

# Financial Management HACKS

Hart GCI 2024

Dr Kate Burke

March 13 2024





Chat Smith (GPT-3.5) ▼



Today, 9:56 AM

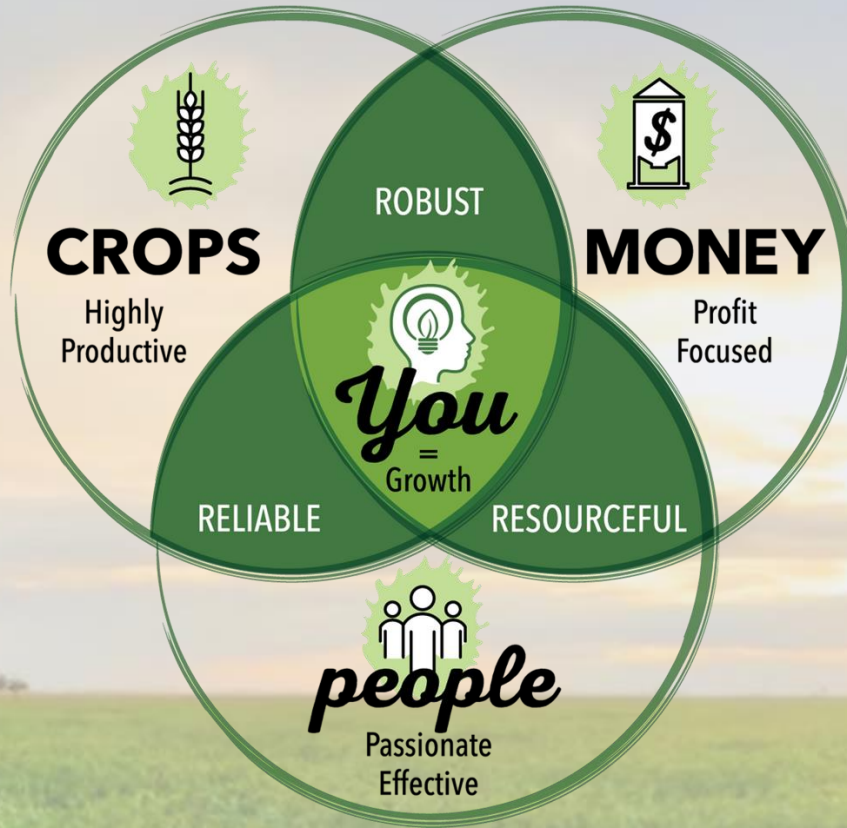
What is a hack?

