supported further minor program and project adjustments. The quantitative and qualitative MER data (see below, including Appendix 2) demonstrates the significant benefit obtained by participants.

These programs operated from Brisbane, QLD (an unsuccessful attempt to run a program in Wagga Wagga, NSW, September 2018). The scale and scope of the project precluded any further testing of

delivery methods and sites. The October 2018 QSRG feedback, leading to variation 2, precluded the final full commercialisation phase of this program.

It is noteworthy that the effort required to establish the programs, convince sceptical/unwilling potential alliance partners and demystifying the industry around business professional development, took significantly more time and resources than budgeted.

Key concepts

The CEO Mentoring Program name was developed in recognition that most meat, livestock, mixed farming and broadacre enterprises are generally multi-million-dollar businesses. The mainstream business sector recognises the importance of a CEO as the person being ultimately responsible for managing the enterprise to achieve the business owners' outcomes (even if the CEO is the owner themselves).

During the comms processes, it was noted that many who enquired about the CEO Mentoring Program commented 'I'm not a business CEO, I run the farming operation'. Despite explanations of the concept, many aspiring participants declined to proceed with attending the program on the basis that they were 'not a CEO'.

It is noteworthy that participants in all five programs, when exposed to the concept of being the CEO who is responsible for managing a high performing business, readily accepted that concept. They came to understand that all of the 12 Pillars of Business Best Practice are applicable to them.

Program structure

The structure of this program was consistent throughout the project, namely:

- Three face-to-face two-day workshops were held over 12 months
- Each business was provided a monthly one-hour personal mentoring session (10 months)
- The personal mentoring provided access to the ABDI Client Portal – so participants could record their progress on a monthly basis against the minimum three Enterprise KPIs
- In some cases these were translated to Work-Ons – the three core items that participants would Work-On on a monthly basis
- Each month additional online content (pre-recorded video sessions, worksheets and briefing materials) was provided
- Each month a group coaching session was held – online video platform/telephone
- A private Facebook group was established to allow participants to interact – both between themselves and with the program deliverers
- Specialist speakers were invited to contribute to the face-to-face workshop programs – as well as the group coaching sessions. Specialists included: a corporate advisor, a meat processor representative, a butcher, accountants, climatologists, insurance risk assessors and an independent ex-banker lender.

The MER data below and in Appendix 2 describes the impact of the program and its delivery in detail. These data were measured with exit surveys at the completion of each face-to-face workshop and review of the data (aggregated anonymously) from all ABDI Client Portals (site of individual records as they progressed through their 'Work-Ons'; those things they intended to change or had changed between or during the monthly 1:1 mentoring sessions or over the course of the program).

Program impact

The Impact Indicators had been independently assigned by Coutts J&R Pty Ltd (based on the MLA On-Farm R&D MER process they were contracted to co-develop in 2016) so the impact indicators and process was aligned with the MLA MER framework and MER systems being used to measure impact. Process and impact data were independently reviewed by Coutts J&R Pty Ltd in 2017 to ensure accurate assessment of 'change' and 'intentions to change' 18 months after the project commenced. The same systems were used throughout the remainder of the project to ensure consistency of the impact data. (As noted earlier, this excluded changes in profit due to commercial-in-confidence agreements and as financial management was only a small, but significant, project component).

An impact snapshot

Five programs were undertaken during the project. The final program was based on a June 2018 intake and May 2019 completion. The following data provides insights into the level of effectiveness, impact, level of practice change and intentions to change.

Impact Data – final program (June 2018-May 2019)

All participants in the 2018/19 program intake reported:

- Significant personal and business change – as a result of their attendance at the Program (one couple reported in a video testimonial that the program had been 'life-changing')
- Mentoring has been integral to their journey
- The breadth of presentations expanded their understanding of 'business'.

When questioned (supplementary feedback form) about ongoing support post-Program, all indicated they sought to continue on, with coaching / mentoring and advisory work, as well as continuing in a like-minded group. All ticked the evaluation box to confirm interest in a further workshop planned in 3-months' time. All expressed interest in further engagement and interaction with previous Program Alumni, as they '*now truly understand the value of group thinking and experiences*' and '*being encouraged on the journey of change with like-minded people*'.

Intentions to change

In summary, the "where to from here" for these participants is:

- They now understand they are on business growth journey – and keen to continue on
- They are looking for support on the journey – like-minded business owners and coaches
- Most have defined plans
- All are looking to grow
- All see drought as a (significant but manageable) 'bump in the road' – generally as an area of risk in 'doing business'
- All see the need to access money to support future growth plans – banks, lenders, family and/or investors
- All report that 'their mindset' has been extended to '*an expanded way of thinking and working*'.

Program overall

When asked “Overall, how beneficial did you find this Program in terms of thinking about your business?”, on a scale of 1 (not beneficial) to 10 (very beneficial), the average response from participants was **10 / 10**.

This response is echoed in the (selection of) Testimonials received for the Program from participants:

“The Program was amazing. The presentations by Gordon, Mark, Damian and Lee were insightful and meaningful. We now have the momentum and confidence to go to the next level of business with a solid foundation”.

“This ABDI course is the best thing to do to prepare an Agri-Business for success in the Australian Business Climate”.

“The ABDI Program has shown us a way forward through the confusion of moving the business forward. The presenters explain things in a way that is easily understood, and in a practical way to be used in the business”.

“I found the Program extremely informative and helpful. It has helped me see the way through to achieving better outcomes for the business and keeping it going for the next generation”.

“Helped me to not just focus on the business needs, but equally include my self-care in the equation. Reinforce the importance of balance during change and the quest for business improvement and excellence”.

Additional data on responses to the extent to which the overall program had improved their thinking and action around business management and confidence in the future is outlined below.

February 2019 workshop (final workshop in the program)

When asked “Overall, how beneficial did you find this workshop in terms of thinking about your business?”, on a scale of 1 (not beneficial) to 10 (very beneficial), the average response from participants was **9.8 / 10**.

Comments about key messages from the workshop included:

- *“I am amazed at the information that is given out in such a small amount of time, and done without it being confusing”*
- *“We need to complete a risk assessment for our business, and have better systems in place”*
- *“Direction is more important than speed, steady growth is the way to go”*
- *“We need to create a plan, which is a living document, to constantly work with”.*

When asked “How likely are you to be able to act on your ‘Work-Ons’ in the next 6 months?”, on a scale of 1 (not likely) to 10 (very likely), the average response from participants was **9.8 / 10**.

This indicates a high probability of participants believing they will be able to achieve their desired actions arising from the Program in the next 6 months. By this time participants will have completed the Program and be regarded as ABDI Alumni.

However, a comment made in general by participants was that on-going mentoring would be required to help them achieve these desired goals. (The mentoring is conducted on a monthly basis

– and is known as ‘on-demand’. This means participants are invited to attend a mentoring session at the time of their choosing. Their mentoring is based on a recording system that reports success, challenges and issues around ‘Work-Ons’ – those 3 items that if resolved will make a huge difference to implementing change in the business. The sessions are very much personalised to challenges in that monthly time period).

The workshop format is based around 8 sessions held over 2 days. Key participant response data to those sessions is reported below.

Data summarising the 21-22 February 2019 workshop (only) outcomes

Key MER data to judge the effectiveness of the workshop is reported below. Where appropriate, rankings are aggregated across all participants:

“How effective did you find each session of the workshop?” (rating 1-10 [not effective to very effective]):

Session Details	Rating
Session 1: Thinking business development	9.5
Session 2: Managing Growth	9.8
Session 3: Financial Management	9.0
Session 4: Building the Business	9.5
Session 5: Internal business risk management	9.5
Session 6: External business risk management – lenders (financial) and climate	9.3
Session 7: Challenging management scenarios	9.2
Open discussions: All aspects of business growth, your transition (to the future) and thinking about your business (looking to the future)	9.5
How likely are you to be able to act on your personal agreements to you and your business (decision makers) in the next 6-months?	9.8
Average rating	9.5

What is a key message you are taking away from the workshop?

“Direction is more important than speed, steady growth is the way to go”

“Key tools to be continually working on the business”

“I have a lot of work to do but have the tools to do it”

“Plan a living document to constantly work with (guidance to achieve the plan)”

“To stay focused on what we want to achieve – and that there is serious work to be done”.

Changes in thinking and action

Changes in thinking and action were evident around their business management skills and level of confidence in the future as a result of the Program:

Question: Overall, how beneficial did you find this program in terms of thinking about your business?

Rating: 10/10

Question: Thinking back to June 2018 – and comparing where you are now (your way of thinking and action), as a result of this program please comment on up to 3 things you have gained.

Responses:

“Validation of our thinking and approach; tools to apply in our business; the support to implement changes (and coaching)”

“Better networking; improved staff management and engagement; improved commercial accounting knowledge”

“Self-confidence in valuing what I contribute and bring to the business; ability to polish structures and strategies”

“Better understanding of business concepts; a step-by-step direction forwards; a clear plan”

“Confidence in knowing our business; how to make positive changes; how to take our business into the future”

“How to look at the business as a whole; the importance of the culture of the business; good communication is a basic tool to success”.

Question: As a result of this program, please comment on up to 3 things you intend to change or (continue to) do differently during 2019 and beyond.

Responses:

“Finalise the last of my system improvement and rigour; continue my corporatisation; keep striving to grow and improve”.

“Increase and improve time management; make the business run more effectively; not to be a slave to the business”.

“Business planning; approach to work/life balance”.

“Planned work on the business structure; map out succession plan; property growth at a manageable level”.

“Plans (180-day to 5-year plan); succession; looking into all aspects of business”.

“Keep regular meetings happening; make more time to review the financial state; set up systems that enable the business to work more effectively”.

Question: What other benefits (may include financial, family, etc) did you obtain from this Program?

Responses:

“Helped me not just focus on the business needs, but equally include my self-care in the equation”.

“Reinforce the importance of balance during change and the quest for business improvement and excellence”.

“Most farm/rural enterprises face the same problems and constraints”.

“Financial requirements and financial controls needed for bank plans; better management help”.

“We can all better understand where each other are coming from; how we can work together to achieve everyone’s Vision”.

“The discussions with other members of the workshop was great and gave a feeling we are not alone”.

Actual practice change

Program participants nominated actual practice changes (aggregated) they had adopted on a per enterprise basis (some duplication) from CEO Mentoring Program then Agri-Business Management Program from October 2016 to February 2019:

- Complete business restructure – 6 underway
- External investor into the business – 1 completed; 4 underway
- Considering becoming investor ready – 3
- Talk to the customer (engagement to find out their specific needs) – 12 underway
- Succession / enhance effective communication / all stakeholders on the same page – 23 underway
- Ensure common vision and roadmap – 16 underway
- Implement specific “high performing business principles and practices” – 27 underway
- Staff management pain removed through implementing more orderly processes – 9 underway
- More orderly systems to be implemented – including financials – 20 underway
- Greater involvement in the value chain – 8 underway (2 examining feedlots)
- Seeking stronger financial management skills and implementation, particularly around management accounting – 7 transitioned to new advisers to enhance their skills
- Become industry speakers and advocates for increased business skills and other attributes – 4.

It is noteworthy that one of the Alumni commenced an MLA Fast Track program. They seek to continue Stage 3 when available and two others seek to commence. One seeks to undertake an MLA Co-Marketing Project.

Where to from here?

Drawing on previous discussions with past ABDI Program Alumni, a roundtable discussion was held with these (February 2019) program participants. These qualitative data provide insights into what they regarded as being the most important steps in their future planning:

- *Maintain momentum*
- *Anticipate what could get in the way*
- *Focus on discipline, a clear direction and balance*
- *Ensure other people’s stuff doesn’t get in the way*
- *Keep on the journey – continue to work on the business*
- *Define what’s most important to me*
- *Have an agreed plan – and address poor communication.*

Participants then signed up to a pathway forward as ABDI Program Alumni to:

- *Maintain self-accountability via coaching/mentoring sessions (fortnightly)*
- *Attend another two-day workshop – approximately 3-months from now*
- *Ideally include other ABDI Program Alumni – to expand thinking of participants.*

Summary

The focus of the Program was to take participants on a journey-of-change through ABDI’s “Business Growth Pyramid”. This provided context and structure for them to understand the theory of the ABDI 12-Pillars of Business Best Practice. Through presentations by wide-ranging speakers, other workshop materials, personal work (during and between workshops), coaching/mentoring, (plus on-line content delivered monthly), participants were able to ‘keep the faith’ on their journey.

The intent was for them to feel part of a group of like-minded people. They embraced continuing the journey by adopting the sense of being part of a community (as ABDI Program Alumni). Emotionally, this allowed them to continue engaging with the concept of expanding and developing their business, according to an orderly self-developed business (continuity) plan, using a 180-day plan structure and other key governance concepts such as advisory boards, etc.

The results of this program have demonstrated the value of maintaining the ABDI Program Alumni as a business growth and development community of like-minded people.

Overall impact and process data – at a glance

Program component	Impact data	Rating
12-month program	No. of program intakes	5
	No. of attendees (77 producers, 1 adviser)	78
	No. of businesses	34
Impacts	Overall satisfaction rating – out of 10 (highly satisfied)	8.8 then 10
	Intention for practice change – out of 10 (intend to adjust specific business practices) ¹	8.9 then 9.5
	Actual practice change activities underway ²	125
	Actual practice change activities completed	15

Alumni

Previous program participants (the ‘ABDI Alumni’) were regarded as a key resource because they:

- Could (and many did so) become program advocates
- Had demonstrated actual change and intentions to change – and were considered likely longer-term program participants worthy of participating in further programs. (An Alumni Program was planned to expand their business skills and increase business performance; it didn’t eventuate; please see below.)
- Could act as a sounding board for ABDI as the programs developed over time.

All ABDI Alumni were invited to attend the 2018/2019 program intake as both a refresher and to provide insights to participants in that program. Regrettably only two program Alumni took advantage of this opportunity.

The following is a testimonial from one:

“I thought long and hard about whether to accept Gordon’s invitation to the ABDI Alumni and to turn up at the October workshop – you know how it is... another 2 days

¹ Individual practice change was ascribed to each business, as a result of their intentions to change described during mentoring sessions.

² These practice change activities were aggregated into 12 common categories.

away, a drive to Brisbane, things to do at home. By the time it was halfway through Day 1, I was so glad I made the effort. That's when I realised again how important it is to get away, become 'the outsider looking in' and work on the business. I was back with like-minded people. I got so much from Damian as always and just adding to my knowledge base and being reminded of things I'd let slip. They did their Advisory Board role play and I just remembered how important it is to get that back in action in the business.

I'm keen to come back to their next alumni session in early 2019. And to make it even more beneficial, now I've met another group of keen like-minded people".

This participant commenced during the November 2016 program intake and originated from a one-day workshop. He is a continued member of the Resource Consulting Service (RCS) Executive Link Program and graduate of Business EDGE. During a subsequent personal conversation he noted the wide-ranging nature of the ABDI program, its focus on markets and marketing, higher level business management concepts, plus the personal accountability style of mentoring, makes the program superior to other programs, including the RCS Programs (which he advocates as the pinnacle of production focused industry programs). He did report that if it had been priced at full retail, he doubts he would have participated in the ABDI program due to its 'unknown nature'.

Regrettably it was not possible to develop and implement an Alumni Program as it was outside the project scope and funding did not permit this additional program development.

Benefits to participants and industry

This reporting of the RCS experience is in accord with the views of the QSRG and their comments that significant time is required to position programs of this nature in the marketplace and that their recognition is based on sequential success over time (the RCS Program has been in development and evolution for more than 20 years). Word-of-mouth and testimonials are key to the growth and development of such programs and provide benefit to participants and the wider industry.

As result, the industry does have to make strategic decisions about the types of programs (and their integration with other programs) which are supported to expand and grow meat and livestock sector businesses and their level of professionalism.

Subsidies

This program was created as a subsidised program (66% in year 1 and 2, and 35% in year 3) in order to address the QSRG's view that participants ought to be weaned off subsidised programs. In 2018, the drought, particularly in northern Australia, was having a particularly adverse effect on the industry. That coincided with a reduced subsidy level to 35%.

The retail unsubsidised price of these programs was over \$6,000 for the first participant and over \$3,000 for subsequent participants.

One program intake was promoted in Wagga Wagga, NSW at full retail price during 2018. Despite robust marketing, there were no expressions of interest.

While ABDI has no data to support this view, the reduced subsidy coupled with the effects of drought, most likely adversely affected program intakes. These matters were discussed at the October 2018 meeting of the QSRG.

Recognising similar experiences elsewhere in the industry (e.g. Business EDGE), unsubsidised programs can thrive (and should do so). However, they appear to be at a disadvantage to subsidised programs.

Drought subsidies, professional development and a business hub

It's a given that there will be adverse effects from drought. Equally, the consensus is that participants will inevitably gain benefit from attending professional development programs, particularly when experiencing business difficulties (under adverse conditions).

Therefore, demonstrating unequivocally the benefit of professional development programs, and where they fit in the business landscape, represents an important consideration (which was addressed early in the life of the QSRG). Equally, demonstrating value for money for when business owners are considering undertaking professional development is pivotal.

The QSRG and ABDI considered the merits of a one-stop shop, where professional development programs that are known to provide benefit, can be publicised. Such a business hub would provide a way in which the relative benefits of each program can be described.

The structure and purpose of a business hub may even be to consider how to equitably subsidise industry programs or let market forces prevail.

3.6 Business fundamentals

A number of matters proved pivotal to the evolution of these programs.

A key project intent was to expose SME business owners in the meat and livestock sector to business fundamentals that are in operation outside the production sector. These factors include:

- An appropriate business (not production) mindset – the 'CEO mindset'
- Focus on internal profitability – those factors that influence the 'business not production side of the enterprise'
- Profitability – by first focussing on where money is made, particularly how to market products to higher value customers, then to appropriately manage money, systems, people and business (as opposed to production) risks.

The following items are relevant to the development of a high performing business (this intent being the core premise of the ABDI programs and their marketing):

A CEO

The concept of the 'CEO mindset' is crucial as business owners build increasingly high performing businesses. The ABDI programs were developed around the concept of a CEO driving the business forward and taking responsibility for its profitability, governance, customer engagement and operations of the business side of the enterprise (as well as production).

Both the 12-month programs and three-month programs (see below) featured a specific module devoted to the importance of business owners' understanding the CEO role, having an appropriate mindset and recognising the responsibilities which come with such a CEO function.

As noted earlier, when exposed during the programs to the concept of the CEO ‘driving the bus’ and operating at a ‘size appropriate level’, program participants of all ages understood the importance of the concept. They readily accepted and adopted the rationale, actions and habits required of a CEO.

In contrast a number of potential participants viewed this as ‘not applicable’ to them, commenting in short “I’m just a farmer/grazier; being a CEO doesn’t apply to me”.

Business

The second issue is the definition of ‘business’. The concept of business (as opposed to production) is embedded in the ABDI 12 Pillars of Business Best Practice. None of these 12 pillars relate directly to production of a product or service. They all relate to ‘internal profitability’; namely those elements of the business that increase enterprise efficiency and effectiveness, resulting in increased business revenue and profitability.

The 12 Pillars of Business Best Practice were described at the commencement of each program, in association with the CEO role and mindset. Each of the 12 pillars was discussed in terms of creating a framework in which participants could view and understand business management and business growth. During the 12-month program and Lender Ready Program in particular, they formed the basis of specific modules on lender readiness and investor readiness, to ensure participants understood how critical this framework was to support accessing funds, robust financial management, strong governance and managing risk.

Early in the project ABDI sought to define what “business” meant to senior people in the industry and as part of the sales and marketing and communications process. ABDI (and the QSRG) came to understand that, to most people, the word “business” is synonymous with some or all of: cash flow, succession, personnel management, customer engagement and variously business risk. Few understood the framework of the 12 Pillars of Business Best Practice as being a holistic approach to managing all elements of a high performing business.

As a result, a definitional problem was discovered. Namely, that few people have a common understanding of what ‘business’ really means (in the pure, definitional sense). This definitional problem meant that comms processes, sales processes and marketing processes needed to actually define what the word business meant to reframe participants/readers/listeners perceptions and thinking. The principles and framework of the 12 Pillars provided the definition, structure and language by which program participants could fully understand this terminology.

This definitional issue is yet another impediment to the adoption of better business management and is becoming increasingly important, particularly as lenders become more risk averse and seek business plans and financials written in their (risk and governance) language.

Why is this important? For example, the [AUS-MEAT language](#) was created to enable all sectors of the industry to communicate their requirements to each other clearly and concisely. Exactly the same principle is applicable in today’s (and the emerging) business and lending marketplace.

ABDI’s proposition is that operating a business is far more than producing a product; it is the understanding of, and application of, internal profitability (hence the 12 Pillars framework).

Language and definitions

The ‘language of business’ is, for lenders, built around the 12 Pillars of Business Best Practice. It is critical for business owners to speak a common language to their lenders – as this also translates to

development of a better loan application and therefore (potentially) a lower cost of money and more favourable terms and conditions. Likewise, the financial, governance and risk elements of this language is also used by accountants, financial advisors and others in the finance industry.

As noted earlier, a misunderstanding around the language of business proved counter-productive when promoting the one-day workshop program to key meat and livestock and broadacre sector industry stakeholders and potential collaborators.

A business framework

It is for this reason that all the programs use the 12 Pillars of Business Best Practice as a way of describing an holistic and common approach to business management, business growth and lender readiness (compared to the production / operations elements of meat and livestock enterprises).

In other words a framework that supports the common understanding and language used in the wider, professional business and finance world.

Professional development

If unfamiliar with such language, then some form of professional development³ is required so SME business owners in the meat, livestock and broadacre sectors can understand and freely use this common language. This allows them to use a common language when engaging with lenders, when developing business plans, in developing their financials, reviewing and assessing loan documents and in annual reviews. Likewise, it supports a stronger understanding of insurance, finance and superannuation terminology when the ‘language of business’ is used by those professions.