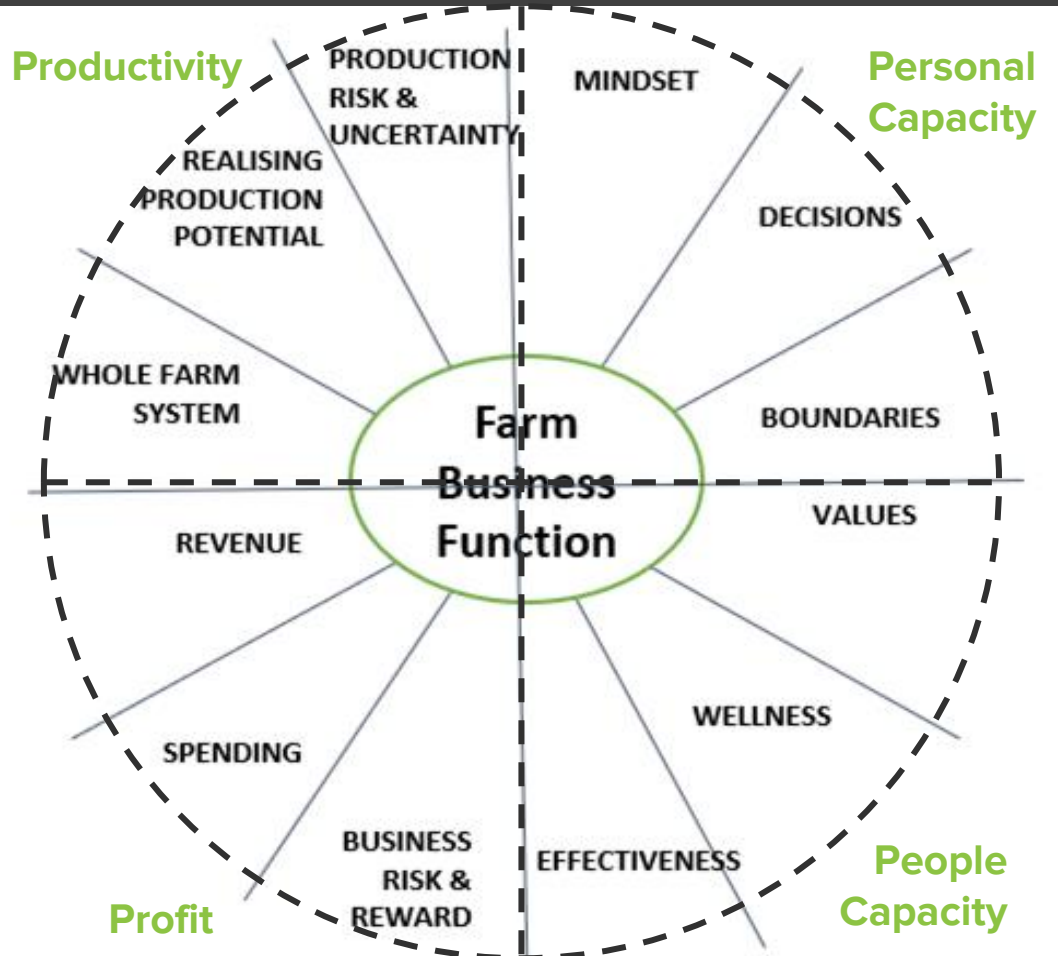
A hack can refer to different things depending on the context. In the context of technology and cybersecurity, a hack is the unauthorized access or manipulation of computer systems or data, often for malicious purposes. It can also refer to a clever or innovative solution to a problem, especially in programming or engineering. In a more general sense, "hack" can mean a time-saving or shortcut method to achieve a particular result, or a creative way of using something in a non-traditional manner.



Feedback

The Case for  
**CROPS** and *people* and **MONEY** and *You*





# Financial Performance explainers







# Hope from history



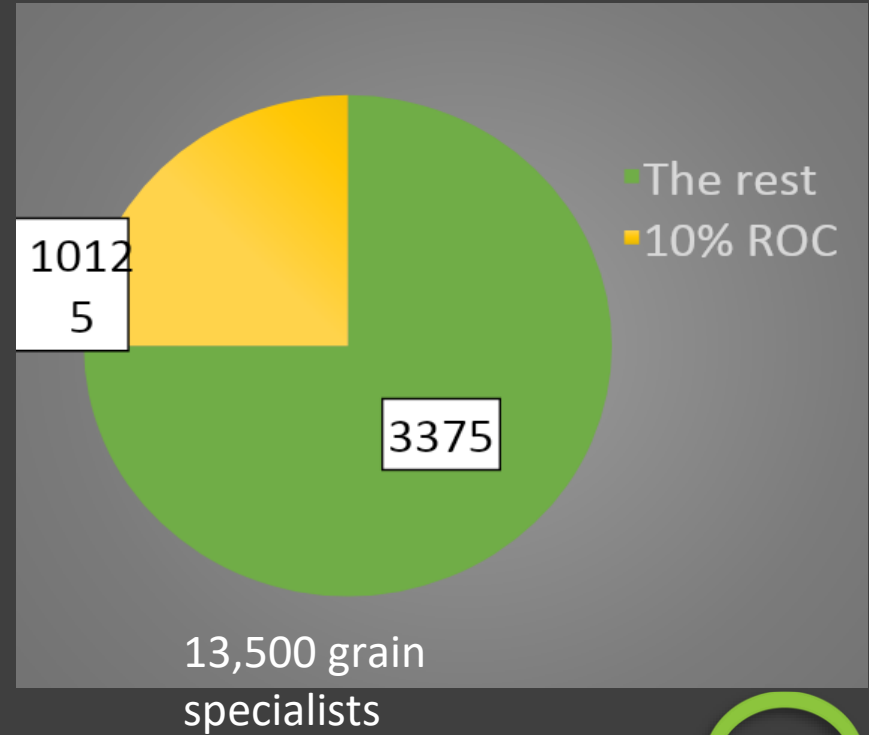
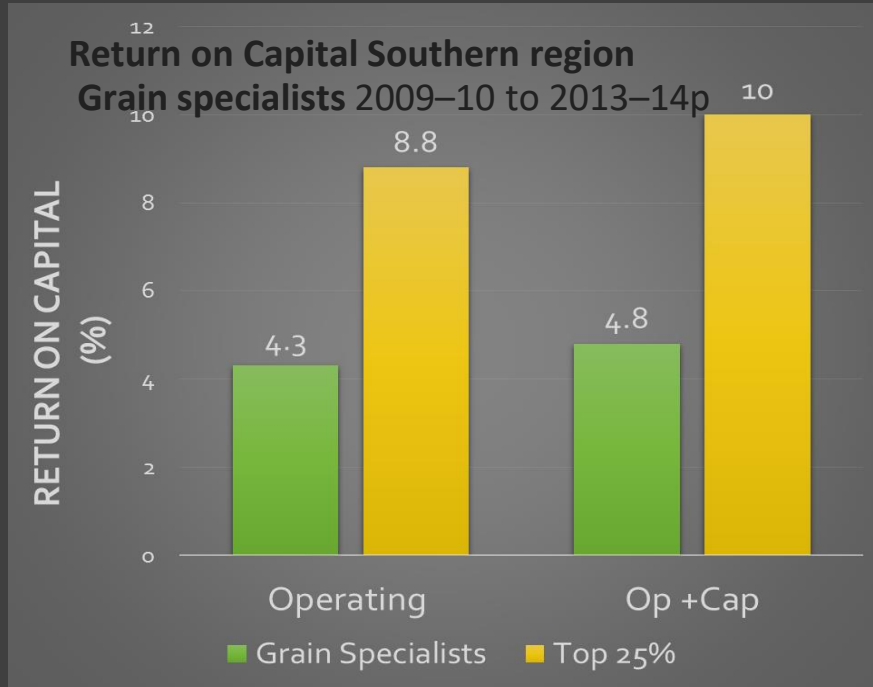