Likewise, this is a key element of the knowledge gaps described in Section 1 of this report (in particular financial literacy, debt management, profit drivers, increasing income, risk management, managing expenses, improving efficiencies and assessing return on investment), all of which contributed to the identification of the eight definitional criteria for economic sustainability.

Positioning – which program or organisation’s responsibilities

Another issue is colloquially described as “turf wars”.

Early in program development, ABDI came to understand from industry organisations that it was perceived (by program operators and some industry leaders) that ABDI was ‘taking over’ Grazing BMP and Business EDGE. It was also perceived (as reported to ABDI and the QSRG) that ABDI was diverting program participants from a range of ‘worthwhile programs’.

It is noteworthy that the QSRG did not subscribe to this view, nor did they become distracted, or suggest that ABDI become distracted with these matters.

However, as a new industry entrant into the wider meat and livestock sector, it proved to be an important factor that influenced how ABDI went about meeting industry needs and positioning its service offering. As noted earlier, this process required significant additional resourcing.

On the other hand, program participants who had previously undertaken Business EDGE described that program as being principally focused on elements of ABDI Pillar 4: Financials and that both

³ Once again terminology definition is essential: **Professional development** is a strategic process of acquiring knowledge, skills, and abilities that support learning and growth; whereas **Training** is operational and teaches people how to be technically competent at their jobs.

programs were complementary. They then noted that the ABDI program focus on all 12 Pillars (CEO mindset, marketplace reviews, sales and marketing and the other 12 pillars) as being core elements of business they are rarely exposed to and never in the integrated fashion provided by ABDI.

This distinction also had to be described to aspiring program participants, via sales emails and regularly by 1:1 personal conversations. Once fully described, potential program participants understood the distinction (as long as their mindset was expansive and outward looking).

This positioning and ‘turf war’ issue is noted because it regularly featured in discussions with industry personnel and participants. It illustrates the lack of understanding about the wider business paradigm used by ABDI and why additional resourcing was required to explain this during the first two years of the project.

It is likely that this cultural, mindset and paradigm issue remains widespread in the industry. Assuming so, then these matters raised in this Section 3.6 remain pivotal to the cultural change which this project sought to influence and which, in both the QSRG and ABDI’s view, still remain to be addressed.

3.7 Alliance partners

During project development a number of organisations were approached to participate in an alliance partnership arrangement. The purpose of doing so was to:

- Actively promote the programs to their clients, levy payers and members – while also providing benefit to the business knowledge and professionalism of those SME business owners
- Support the matching funds provided by ABDI to MDC, which were to be derived from a range of sources, namely: program fees, alliance partner sponsorships and ABDI’s own funds; and
- To support the scaled, subsidised program fee arrangements, plus providing a win: win: win to participants, alliance partners, MLA and ABDI.

Project alliance partners

At project inception, a number of business, industry and educational organisations expressed interest in alliance partnerships, both cash and in-kind.

DAF ultimately became the only financial partner with a single mid-tier accounting firm becoming a non-financial partner. Alliance partner feedback to ABDI revealed that the unknown and unproven nature of the program meant that they preferred to ‘wait and see’ whether they would receive the necessary financial benefit to justify the expense of being an alliance partner.

This alliance partner engagement occurred in 2015, 2016 and early 2017. By then, ABDI had concluded that the return on investment for this significant effort could no longer be justified.

The extraordinary amount of time, money and effort expended on engaging with these potential alliance partners, resulting in minor cost: benefit, was a structural impediment to the project.

Future alliance partners

Some five years later, this program has now reached a higher level of maturity (longevity and recognition in the marketplace). A number of these corporate and industry organisations have been ‘watching from a distance’ and anecdotally monitoring progress.

Several banks, finance brokers and accountants have expressed an interest in involvement in the Lender Ready Program (including being involved in joint delivery and presentations).

This alliance arrangement with the Lender Ready Program should prove particularly attractive to financiers and investors if it included their specialist speaker involvement (an advertorial role).

This advertorial involvement of alliance partners concept is proposed to be tested in any future program commercialisation and/or continuation of program delivery (particularly in association with MLA, AgForce and DAF, plus equivalent organisations in other states). Alliance partner feedback to ABDI revealed that the unknown and unproven nature of the program meant that they preferred to ‘wait and see’ whether they would receive the necessary financial benefit to justify the expense.

This level of maturity and recognition in the marketplace means that, should this program continue, alliance partners could now be expected to more readily support the program.

3.8 The Lender Ready Program

In the time in which the Lender Ready Program was being developed, ABDI worked with clients in the development of their practical loan applications. This proved important to ensure the Lender Ready Program was grounded in reality.

Being practical and realistic

This feedback from lenders was directly incorporated into the Lender Ready Program structure and all 12 modules. One module (Standing in a Lender’s Shoes) provides direct, practical insights into the wants, needs and drivers of lenders.

Lender feedback also provided insights to support development of templates, processes and systems that were essential to finalise the program. These included: briefing papers and worksheets and (three) specialty interviews (with a government lender, commercial lender and corporate advisor/investor). All were drawn from the loan application processes described above.

These systems proved essential for informing aspiring borrowers how to seek funds in an increasingly risk averse marketplace. They provided participants with insights to support any decisions regarding employing advisors, accountants and potentially brokers in these financial decisions.

Client case studies

Preparation of the Lender Ready Program was based on 3 case studies:

Case study	Intent	Process	Insights
Stud and commercial beef producer (seeking to expand their stud business)	Support additional property purchase Determine the effect their improved general business skills and	Establish Management Advisory Board (MAB) to support accountability and communication	MAB provided clarity of plans, outcomes and languaging

Case study	Intent	Process	Insights
	<p>understanding of lender / investor needs influenced 'lender readiness'</p> <p>Seek circa \$2M</p>	<p>Ensure business plans were 100% clear</p> <p>Open discussion about factors affecting their business plans (risks) and financials</p> <p>Review of strategy before approach made to current bank</p>	<p>'Schooling' proved effective in anticipating the issues to be raised</p> <p>The level of professionalism demonstrated resulted in:</p> <ul style="list-style-type: none"> • Rapid loan approval • Satisfied bank • Competitive interest rate and fees
<p>Commercial beef producer moving into prime lamb production</p>	<p>Support additional property purchase and working capital – from both commercial and government lenders</p> <p>'School' business owners in self completing own business plan, financial forecasts and loan applications</p> <p>Seek circa \$1.5M and additional \$250,000</p>	<p>Provide competence and confidence in business owners to personally manage their loan application</p> <p>Mentoring and review of the documents at a high level – supporting their self-completion</p> <p>Provide lender feedback from ABDI to business owners before they went to their lender shortlist</p>	<p>Business owner competence and confidence is crucial</p> <p>Fit for purpose quality and quantity of paperwork is critical</p> <p>More general lender feedback on loan application processes allowed insights into 'issues to be raised' in their own application</p> <p>Slightly risky loans approved with satisfactory loan arrangements</p>
<p>Prime lamb producer seeking working capital, re-finance and property purchase</p>	<p>While the owner had a proven track record, drought and short-term limited success in changed stud and commercial operation (drought induced) made this a higher risk deal</p> <p>An initial ~\$5M loan had to be increased to ~\$10m due to unexpected property availability</p> <p>(Note: this level of borrowing moved the</p>	<p>This was a complex deal</p> <p>It was known to be medium risk – then moved to high risk – with additional property purchase</p> <p>All loan documentation had to be provided with maximum professionalism due to family-based financial complexity</p> <p>It took considerable business owner and</p>	<p>Majority of conventional lenders were highly risk averse to this slightly 'novel' business growth plan</p> <p>The current lender was unprepared to expand the loan arrangements</p> <p>Considerable financial review, planning and communication was required with two 'open to possibility lenders'</p>

Case study	Intent	Process	Insights
	loan application into the so-called corporate category; requiring significant risk assessment, business planning and exceedingly robust financial forecasts and financial assessments by the applicant, then by the lender).	adviser efforts to achieve success	Of the group of six lenders to whom this loan proposal was initially provided; three demonstrated 'sympathy towards the drought induced diminished profit', with two realistically assessing the proposal objectively Due to the corporate categorisation of the loan application (ultimately successful) it required efforts beyond the owner's skill levels and required external advisor support.

The small, medium risk loan applications (up to \$2 M) demonstrated the importance of having strong, robust and professional processes to provide significant confidence to lenders. As result, lenders were prepared to advance funds at competitive and satisfactory interest rates and terms and conditions. The level of professionalism, clarity and certainty about ability to repay were the core issues providing lenders with confidence.

The larger, higher risk loan application demonstrated how critical it is to have clear business plans, consider all angles of those plans (upsides and downsides), address all risks in writing and with financials, have robust financial forecasts and to use a range of advisors to demonstrate the professionalism and clarity from the viewpoint of both business owners and advisers. Furthermore, the ability of the business owners to speak with confidence and authority about their plans, articulating the risks and capacity to repay proved pivotal to success.

The Lender Ready Program draws a distinction between levels of risk, size of loan application, the 'fit for purpose' nature of business plans and financials and the importance of business owner confidence when being interviewed by lenders. It also defines the importance of "standing in a lenders shoes" – so that business owners understand what motivates a lender (both field operatives and those in the credit "back room", who make the ultimate decision).

Program structure and pricing

This program, in common with other ABDI programs, provided participants with information based on 'what they don't know they don't know'. The 12 module 'personalised' program (each module comprising 3-5 sessions) covered:

- The wants, needs and drivers of lenders
- Creating a story or narrative to describe current and future business plans and aspirations
- Financials (past, present and future)

- Preparing the loan submission
- Helping aspiring borrowers consider the ‘cost of money’
- Likely terms and conditions of borrowing (qualitative elements)
- Other sources of funds (e.g. investors)
- Finalising ‘the deal’, including negotiating a loan proposition, with
- Provision for personalised 1:1 consultation or advice during the program.

The ‘personalised’ Lender Ready Program was condensed into a less personalised Do-It-Yourself or 5 module DIY program (excluding detailed descriptions of ‘how to fill out the template contents’ as per the personalised, high value program). The DIY program simply provides the briefing papers, processes, systems and other materials, so that an aspiring borrower can self-complete materials to the best of their ability. This program includes a complimentary one-hour session with an ABDI advisor. The retail price of the DIY Lender Ready Program was 25% of the cost of the personalised program.

Client engagement and lender feedback

The marketing for the Lender Ready Program commenced in March 2021, with a series of four webinars, promoted through Beef/Sheep Central, MLA, FutureBeef and ABDI. It continued with a total of three program intakes during 2021 – April, August and October (see below and Appendix 3). The DIY program was made available in November 2021, promoted via a fifth webinar and marketing.

During 2021, ABDI employed a specialist online marketer to support the program sales process. In common with previous program intakes, participants provide glowing references of the value of the program to them. This complimented MLA’s comms support, which continues into 2022.