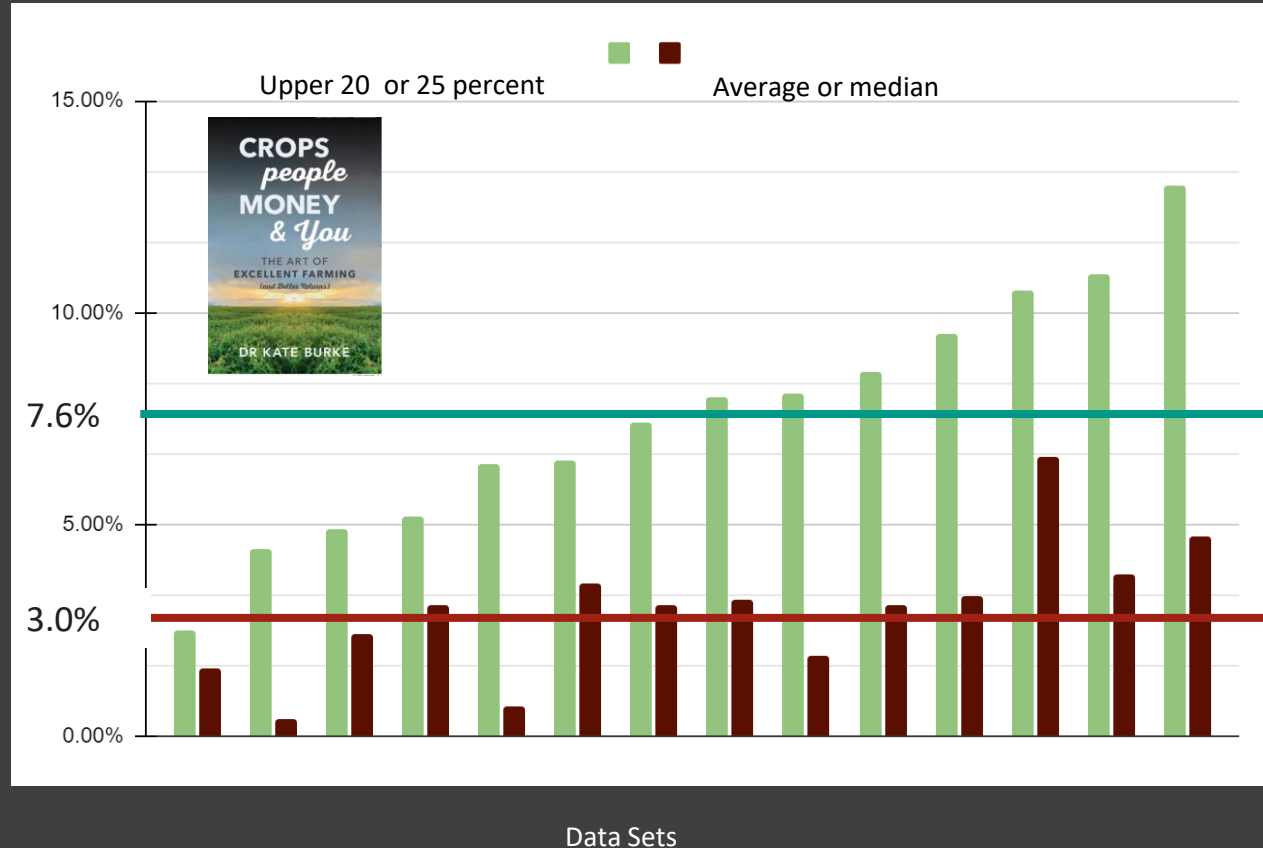


# Variable performance with upside



# Australian Rainfed Cropping and Grazing: A two speed farm performance economy (Meta-analysis over 20 years to 2020)

Financial  
performance



Unrealised

opportunity



# Profit from productivity & people

- ❖ Landscape, climate and management drive production potential
- ❖ Grain yield produced per mm of available water, & the individual characteristics of the farm business itself, such as fixed cost structures, labour efficiency and variable costs have a greater influence on profit than grain price received.
- ❖ Implementation is driven by team capability and management traits





# Acceptance

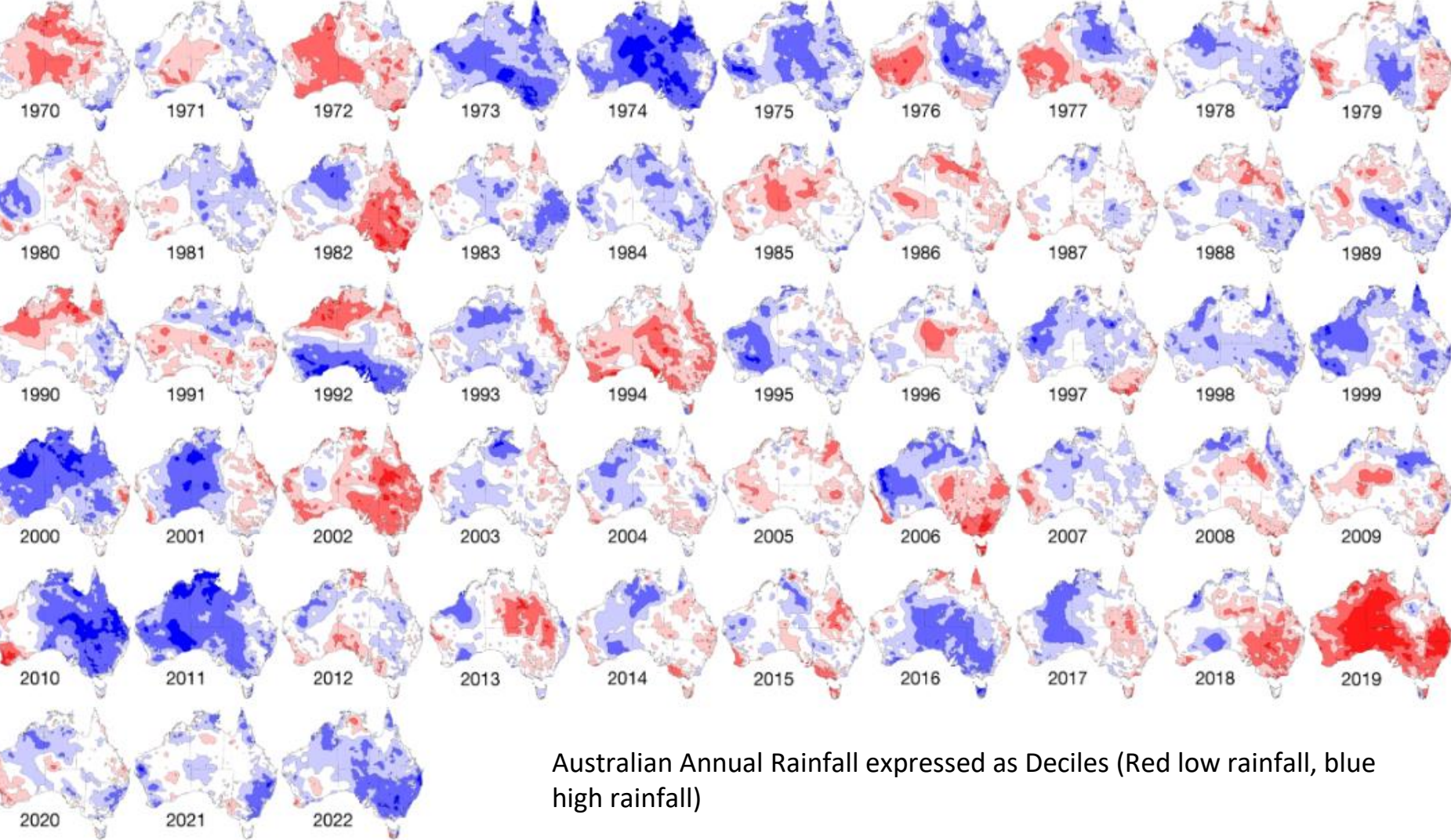
*“You can’t  
solve a  
problem, if  
you have a  
problem with  
the problem”*

David Evans



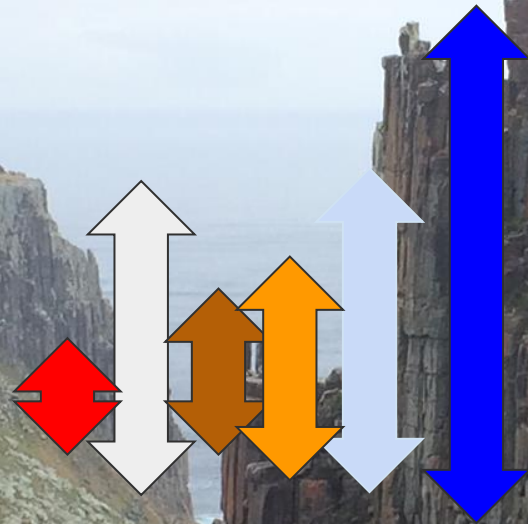
# *Your* THINKING COMPASS







*"Risk management is about taking more risk not less"* Sarah Davis, expeditionist



Variable and sometimes unrealised production potential and profit opportunity amid changing cost structures

# Acceptance

## **Tip 1.**

Be less fearful of adverse events – they are going to happen anyway!

## **Tip 2.**

Use what you know to plan for the unknown.