Feedback from the FutureBeef webinar coordinator and the ABDI specialist online marketer is that ABDI was using best in class sales and marketing processes, including resources of alliance partners.

Interestingly, none of those purchasing the Lender Ready Program had an immediate desire to acquire money – they were preparing for future capital raising endeavours, both from the conventional lending market and also from (potentially) the investor marketplace.

Program component	Registration / Impact data	No’s
Promotional and information webinars		
Webinar program (5 webinars)	1. Introduction to the Lender Ready Program	137
	2. Insights from a lender (government)	95
	3. A Producer Case Study	122
	4. Becoming lender ready – a panel session: your questions answered	53
	5. Thinking of getting money from the bank – changes coming in 2022	31
	Total registrations for the webinar program (all provided with the webinar link, post webinar)	438
	Total attendees for the webinar program	185
	Total producer attendees for webinar program	104
	Total advisor attendees for webinar program	81

Geographic spread	QLD (61%); NSW/ACT (26%); Vic/SA/Tas/WA (7%); NT (4%)	
Attendee type (all respondents)	Producer (50%); government (23%); private sector (21%); education (8%)	
Type of program sought (all respondents)	Respondents rated their preference for program type (face-to-face + online); or fully online (ratings 4 and 5 out of 5)	
	Prefer face-to-face + online program	29%
	Prefer fully online program	53%
Purpose in attending webinar (all respondents)	I'm seeking information to become lender ready	78%
	I'm seeking access to templates, processes and systems	88%
	<i>Number of producers seeking access to templates, processes and systems</i>	49
	I'm seeking some form of personalised assistance to become lender ready	58%
	<i>Number of producers seeking some form of personalised assistance to become lender ready</i>	33
Participants in the Lender Ready Program		
Participants in the Lender Ready Program	Full, personalised version	5
	<i>"I'm very happy with the content – I prefer too much rather than too little – and it suits me just fine. It's exactly what we're looking for right now. Basically, we're getting organised to get further finance in the medium term – and want to be 100% sure we've got everything sorted. I'm also looking forward to your complimentary 15-minute chats about some of the issues already on my mind". Livestock producer, Dalby – producer case study to be supplied in MLA Feedback Magazine March 2022</i>	
	Intentions to seek lender funds immediately	0
	Intentions to seek funds within 1-2 years	5
	Why attend this program? "I've had a poor lending experience with banks and am seeking an education / assistance to be informed and to negotiate for the best deal".	5
	DIY Lender Ready Program	1
	Producer attendees	0
Adviser attendee – "to improve my education and professionalism".	1	

Appendix 3 contains further MER data. This includes positive feedback from a number of lenders (noting that webinar participants comprised lender advisor representatives, both government and commercial).

One particular item of feedback was from the National Agribusiness Manager of one of Australia's major banks. This national manager was provided with direct insight into the structure of the final Lender Ready Program and found it to be 100% 'fit for purpose' for an aspiring borrower. (Two key credit team members in this bank also contributed to the program development process, including

providing ABDI limited insights to their credit management system, to understand how credit decisions are made).

‘Fit for purpose’

Lender Ready Program purchasers and senior bankers regard the Lender Ready Program as being fit for the purpose for which it was created. ABDI feedback is that the online marketing process is close to being ‘fit for purpose’ (noting that adjustments and fine tuning will always be required).

ABDI concludes that, in common with other programs in this suite, these programs are only now (late 2021) becoming ‘known’ or ‘known-enough’ (as noted by the ABDI Program Alumnus, Section 3.5).

As a result, it appears that the continued delivery of the Lender Ready Program and its updating over time has merit on the basis that:

- Meat and livestock sector producers, advisers and support personnel are seeking increased knowledge about lender readiness (numbers of webinar participants)
- Producers are seeking to find processes and systems to support them becoming lender ready (49 out of 104; and personalised assistance 33 out of 104), and
- Lenders see such a program as being ‘fit for purpose’.

Changing lending environment

The Lender Ready Program was completed in March 2021. During 2021, ABDI maintained engagement with key lender representatives. This was both direct to lenders with whom ABDI had built a working relationship, as well as the Australian Bankers Association (ABA). During the year, it has become apparent that the following is occurring:

- The banking sector is becoming further and increasingly risk averse – more so than noted in the program
- The banking sector is requiring much more professional, complete loan applications – while noted in the program, lenders and credit are increasingly rewarding (or not) the best, most professional and complete loan applications
- Less professional and less complete loan applications are deemed higher risk – as a result the applicant cost of money is higher, and their terms and conditions are more onerous (noted in the program, see comment above)
- While the banking sector has always been guided by the Australian Prudential Regulatory Authority (APRA) in terms of its governance – APRA is intervening in key areas (noted in the program, but further intervention has occurred since program completion).

The following structural changes are now occurring (since program completion) and ideally should be addressed to ensure the Lender Ready Program remains contemporary:

- In November 2021 APRA took further action, namely: [“APRA puts onus on directors to manage climate change risk”](#) – meaning that organisationally, banks are potentially increasingly liable to consider the effects of climate change and climate variability on their portfolios (while noted in the program, anecdotally, lenders are now seeking even more overt attention to the risks of climate change and variability by loan applicants and in future will be developing their own metrics)

- This positioning is occurring at an international level, with continuing global influences guiding the changing lending landscape and originated with the [United Nations Environment Program Task Force on Climate-Related Financial Disclosures \(TCFD\)](#).
- This focus on climate change is expected to move quite rapidly to become another element of borrower risk assessment criteria, as lenders and regulators move to embrace sustainability or natural capital (environmental management) risk assessments (which has been in development by three major Australian lenders [source ABA] in recent years)
- Likewise, it is expected that social licence to operate, in the agricultural sector in particular, will also become a risk assessment focus in the shorter rather than longer term.

Expectations are that in 2022 work will be underway in banks themselves to define these and other risk parameters (metrics and systems) with the initial focus on climate change and 'sustainability'. It is expected that work on social licence to operate (risks, metrics and systems) will follow shortly.

Remaining contemporary with market changes

ABDI's advice is that during 2022 and 2023 significant work will be undertaken by banks to address climate change (including climate variability), sustainability (all aspects of environmental management, particularly biodiversity and biosecurity) followed rapidly by social licence to operate.

These are regarded as three key areas of risk to which the lending sector will be paying particular and increasing attention during loan risk assessments from 2022 on. Due to the increasingly risk averse nature of lenders, it is inevitable that these three key areas will translate into defined, specific loan risk considerations, which will be included formally in (backroom) lender credit risk assessments and ultimately influence the cost of money and/or terms and conditions under which money is provided.

ABDI's advice is that the investor market (high net worth individuals and institutions) is and will continue to mirror these moves in the bank lending environment.

Accordingly, for the Lender Ready Program to remain contemporary, adjustments in these three key areas will be required in the ABDI Lender Ready Program business plan templates, financial documentation and loan applications.

Lending marketplace driving change in the meat and livestock sector

This will also require increased awareness and understanding by the meat and livestock sector of these matters and the risk mitigation required. It also means that lender needs will increasingly reflect and address risks in these three key areas.

It is relevant that these risks and their assessment ought to be more widely known, addressed and managed by aspiring borrowers in the meat and livestock sector (and throughout the value chain).

As a result, it will be important for borrowers to understand that these three key areas will then need to be embedded in changed/adjusted on ground management (on the basis that they will be checked by lender representatives at annual review time). These changes ought to be communicated to the industry.

While it appears that the meat and livestock industry is somewhat slow in adopting business best practice, the focus by lenders on adopting change (for their risk assessment purposes) may hasten change, in that business owners will be compelled to adjust their practices (incorporating increased

business best practice, improved financial management, provision for climate change, overt management of sustainability and social license to operate as core factors in their enterprises).

One reason for development of the Lender Ready Program in the meat and livestock sector was recognition that the lending sector may be instrumental in causing involuntary industry change. Therefore, the program was developed to be proactive in recognising these unfolding changes and taking a leadership role.

In summary, a tool like the Lender Ready Program will help to lead rather than follow the changes being implemented by the lending sector (lenders and regulators).

Supporting best in class management – both business and production

Maintaining a contemporary Lender Ready Program is essential not only from the perspective of equipping aspiring borrowers to develop appropriate, best in class loan applications, but also to adopt changed practices to diminish their risk.

Another consequence of adopting business best practice is that key meat industry customers (domestic and export) potentially require increased confidence that the higher value product they seek is being produced according to their specifications. Potentially such a product could be (objectively) accredited in recognition of higher standards aligned with three key areas noted above.

This is particularly relevant, given that higher-priced, higher quality foods, demonstrate stronger alignment with additional 'values-based requirements' of consumers (climate, animal welfare, sustainability and 'clean and green').

This values-based alignment, resulting from producing and marketing of a higher value product, is covered in the ABDI business management programs Pillars 2. Markets, products and customers; 10. Value adding and leverage; 11. Sales and marketing; and 12. Communication.

3.9 The Agri Business By Design (3-month) Program

Recognising the MER data, the strengths and limitations of the above programs, plus the needs of the target market, ABDI redeveloped its Agri-Business by Design Program (a two-day workshop, three group coaching sessions and six online content sessions) to add to the program offerings.

Outside the MDC project's scope

Delivery of this program was not included in the scope of the MLA project. Its redevelopment was undertaken by ABDI at its cost in response to a perceived need to provide a 'short-form' business management program, which comprised continuous involvement over three months, to support participants as they commenced change in managing the business aspects of their enterprise.

ABDI included this program in the MDC project to trial and expand its impact.

For those reasons, reporting on the Agri-Business by Design Program is included in this report.

How the program works

The Agri-Business by Design Program has the purpose of introducing participants to the key principles of business best practice and commencing the process of 'Work-Ons' – where over time participants undertake a short journey (3 months) of commencing to Work ON their business. This

‘guided journey’ introduces them to determining the ‘top three items to be worked on’ and starting to implement business best practice in their enterprises around those three Work-Ons.

Agri-Business by Design Programs were conducted in Wagga Wagga, NSW; Dalby, Southern Queensland, plus Emerald and Biloela in central Queensland during 2017-2018. There were insufficient numbers to justify programs being held as planned in Townsville, QLD plus Armidale and Inverell, NSW.

Program component	Impact data	No's / Rating
No. of entries / intakes		4
No. of attendees	People (producers 35, advisers 4 and other 2)	41
	Businesses	29
Unsuccessful locations	Qualitative data suggests drought was the major disincentive (programs were held during significant drought conditions in 2017 and 2018)	3
How beneficial	Level of benefit in thinking about our business (out of 10)	8.7
Intentions to change	Reported specific intentions to change or adjust the business operations (out of 10)	8.4
<i>Aggregated intentions to change</i>	<i>“Engage customers and understand markets”</i>	1
	<i>“Adopt business plans with 3-way financial forecasts”</i>	1
	<i>“Better understand and regularly review financials”</i>	5
	<i>“All in the business must be on the same page”</i>	4
	<i>“Farms must run as a business (using size appropriate corporate structures)”</i>	7
	<i>“Manage self-accountability to our business plans”</i>	9
	<i>“Work out a clear endgame for the business”</i>	5
	<i>32 out of a possible 41 intentions to change</i>	

3.10 A complete suite of business programs

The redevelopment of the Agri-Business by Design Program effectively completed the suite of business management programs available to take participants on a journey of understanding and change in implementing business best practice.