## **Tip 3.**

Use tools and resources to validate gut feel.



# Commit

Make it your business to  
know your business

Get ideas from other farms

Get real insights from your own  
business







***“The unique and particular characteristics of each farm business were the main determinant of their success”***



**Ross Kingwell** · 1st

Chief economist at AEGIC; Professor at the University of Western Australia; Adviser in DPIRD

Greater Perth Area · [Contact info](#)



**Anderton Lucy** · 2nd

Agriculture Economist & Business Analyst

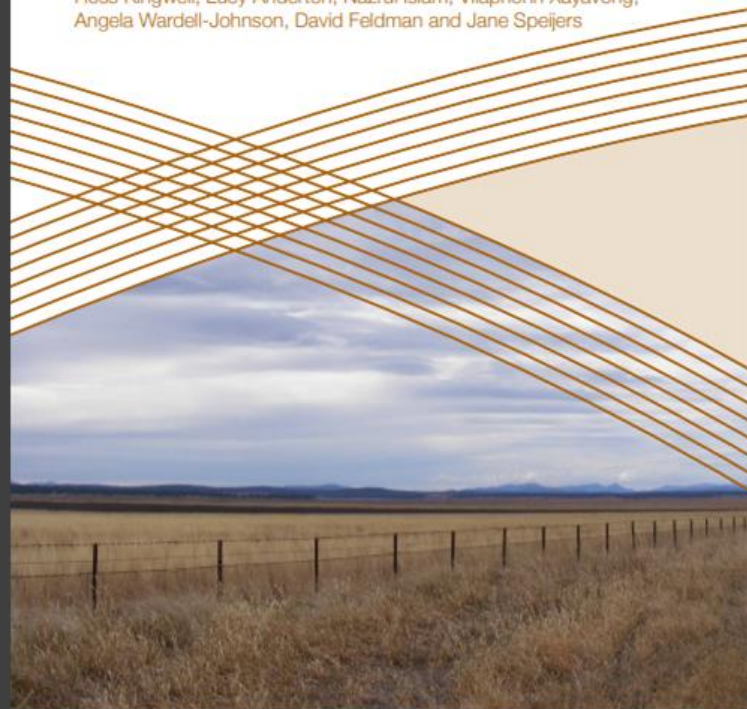
Western Australia, Australia · [Contact info](#)



## Broadacre farmers adapting to a changing climate

Final Report

Ross Kingwell, Lucy Anderton, Nazrul Islam, Vilaphonh Xayavong, Angela Wardell-Johnson, David Feldman and Jane Speijers



‘Sophisticated thinking and simple figuring is the rule’.

Bill Malcolm, Uni of Melb



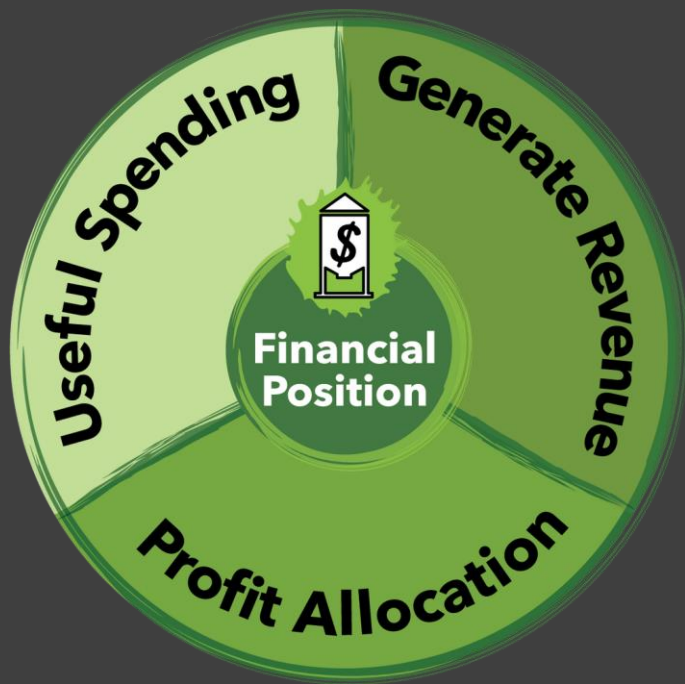
*“A few figurings”*

# Moneyball your business

“In a game where  
you are wrong a lot,  
we wanted to be  
wrong less often”  
Paul De Podesta







**Your Revenue**

Production matters more

Prioritise yield

Reframe grain marketing

**Your Useful Spending**

Attitude

Awareness

Action

**Your Robust Business and regret-free Reward**

Regret free

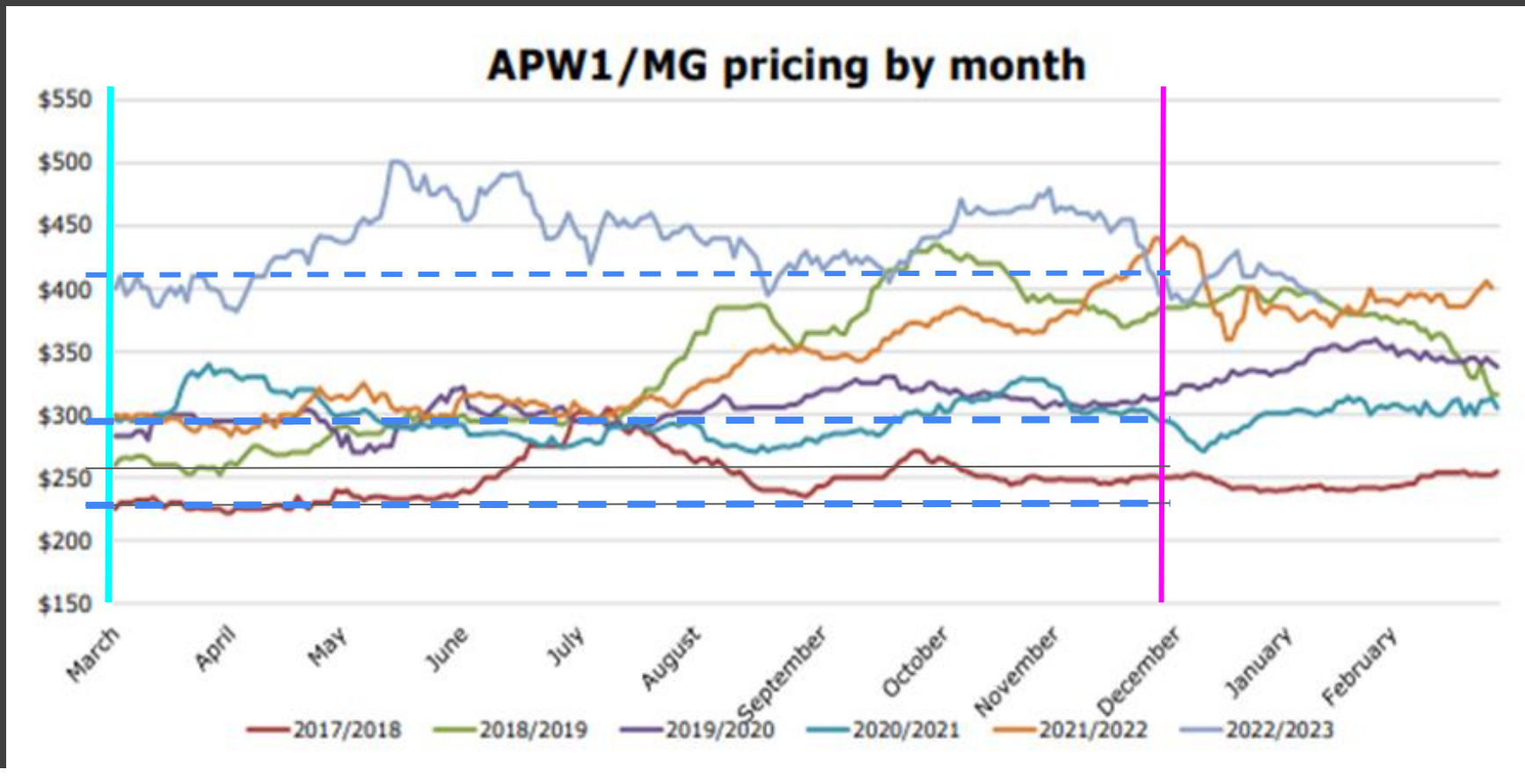