A structured communications and engagement process

This suite of programs is:

- A series of webinars and email marketing updates – forming part of a communications, engagement and information delivery system, making pieces of business (best practice, management and growth) information available at no cost to a wide industry audience
- A one-day workshop program – to introduce participants to key business concepts (on a standalone basis with no follow-up)
- A 3-month Agri-Business by Design Program – to introduce participants to business best practice and commence an implementation process using Work-Ons as their focus for business adjustment and change over a short time

- A 12-month CEO Mentoring Program or Agri-Business Management Program – to take a deep dive into significant professional development, education and business change, using a personal coaching/mentoring process, to shepherd participants through the change process
- A Lender Ready Program – to integrate a professional approach to business best practice, plus getting, keeping and managing their money; recognising that access to money is pivotal to daily operations and to business growth.

This suite of programs provides an opportunity for SME business owners to embark on a journey of change in a logical, structured fashion. They can commence information acquisition, move to acquire improved knowledge, then, over time increase their level of skills at a range of varied levels, operate at their own pace and implement practice change over time.

A sales funnel

This “extension and adoption process”, leading to practice change, is defined in sales and marketing language as a ‘sales funnel’ – funnelling participants on a journey of change as they increase their knowledge and desire to expand their business to a high performing operation, based on implementing business best practice.

At a “business to business level”, this sales and marketing process funnels clients on a journey of change as they purchase products and services suitable to their requirements. The communications and engagement processes noted in this report all comprise elements of the sales funnel.

A central purchase point

ABDI acted as the purchase point for program participants.

A central purchase point provides customers with ease and certainty of purchase, plus allows clarification of whether their needs are expected to be met. A central point allows customers to review their purchase requirements with full knowledge of the options available.

This purchasing process is enhanced if the point-of-purchase has industry credibility and stature.

During 2021 ABDI and MLA’s PGS program specifically commenced discussion regarding how to jointly build expanded industry credibility to support the purchase and delivery of ABDI’s programs. It was recognised that such a collaboration could be part of/further expanded to create a business Hub (one-stop shop information and entry point).

3.11 Profitable Grazing Systems (PGS)

The intent of project P.PSH.0745 (particularly post-2018) was to develop a suite of products which could be delivered within the framework of PGS.

The concept was: make these program offerings (products) available under the PGS banner; use proven deliverers already operating within the PGS system; take advantage of the wider framework offered by PGS (namely production focused professional development, expanding to include business professional development), as well as the promotional and positioning aspects of PGS.

For the reasons outlined in this methodology, including limitations of drought and development of the Lender Ready Program, these opportunities have never been fully realised. During 2021, these discussions proceeded to the extent that PGS management agreed with that the opportunity for ABDI to engage with PGS and they encouraged ABDI to do so.

Furthermore, during 2021 there were discussions with MLA's industry engagement personnel regarding the ability to promote these professional development program offerings via NABRC, SALRC and WALRC (in alignment with their industry role).

3.12 Industry Positioning

As a result of this engagement (with the management team of PGS and insights from the three industry R&D E&A committees) during 2021, there is a clear and agreed opportunity for these business management program offerings to be made available through the PGS system, as well as being potentially linked to industry priorities and the producer business skill development priorities of NABRC, SALRC and WALRC.

While the intent and interest appears to be there, realising this opportunity is only able to occur post 2021 and after the completion of this project.

It would make sense to continue delivery of these programs through those networks and frameworks. Specifically, a Business Hub (a credible industry one-stop shop where program availability and the obvious integration of program offerings is apparent), would further enhance these prospects.

In that way, meat and livestock sector clients could see the full suite of program offerings (production and business management, from all sources), their integration and 'the fit' of these programs to meet their overall business, production and enterprise professional development needs.

4. Conclusions and Recommendations

This project purpose was to:

- Undertake a capacity building program – to expand the business knowledge of the wider industry and of specific project participants
- Enhance current levels of professional development in business management (as distinct from production) – of meat and livestock (and broadacre) sector SME business owners
- Pilot the delivery of a series of professional development programs – focused on educating business owners on business best practice and lender readiness
- Develop an appropriate suite of business management programs – comprising a series of components to enhance the knowledge, attitudes, skills, aspirations and level of practice change in business management of SME business owners in the Australian meat and livestock (and mixed farming) sector.

To achieve the purpose, a set of current ABDI programs was customised to meet the expected needs of meat and livestock sector SME business owners. A MER system; plus a Queensland State Reference Group; provided a sounding board for feedback to support adjustments over time.

The impact of drought and then advent of COVID 19 during 2020 and 2021 adversely affected proposed program commercialisation and wider rollout. Consideration is now being given to continuing commercialisation and rollout post project completion.

4.1 Meeting project objectives

The final project objectives (subject of variations 1 and 2) and extent of their completion were:

Variation 1 objectives and completion – by February 2020:

Objective / KPI	Completion / Comment
At least 10% (135) of the top 20-30% of meat and livestock enterprises open to better business management will have participated in the 12-month ABDI CEO focused Business Mentoring/Management Program	Number of 12-month program intakes – 5; total number of attendees 78, excluding guest presenters (77 producers, 1 adviser). Comment: during 2017 and 2018 drought became a significant disincentive to attendance. (Number of 3-month program intakes – 4; total number of attendees 41 (29 businesses))
During the ABDI CEO focused Business Mentoring/Management Program, attendees will develop a Business Action Plan (BAP) and have adopted at least three new business management practices, aligned with their BAP KPIs (Enterprise KPIs)	Each participant was provided with a Business Action Plan structure. They determined their own Enterprise KPIs – see Section 3.5 for actual practice change.
Attendees will demonstrate a tangible change in their level of profitability (as individually defined per enterprise, at the beginning of the program	Financials were excluded from program content due to confidentiality.

Objective / KPI	Completion / Comment
<p>and reported at the conclusion of the program, through their BAP). They will also have demonstrated tangible change in some or all of the 8 definitional criteria for economic sustainability (as defined in the 2014 industry situation analysis reports) and aligned with their Enterprise KPIs</p>	<p>The Section 3.5 practice change demonstrated contributions to increased economic sustainability.</p> <p>However, the qualitative nature of increased business confidence can only be measured by the overall satisfaction rating intentions to change.</p> <p>For the 12-month program of 8.8 out of 10 and intentions for practice change of 8.9/9.5 out of 10.</p> <p>For the 3-month program 8.7 out of 10 and intentions for change 8.4 out of 10.</p>
<p>At least 7% (380) of Australian meat and livestock enterprises will have participated in the industry events at which ABDI presents, including a one-day Agribusiness by Design Workshop Program and demonstrated a stronger understanding in at least three of the enterprise KPIs and an aspiration to implement practice change related to those KPIs</p>	<p>Appendix 2 describes the wide range of industry events in which ABDI participated. Few allowed more than qualitative assessment of aspirations to change.</p> <p>Comment: the 1-day business workshops (3 held; 23 participants, 19 enterprises) had a satisfaction rating of 7.9/10, with the intention for practice change 8.1/10.</p> <p>1,380 specific industry event attendees (compared to the proposed 380 enterprises) were recorded – see Appendix 2 – plus 157 advisers.</p>
<p>At least 9% (495) of all Australian meat and livestock enterprises will have attended one or more of the online/phone information/workshop sessions, related to the enterprise KPIs and demonstrate an aspiration to change practice</p>	<p>Webinar attendee registrants (individuals compared to enterprises) were 1,147; attendees (in person) were 354 and responses were received from 146.</p> <p>Overall satisfaction rating 3.7 out of 5.</p> <p>(Note: the number of unique attendees were not evaluated).</p>
<p>At least 60 consultants, advisers (including vets) will have participated in the CEO focused Business Mentoring/Management Program and/or one day workshop program and be in a position to expand their business management advice to clients.</p>	<p>As noted above, 157 advisers attended events.</p> <p>Advisor attendance at the formal business programs was 9.</p>

Variation 2 objectives and completion – by September 2021 (more qualitative than quantitative):

A fully operational commercial Business Mentoring Program for the Australian meat and livestock sector, including the lender readiness of modules/packages, will exist and have been developed, based on:

Objective	Completion / Comment
Understanding the characteristics of the changing lending landscape including lender attitudes, updated lender requirements and the short and long-term impacts of these changes to meat and livestock sector business and industry	A commercial 12 module Lender Ready Program was completed and is now available for participants. A lesser cost DIY Lender Ready Program of 5 modules also exists (comprising templates, processes and systems). This completes the suite of business management programs to be undertaken under this project. (Additional programs at no cost to the project were also completed).
Assessing the positioning and preparedness of a sample of meat and livestock sector businesses – including the level of risk these businesses might present to lenders, their level of preparedness and capacity to respond to changes	Preparation of the Lender Ready Program was based on 3 case studies – two of which have been used in MLA communications to the industry.
Analysing and developing a best in class, cost effective process to allow meat and livestock SME business owners to convincingly demonstrate they are lender ready, via their planning (business plans) and literacy (ability to engage with lenders) – to access working capital and capital expenditure in the current adverse lending environment	Formal responses received back from two senior bankers and one corporate advisor that the Lender Ready Program covers all aspects of putting together a best-in-class lending proposal (as long as the templates, processes and systems are followed).
Developing and trialling a range of extension and adoption strategies, tools and services – to support implementation of these processes in a range of settings and for a range of industry beneficiaries (across sectors)	A range of communication, extension and adoption strategies have been trialled – namely webinars, email engagement with interested parties, MLA promotion, alliance partners plus Beef/Sheep Central articles. ⁴
Assessing how the Lender Readiness Package and components acts as an entry point to, or part of the overall structure, of the Business Mentoring Program.	The Lender Ready Program represents a component of the Business Mentoring Program – due to the importance of seeking and managing finance for daily management and business growth. Furthermore, it represents another entry point to meat and livestock sector SME business owners accessing further professional development support (aligned to their needs).

⁴ Friday Feedback March; May, August, November and December 2021; Feedback Magazine Case Study by March 2022; Beef Central Articles February, March and April; then August and October 2021 – resulting in a [FutureBeef webinar series](#)

The Lender Readiness Package will also deliver a stronger understanding by MLA and other key industry bodies of the extent to which meat and livestock business owners will be able to access carry on finance and capital expenditure, and any caveats. The key package outputs will be:

Objective	Completion / Comment
A Lender Readiness Scenario – to inform industry on the effects of accessing finance in the post-Haynes Royal Commission lending environment	Complete via the Lender Ready Program.
Engagement of key influential lenders in scenario and solution development	Complete via the Lender Ready Program – lenders are engaged in program development, program creation and review of program (various levels).
A sequential Minimum Viable Product (MVP) methodology-based development process	Complete via the Lender Ready Program – full version and DIY version.
A communications and engagement strategy – developed in consultation with MLA	Completed – continues into 2022.
An online product pilot testing process of the lender readiness package – engaging a minimum of 30 businesses	Completed – based on input of 3 case studies and lender input.
A face-to-face workshop pilot – based on the three-month program proposed for delivery of the Lender Readiness Program (engage a minimum 40 businesses, including ABDI alumni, no more than 20%)	Incomplete ⁵ due to continued COVID travel restrictions – particularly from Qld to southern states. Current programs are 100% online with 1:1 online contact.
Developing standalone saleable online self-complete products supporting business owners in becoming more lender ready	Completed.
An MVP testing process – to determine the positioning of the Lender Ready Program	Completed.
MER data comparing impact on potential online program – compared to face-to-face program/online program processes.	Incomplete due to continued COVID travel restrictions – particularly from Qld to southern states.

4.2 A successful program and project

The MER data demonstrated a high level of success in achieving these primary objectives and KPIs, namely:

⁵ Should discussions with MLA support potential program continuation – then delivery of a face-to-face Lender Ready Program, as well as an online Lender Ready Program will be compared, and the MER data acquired accordingly.

- Defined action taken and Intentions to undertake significant business management change by participants in the 12-month CEO Mentoring Program/Agri-Business Management Program – average rating 9.2 out of 10
- Intention to undertake a small number of business management changes, as a result of attending the Agri-Business By Design Program – average rating of 8.4
- Increased knowledge and potential increased skills, after participating in the Webinar Program – satisfaction rating 3.7 out of 5
- Extent of expanded thinking regarding ‘business’ from the one-day business workshop program – rating 8.1 out of 10
- Demonstrating that the Lender Ready Program is meeting a need to support business owners in taking a more professional approach when accessing, or seeking to access, operating and capital expenditure funds from a range of sources (lenders and investors). Data also demonstrates that this need is expected to increase over time.

Furthermore, a group of Program Alumni demonstrated a desire to continue on with program initiatives, should they become available. Process rather than impact data also demonstrated a significant industry reach in informing industry participants at a range of industry events and through industry communication and engagement channels about better business management.

The secondary purpose of the project was to indirectly influence industry thinking over time and support strategic consideration of matters associated with delivery of the business development programs. These included:

- How to enhance professional development skills in business management – achieved
- How to structure business professional development as a fixed, rather than optional cost of doing business – requiring intergenerational change
- How to diminish the reliance on subsidisation of business professional development costs – potentially requiring intergenerational change and further industry cultural adjustment
- How to structure and rollout a business professional development program – firstly in northern Australia and secondly Australia wide – achieved
- How to engage alliance partners in co-funding and co-designing such a business professional development program – partly achieved; and
- How to support improved lender readiness in the Australian meat and livestock sector – partly achieved and requires additional adjustment and time/effort.

Strategic industry thinking, covering matters related to both the primary and secondary project purpose, remains a work in progress.

The data suggests there is merit in the project work continuing post project completion.

The following matters inform the past and current level of success and inform the way forward.

Recommendation:

That the MER data and project insights inform proposed project commercialisation and potential project continuation.

4.3 Continuation of a business professional development program

Arguably the red meat sector and its SME businesses will benefit from, and increasingly require, improved professionalism in operations and strategic management with benefits of:

- More profitable SME business operations
- Increased capacity to expand their operations – professionally and in a financially sustainable way
- Achieving the industry strategic intent and outcomes of industry strategic plans – and increased regulatory focus as noted below
- Supporting the improved profitability and lender readiness needs of business owners.

The ABDI business management programs now have demonstrated success in:

- Enhancing business professional development – through improved KASAP
- Planning and on ground implementation of business best practice in the red meat value chain
- Accessing a business framework and language – the ABDI 12 Pillars of Business Best Practice
- Owners better managing their business and its business risk (business operations, business growth and lender readiness)
- Better communicating in the wider financial and business world – as a result of using and understanding a common business framework and language
- Implementing Business Continuity Planning – which has been outlined by lenders as being pivotal to future lending applications and business best practice-based management.

A Business Professional Development Pathway (see Diagram 1) provides a beneficial context for current and future business and industry professional development.

Diagram 1: A Business Professional Development Pathway including all enterprise aspects



An integrated approach to business professional development

The proposed business professional development pathway, including both business best practice and production best practice management, represents a way of demonstrating an integrated approach to holistic business management, business growth and lender readiness.

From 2022 onwards, an increased meat and livestock and broadacre sector focus on understanding the management required to incorporate the Three Key Areas of Climate, Sustainability and Social Licence appears warranted. This reflects what is understood to be a future focus, in 2022 and beyond, by the lending sector (and red meat customers) as they seek an increasingly professional meat and livestock sector group of SME business owners who demonstrate decreased business risk.

Such a cohort would, as demonstrated from these MER data, benefit from continued business professional development and improved lender readiness, particularly to meet these expected industry adjustments within the next (expected) five years.

Recommendation:

That the ABDI business management programs continue to be rolled out Australia wide in a systematic manner to the benefit of individual SME meat and livestock sector business owners, and as a result enhance benefits to the wider Australian red meat and livestock sector, while addressing expected adjustments to key areas of business risk, management and growth.

4.4 Understanding of ‘business’

The project revealed a discontinuity in the understanding of the term ‘business’ amongst meat, livestock and broadacre sector SME business owners. It also revealed the importance of SME business owners understanding the language used by lenders in particular, as well as others in the wider finance, accounting and insurance sectors.

Use of, and understanding of, this common language is proving increasingly important as business owners seek funds from lenders in an increasingly global and risk averse lending environment. Organisations such as APRA and international money markets increasingly influence access to funds and the cost of money accessed by Australian SME business owners.

The ABDI 12 Pillars of Business Best Practice provide a business framework and a common business language. This was used as the basis of the programs, which were developed and rolled out. The MER data demonstrated that, once exposed to this language, program participants understood and could readily use the language and engage with finance and lending professionals on common ground.

Enhancing the understanding of business terminology, business best practice and its application by meat, livestock and broadacre sector SME business owners formed the basis of the project. The data also demonstrates merit in continuing these professional development activities.

Recommendation:

That, in recognition of the importance of meat, livestock and broadacre sector SME business owners being able to access money in an increasingly risk averse marketplace, the ABDI 12 Pillars of Business Best Practice remain a common framework and language for continued business professional development programs in the sector and the basis of future program considerations.

4.5 A Reference Group

The QSRG proved pivotal to the project. The senior level of reference group members ensured that:

- The four program partners actively supported the communications and engagement process
- There was appropriate understanding of the more nuanced or subtle issues being addressed by the project
- This supported significant strategic thinking as the project unfolded – and grappled with issues such as continued drought, appropriate levels of fee subsidisation, changes to the program commercialisation strategy and development of a Lender Ready Program to reflect the influences of the Haynes Royal commission (and drought)
- Group members were able to adequately assess the MER and impact data – when providing such insights and recommendations on program and project adjustments.

Recommendations:

That should the project work continue, a group of senior personnel at a national level be drawn on to comprise a National Reference Group.

That the Brief for this National Reference Group is based on key issues raised in this report.

4.6 Industry adjustments and external influences

A number of industry and government strategies exist that will increase the pace of industry change. Examples include the [NFF 2030 Roadmap](#), reflected in the federal government's [Delivering Ag2030](#) and APRA's focus on climate change. All increase the focus on industry SME business operations becoming more professional and able to demonstrate the implementation of business best practice.

The Red Meat Advisory Council has developed a Red Meat 2030 strategic plan. The following of its Industry Priorities: Our Customers; Consumers and Community; Our Livestock; Our Environment and to some extent Our Systems, would all be informed by enhanced and more professional business management skills exhibited by SME business owners in the red meat and livestock sector.

The Australian Prudential Regulatory Authority is directing lenders to diminish their risk around climate change. Inevitably, these risks will be passed on to borrowers as lender risk assessments, metrics and loan assessment systems are updated during 2022 and beyond. These same trends are emerging amongst the sophisticated and institutional investor community.

Consultation with the Australian Bankers Association and individual lenders (during development of the Lender Ready Program) indicates strong moves towards similar management of the Three Key Risk Areas (Climate Change, Sustainability (Environmental) and Social License to Operate). Risk mitigation and management associated with these Three Key Areas are similarly expected to become embedded in loan application processes and decision-making during 2022 and 2023 (at the latest 2025).

These adjustments are understood to recognise consumer and public sentiment, customer feedback domestically and globally, plus evolving global risk (particularly climate change).

Recommendations:

That should the project work continue, then further work to embed current and emerging key areas of business risk, management and growth, in context of expanded understanding of business best practice, business language, business thinking, and the suite of business management programs, be undertaken to support enhanced risk mitigation, management and assessments amongst industry SME business owners.

That this embedding is aligned with current and future industry strategic plans (to 2025 at a minimum).

4.7 Industry engagement

The communications and engagement process (also described as a sales funnel) represents the basis of the industry engagement and communications process used in this project. It represented strong collaboration between MLA and ABDI (and other alliance partners, AgForce and DAF).

The factors affecting how this industry engagement occurred include:

- Market segmentation – based on a stronger, enhanced understanding of the wants, needs and drivers of a range of industry market segments, including but not limited to young professionals returning home, women as key business decision makers and the varied sectors of beef, sheep, mixed farming, including regional variations, plus advisers at both private and corporate levels
- How best to engage with varied market segments – to meet their wants, needs and drivers
- Collaboration with alliance partners – recognising that a collaborative endeavour represents a more efficient and effective engagement process
- A continuum of engagement – providing knowledge, skill development, deep dives into business change, coaching and mentoring and an alumni program
- Recognising that this process represents multiple entryways into business professional development – thereby meeting the needs of SME business owners at any particular time of their choosing, to expand their business or personal development needs or aspirations
- Linking business best practice with production best practice – as outlined in Diagram 1
- Cultural change – recognising that adopting improved business best practice is a significant industry cultural adjustment, which has a longer time horizon for implementation (as described in this report).

It is noteworthy that many of these matters were raised and variously addressed in the ‘comms plans’ developed to guide and manage the integrated communications processes used during this project. They were also addressed at a practical and operational level during the project, including drawing on the insights of the QSRG.

During development of the Lender Ready Program, three producer clients testified to the difficulty of engaging with lenders when uninformed. Their views are encapsulated in this comment which is a common theme raised by those (and other ABDI) clients, including in the wider ABDI business management program suite:

“I didn’t know what I didn’t know. I was poorly prepared when I went to see my lender/s to seek extra funds. I left feeling a fool. I had nowhere to turn to because they spoke a

completely different language, which I didn't understand. That's why I enrolled in the Lender Ready Program/used ABDI as an advisor."

Recommendations:

That the experience of this project could inform future comms processes, as could additional MER resourcing, to fully investigate 'what works, why and how' in terms of engagement of the varied market segments and their 'desire to buy' business professional development programs or resources.

That the more detailed aspects of cultural change are more fully considered, in any continuation of this work, to fully understand and recognise the KASAP and change processes at work in the industry, and then react accordingly.

That engagement with alliance partners be re-considered as part of any project continuation.

4.8 An MLA Business Hub

This report outlines a range of reasons why a central entry point for business (and production) professional development would be of benefit to SME business owners in the Australian meat and livestock sector. It notes the value of a central industry organisation with credibility and resources.

MLA represents such an organisation.

Arguably, this will enhance the ability for business owners to access professional development materials and for them to understand 'the fit' of how varied professional development programs would support their improved knowledge, attitude, skills, aspirations and actual practice change.

Research during this project demonstrated a propensity for business owners to become overwhelmed with the professional development offerings, without understanding the varied and complementary benefits each has with the others. On the other hand, ABDI program Alumni better understood how the range of programs (business and production) would benefit them when they understood the context in which that benefit would be realised (ABDI 12 Pillars of Business Best Practice as a framework for decision-making).

The role of a Business Hub (hosted by MLA) is proposed as a way of supporting this contextualisation, providing a single-entry point for those interested in professional development, addressing cultural change/limitations to professional development and providing a single industry focal point to support SME business owner professional development (relevant to producers and others in the value chain).

This includes considering and addressing cultural issues, including but not limited to subsidisation of programs in the context of market opportunities and/or market failure.

The logistics and mechanics of how such an MLA Business Hub would operate is yet to be determined. It is proposed to become the focus of further research and, it is expected, be highly beneficial for any future expansion of the ABDI business management programs.

Furthermore this is expected to lead to wider benefit to the industry and enhanced production professional development due to the proposed contextualization of program offerings.

The value of such an MLA Business Hub is enhanced when the benefits of professional development are considered in the context of the industry adjustments proposed and expected (Section 4.5 and). In addition, the capacity to support the business development and business growth aspirations and

actions of leading SME business owners ([80/20 rule or Pareto Principle](#)) would in turn most likely benefit the wider industry (Sam Bucolo; pers comm⁶) through increased production of higher value livestock, in turn being supplied to more discerning, high value customers/markets.

This project's MER data provides a snapshot of the type of, and extent of, benefits which could be realised when more professional SME business owners demonstrate increased confidence and ability to expand their operations sustainably, economically and profitably.

Recommendation:

That an MLA Business Hub is considered as an essential piece of the extension, adoption and practice change future processes of the industry, as well as supporting industry growth (to meet the aspirations of Red Meat 2030 and the MLA Strategic Plan 2025).

4.9 ABDI Alumni perspective

There has been significant participation of meat and livestock sector SME business owners, both producers, advisers and others across the value chain, in the project. The majority are prepared to be advocates for the benefits they received from the program.

In terms of further expansion of business professional development, this level of advocacy is invaluable.

Some advocates have provided testimonials, which have been used by ABDI to promote the programs. Others have been represented as case studies in the ABDI and MLA comms processes. Many seek to continue their involvement in the ABDI business management programs.

The MER data helps define Key Success Factors as described by ABDI Alumni; namely:

- Participants are on a Journey-of-Change
- Participants 'don't know they don't know' – and seek guidance to find out
- Pivotal elements to the program were – providing information, facilitating open discussion and supporting personal work on the Journey-of-Change
- A holistic approach to business and a common language is critical – the ABDI 12 Pillars of Business Best Practice create such a framework
- A group of 'like-minded people' on the Journey-of-Change facilitates the change process (many participants reported 'feeling so alone' as they navigated business change because 'so few people understand')
- The change process is confronting – being able to break the change into incremental steps is critical
- The 'theory of what needs to be done', compared to 'how to do it' in practice, is likewise confronting – hence a coaching / mentoring process, working with like-minded people (participants and deliverers) and a having an (alumni) Mastermind Group supports change

⁶ Sam Bucolo – MLA's Design Thinker in Residence and more recently responsible for MLA's Design, Strategy and Leadership specialises in [design led thinking](#).

- Maintaining the momentum of change is pivotal – maintaining momentum when being challenged/confronted by daily business events and issues, such as lender readiness, provides a compelling reason to remain in an Alumni group⁷.

The Alumni remain a largely untapped resource. Should the program continue post this project, then the use of the ABDI Alumni as advocates is worthy of strong consideration. Likewise, the alumni themselves would benefit from further long-term professional development, resulting in increased confidence to expand their operations while also advocating the benefits from participating in the programs longer term. These alumni may represent the 20-30% (potential cohort of the Early Majority⁸) of business owners, seeking change and adjustment, which were the focus of this piloting project.

Recommendations:

That an Alumni Program is examined as way of supporting continued practice change of those SME business owners, plus to support their advocacy of the benefits of business professional development and as a way of supporting longer term SME business owner benefit and industry adjustment.

4.10 Profitable Grazing Systems

The PGS Program Managers have advised that the PGS Program will support expansion of the ABDI business management programs as one of their supported programs. To-date 7 PGS program deliverers have been identified as potential ABDI program deliverers as have a range of Australia-wide sites. Two specific discussions have commenced to assess their level of interest / ability to deliver the ABDI programs.

Potential deliverers include but are not limited to livestock advisers, accounting firms and other consultant advisers. Preliminary, positive discussions have been held with a number of these potential deliverers to ascertain their level of interest.

Recommendations:

That the PGS Program and ABDI more formally engage to determine the level at which PGS and the ABDI business management programs, using PGS and other accredited deliverers, could collaborate in any program continuation.

That should MLA see benefit in the ABDI business management programs continuing with an expanded remit and geographic footprint, then provision is made in any continuation to engage the potential deliverers described in this report.

⁷ Such an Alumni group creates a group of like-minded people on a common journey of change. This can be described as a Mastermind Group, where each member, along with presenters and facilitators, supports the group members on their personal journey. As noted earlier in this report, it supports members (to avoid feeling alone and isolated) as they confront the daily operational and strategic challenges presented by business management and growth (a significant benefit of the 12-month program).

⁸ Rogers, EM (2010) – [Diffusion of Innovations](#)

4.11 Benefits to the Industry

The Australian meat and livestock (and broadacre) sector is commencing a period of significant adjustment, as described in Section 4.6. These adjustments have the potential to be far-reaching. Furthermore, adjustments to the ability of SME businesses to access funds for operations and business growth is emerging as a potential limitation, if not addressed appropriately.

It appears that the period 2022-2025 (MLA Strategic Plan 2025) will be a time of immediate and significant change leading to more expansive change by 2030 (Red Meat 2030 and realising the Australian Government and National Farmers Federation goals of \$1 billion agri-sector value by 2030).

Sections 3 and 4 of this report have indicated clear, defined benefits from the piloting of this suite of business programs. It has described potential to realise significant added benefits if further program development is undertaken and managed appropriately, while drawing on these results to expand the business development program offering more widely.

4.12 Strategic implications

These conclusions demonstrate the potential for expansion of the ABDI business management programs to support Australian meat and livestock sector industry development. They also demonstrate that the ABDI business management programs fulfil a useful and relevant niche, providing significant benefit to sector SME business owners looking to grow / expand their business.

The need for this business professional development is reflected in the Red Meat 2030 strategy, MLA Strategic Plan 2025 and other industry plans.

Of immediate concern is the need to address changes in the lender marketplace, so that the red meat sector is able to take a leadership role in collaborating on these changes (Red Meat 2030).

SME business owners will likewise need to be prepared to adjust their operations to meet these changes. In particular, they must be prepared to provide far more robust loan proposals to demonstrate their higher level of professionalism, risk management/mitigation and the levels of profitability sought by lenders as lenders move towards making increasingly risk averse loan decisions.

In particular, it will be important to ensure the industry and SME business owners address key areas of business risk, which are emerging as being of concern during 2022 and 2023 to meet lender risk mitigation priorities.

4.13 Next steps

The primary objective of this project was to create and pilot a business management program, customised to the needs of the Australian meat and livestock (and broadacre) sector. This aim was met in terms of piloting a successful program. However there are clearly significant opportunities to expand the program to achieve greater impact.

Secondary objectives included understanding: the management of cultural change, the opportunities and limitations to support improved business management; how best to engage with SME business owners in the sector; how to collaborate with alliance partners and address the considerable

geographic and industry-wide variations during the creation and management of the program, plus maintain continuous improvement during the piloting process.

In terms of supporting emerging industry objectives and strategies, including but not limited to Red Meat 2030, the MLA Strategic Plan 2025, industry Sustainability Frameworks, Northern Breeding Business (NB2) and other initiatives, expanding the business management program appears to represent a significant priority and opportunity. If this impact is sought, further work on the secondary objectives is also warranted.

Due to its demonstrated success to-date, opportunities for future work exist within this framework:

- Continue delivery of the business management programs (the whole suite, using a sales funnel process) – by expanding the suite of deliverers (nominally 20 locations), using accredited deliverers and doing so in association with the PGS Program; and assuming so
- Maintain continuous improvement – using current MER processes to support measurement of impact and practice change; and engaging with program (current and future) program alumni to help gauge necessary change (as they have ‘inside knowledge’), plus
- Investigate how to maximise the benefit of the current, or adjusted communications and engagement process – to maximise the opportunity for engagement with market segments that want, need and would benefit from involvement in better business management (applying business best practice); while ensuring programs remain contemporary by
- Undertaking research on key areas of business risk; outlined in this report, which the project’s research indicates lenders will be addressing during 2022-2025 – then embed findings in an evolving business program suite (in particular in the Lender Ready Program); and
- Collaborate in the development of an MLA Business Hub – with ABDI taking the initiative in its development, to draw together both business and production professional development opportunities (existing and being developed); plus
- Actively canvass how to address the limitations outlined in this report, plus issues of cultural change – using the resources of a National Reference Group – to ensure the benefit and impact of these initiatives are maximised.

The proposed continuation of this project work is to seek to continue the business (as opposed to production) capacity building and professional development options for the Australian meat and livestock sector (including mixed farming in the broadacre sector).

In doing so, this work will support increased profitability of individual SME business owners, which will contribute to wider industry profitability (80/20 rule and project impact data), support improved red meat customer engagement, plus support meeting the objectives of government and industry strategic plans and growth objectives.

The results of this project demonstrate the importance of supporting SME business owners with an appropriate “can-do mindset” and who are open to possibilities to change, adjust, grow and expand their businesses. This project also demonstrates the benefits of collaborating with Innovators and Early Adopters (Rogers, EM 2010) who exhibit such a mindset (‘can-do’ and CEO mindsets).

However, the real gains will be achieved when the Early Majority (and ideally the Late Majority) adopt one, some or all of the changes described in this report, to enhance their professionalism,

increase their focus on internal profitability, understand their business risks and effectively engage with lenders (to assure them of sufficient funding to expand their businesses in the face of industry change), better meet customer needs and manage environmental factors (such as droughts).

Appendix 1: ABDI-MDC Agri-Business Management Program – 2018/19 Program Description

Background

The Agri Business Management Program or ABMP is a 12-month Program, with the final intake commencing in June 2018. The Program is comprised of:

- Three workshop events (June 2018, October 2018, and February 2019)
- Monthly 1-on-1 personal business mentoring sessions
- Regular group coaching and mentoring calls (delivered online)
- Monthly learning modules on business management topics (delivered via the online ABDI Member Portal).

On 21-22 February 2019, the group completed the third and final workshop event for their Program. Three personal mentoring sessions and learning modules remained, with the Program to be completed in May 2019. The February workshop was the opportunity to determine the level of progress during the program, plus the interest level of participants in continuing on post-Program as 'ABDI Alumni'.

ABDI collects Monitoring, Evaluation and Reporting (MER) data routinely throughout the Program, and data collected as part of this recent workshop encompassed questions both about the workshop itself and also the value of the Program as a whole.

Program context

Program participants were commercial or stud meat and livestock sector business owners or managers, with businesses located in Queensland, Northern Territory, South Australia, and Western Australia.

All participants were interested in confirming the foundations of their businesses, so they could focus on growth and expansion over time. All were affected by drought conditions during the course of the program. All sought an understanding of contemporary business best practice (mainstream business).

Key program elements

The Program process is largely built around ABDI's "Business Growth Pyramid", which takes participants on a journey, through a sequence of changed understanding, focused on:

- Key business foundational building blocks are necessary (including clarity on business direction, as well as personal ownership and mindset) – to support business growth; through to
- Key internal business systems and processes (such as financial management and strategy, staff management, systems development and size-appropriate corporatisation) – are essential to support future growth plans; then onto
- External business factors (such as customer engagement, and sales and marketing) must be understood, examined and considered – to fully support maximising the value of the product/service produced, and finally
- Determine and plan for orderly, structured business growth in which others are engaged – so the value of implementation of the growth strategies can be truly maximised.

The Program is also based around ensuring participants understand and can apply the ABDI [12-Pillars of Business Best Practice](#) (business as opposed to production).

The first and second workshops provided strategies – “How-To’s” – for key business management and building topics.

This final workshop was very much focussed on the top of the Pyramid, the Business Growth component, as the context for application of all the content learned during the program. The application of this Business Growth component is effectively the lead into their ongoing business growth journey from this point.

ABDI’s focus in the final workshop was on posing questions around ‘where to from here *‘now you have these insights’*. It involved significantly greater personal work and looking over the horizon to the next 180-days and beyond. The specific focus was on their development of their business plan and 180-day plan (undertaken personally so they create their own personal journey of change blueprint).

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Appendix 2: Data on other elements of the project

In the period to October 2018 (at the time of the QSRG meeting) the following data was available and informed QSRG thinking about progress to date and future plans:

<i>Program element</i>	<i>Criteria</i>	<i>Results</i>
Webinars		
No. webinars		38
Registrants		1147
Attendees		354
How many listened in catch up mode?		n/a
Evaluation surveys		
Respondents		146
Overall rating	<i>Average out of 5</i>	3.7
Number of Industry Presentations		
<p>Qld Beef Expo – Aug 16</p> <ul style="list-style-type: none"> • Seminar presentations at event – 5 • Overall participant numbers – 86 producers, 4 advisers + 30 uni students <p>Qld Beef Expo – Aug 17</p> <ul style="list-style-type: none"> • Seminar presentations at event – 3 • Overall participant numbers – 36 producers, 4 advisers + 10 uni students • Was the drop in numbers possibly reflective of the Expo not being on a weekend? The sense is the drop in numbers was very significant to the extent there is some doubt that it will be run again (note that in 2018 this Expo was discontinued) <p>Pastoral Profit – Business Growth and Transition Workshops, Longreach and Charleville</p> <ul style="list-style-type: none"> • Overall participant numbers – 36? <p>Dawson Catchment Coordinating Association workshop program – Moura and Theodore</p>		

<ul style="list-style-type: none"> • Overall participant numbers – 96? <p>Teys Australia Open Day – Wagga (Gordon Stone presentation on Program attributes)</p> <ul style="list-style-type: none"> • Overall participant numbers – >160 • Teys Australia Participation in Beef CEO Mentoring Program – March 2017 and soft release of Grassland Brand <p>Steak Your Place Forum – Charters Towers</p> <ul style="list-style-type: none"> • Presentation – Creating a Performing Business; plus Facilitation of discussion during program segment on markets and business • Participant Numbers – 112 <p>AgForce regional forums – Toowoomba, Bundaberg and Hughenden (December 2018),</p> <ul style="list-style-type: none"> • participants numbers – 175 <p>MLA Beef up Forums – Chinchilla and Barcaldine July 2017</p> <ul style="list-style-type: none"> • participant numbers – 80 <p>Fitzroy Basin Business Growth Forum – November 2018</p> <ul style="list-style-type: none"> • participant numbers – 85 <p>NCAP Climate Mate Briefing Session (USQ) – August 2018</p> <ul style="list-style-type: none"> • advisor numbers – 18 <p>Queensland Rural Regional and Remote Women’s Conference (September 2018)</p> <ul style="list-style-type: none"> • participant numbers – 117 <p>Rural Management Agents Conference – July 2018</p> <ul style="list-style-type: none"> • advisor numbers – 135 <p>Seifert Belmont Red Bull Sale – July 2018</p> <p>Young Beef Producers Forum – November 2017 and 2018</p> <ul style="list-style-type: none"> • participant numbers – 191 and 206 <p>Queensland State Reference Group</p> <ul style="list-style-type: none"> • 2016 (September and December), 2017 (October), 2018 (October) 		
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Better Beef Business one day workshops		
No of workshops		3
Attendees		23
Overall rating	Average out of 10	7.9
Intention for practice change	Average out of 10	8.1
Intention to register for CEO Mentoring Program	%	55%
CEO Mentoring (renamed to Agri-Business Management) Program – 12 Months		
No of entries / intakes		5
No of attendees per intake/location: <ul style="list-style-type: none"> • Brisbane: October 2016 –13 (8 businesses) + 2 guest presenters • Brisbane: November 2016 – 11 (7 businesses) + 3 guest presenters • Brisbane: May 2017 – 18 (8 businesses) + 5 guest presenters • Brisbane: August 2017 – 9 (6 businesses) + 3 guest presenters • Brisbane: June 2018 – 8 (5 businesses) + 6 guest presenters 		78
Unsuccessful locations: <ul style="list-style-type: none"> • Wagga Wagga, NSW – September 2018 		
Overall rating	Average out of 10	8.8 – then 10 (2018)
Intention for practice change	Average out of 10	8.9 – then 9.5 (2018)

The Agri Business by Design Program

The updating and delivery of this 3-month program was outside the scope of the MLA project. However, its findings are reported as it represents one of the suite of programs which can contribute to future work and meeting the wider project and industry objectives.

Agribusiness By Design Program – 3 Months		
No of entries / intakes		4
No of attendees per intake/location: <ul style="list-style-type: none"> • Wagga Wagga: June 2018 – 10 (7 businesses) • Biloela: July 2018 –5 (4 businesses) • Emerald: July 2018 – 9 (7 businesses) • Dalby : September 2017 – 17 11 businesses) 	41 people; 29 businesses	
Unsuccessful locations (drought): <ul style="list-style-type: none"> • Armidale, NSW • Inverell, NSW • Townsville 		
Overall rating: “beneficial in thinking about our business”		8.7 out of 10
Intention for practice change – varied with reported options for business change / adjustment		8.4 out of 10

Appendix 3: MER data on the Lender Ready Program

The following data represents the raw data from which the impact reporting in Section 3.8 is drawn. These data summarise the results of the 2021 webinar program jointly hosted by the FutureBeef Program and ABDI (promotion via Beef Central and Sheep Central).

Activity	Nos	Satisfaction /other issues	Increased KASA – using ratings from polls	Intentions to change
Webinar 1 – Introducing the MLA-ABDI Lender Ready Program	137	Attendees: primary producer (43%); agribusiness/consultant (28%); government (15%); education provider (6%); student (9%) Attendees normally located: QLD (50%); NT (7%); NSW/ACT (30%); Victoria/SA/Tasmania (7%)		Are you interested in a face-to-face + online workshop program – yes (29%); no (31%); maybe (40%) Are you interested in a series of online discussions and self-complete modules + online coaching – yes (53%); no (11%); may be (76%)
Webinar 2 – Becoming Lender Ready: Insights from a Lender	95	Attendees: QLD (81%); WA (3%); NSW / ACT (6%); Victoria / SA / Tasmania (10%)		
Webinar 3 – Becoming Lender Ready: a Producer Case Study	122	Attendees – producer (56%); agribusiness / consultant (13%); government officer (31%)		
Webinar 4 – Becoming Lender Ready: Your Questions Answered (Panel: Lender, Producer Case Study and 2 Corporate Advisors)	53		My interest is in the information required to become lender ready – 3/4 (22%); 4/5 (61%); 5/5 (17%) My interest is to get access to templates and support materials – 4/5 (29%); 5/5 (59%) My interest is in being assisted to become lender ready – 3/5 (16%)	

			and 4/5 (37%); 5/5 (21%)	
Webinar 5 – Thinking of getting more money from Banks? More changes coming in 2022.	32	Attendees – producer (53%); government officer (22%); private sector advisor (15%) banker 3%) QLD (53%); NSW (38%); ACT (4%); NT (4%)		
Lender Ready Program - attendance	4	This testimonial from the older generation (Dalby district), recognises that his two sons are busy on-farm and are planning to do a ‘deep dive’ into the detail every four weeks with their father. It is understood their wives will also contribute to the discussion, so the whole family is ‘on the same page’: <i>“I’m very happy with the content – I prefer too much rather than too little – and it suits me just fine. It’s exactly what we’re looking for right now. Basically, we’re getting organised to get further finance in the medium term – and want to be 100% sure we’ve got everything sorted. I’m also looking forward to your complimentary 15-minute chats about some of the issues already on my mind”.</i>		Family of 3 – seeking business expansion funds in 2022
		<i>“We’re flat-out on-farm right now (Central Queensland). I’ve done the first week of the program and found it excellent. My motivation is professional development, so I/we understand how to deal with banks. We’re expecting to expand the business significantly and I want to ensure I don’t have the horrible experience I recently had dealing with the Regional Investment Corporation (12-month time scale, emotionally draining and we just about went under in the process). The fact I can talk to you makes a huge difference”.</i>		Family of 2 – intentions to seek additional funds / investors in the business (medium term)

Criteria	Results
Higher level lender feedback in program development	6 banks

	<p>1 Tier 3 lender</p> <p>1 corporate advisor</p> <p>2 finance brokers</p>
Detailed level input and feedback in program development	<p>3 banks (1 government; 2 commercial)</p> <p>1 corporate advisor</p>
Detailed producer (loan recipient) input to program development	<p>2 producers</p>
Participants in webinars promoting the Lender Ready Program (5 webinars)	<p>Registered – 438</p> <p>Attended – 185</p>
Participants in the Lender Ready Program pilot	<p>4</p>
Participants in the Lender Ready Program – commercial Program 1 delivery	<p>1</p>
Participants in the Lender Ready Program – DIY version	<p>2</p>