Robust

Reward generating

Moneyball your farm to be less wrong more often

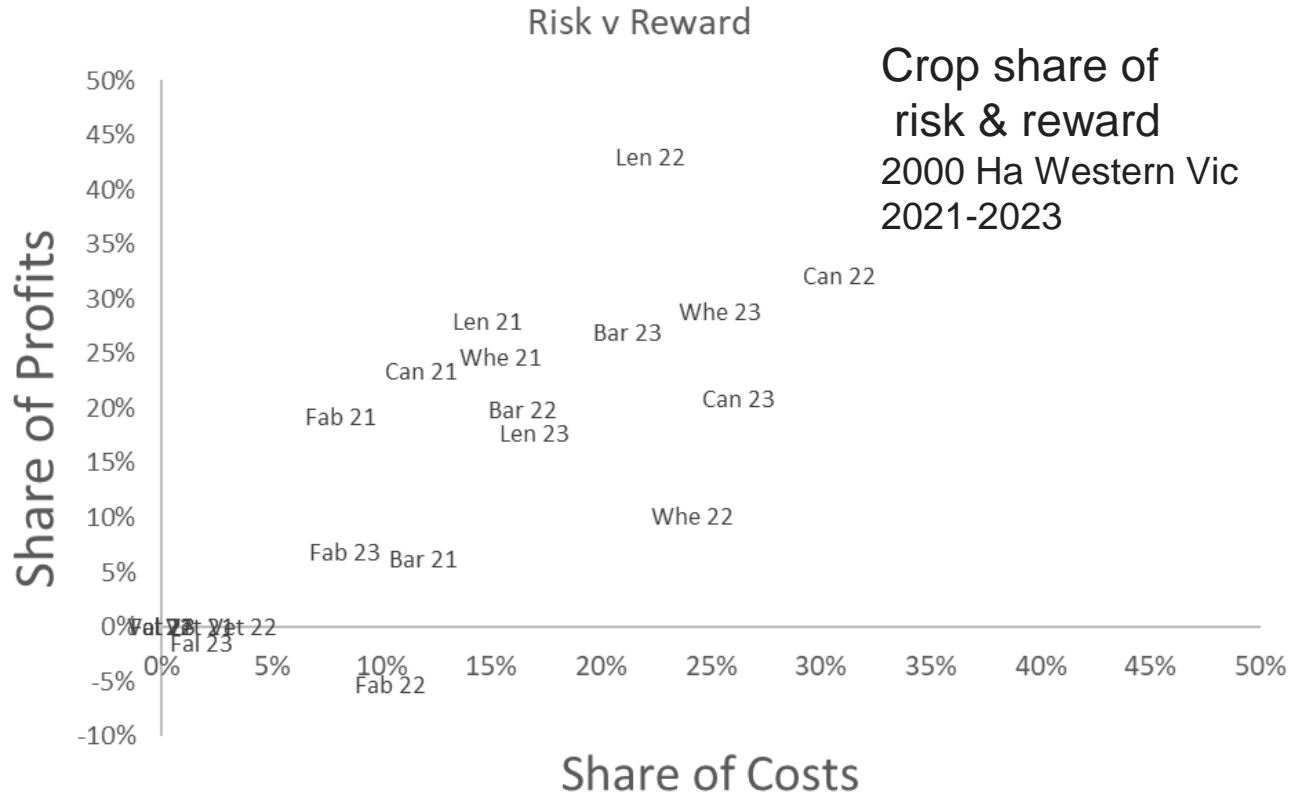


## Avoid reacting with rotation changes: March pricing is not a reliable indicator



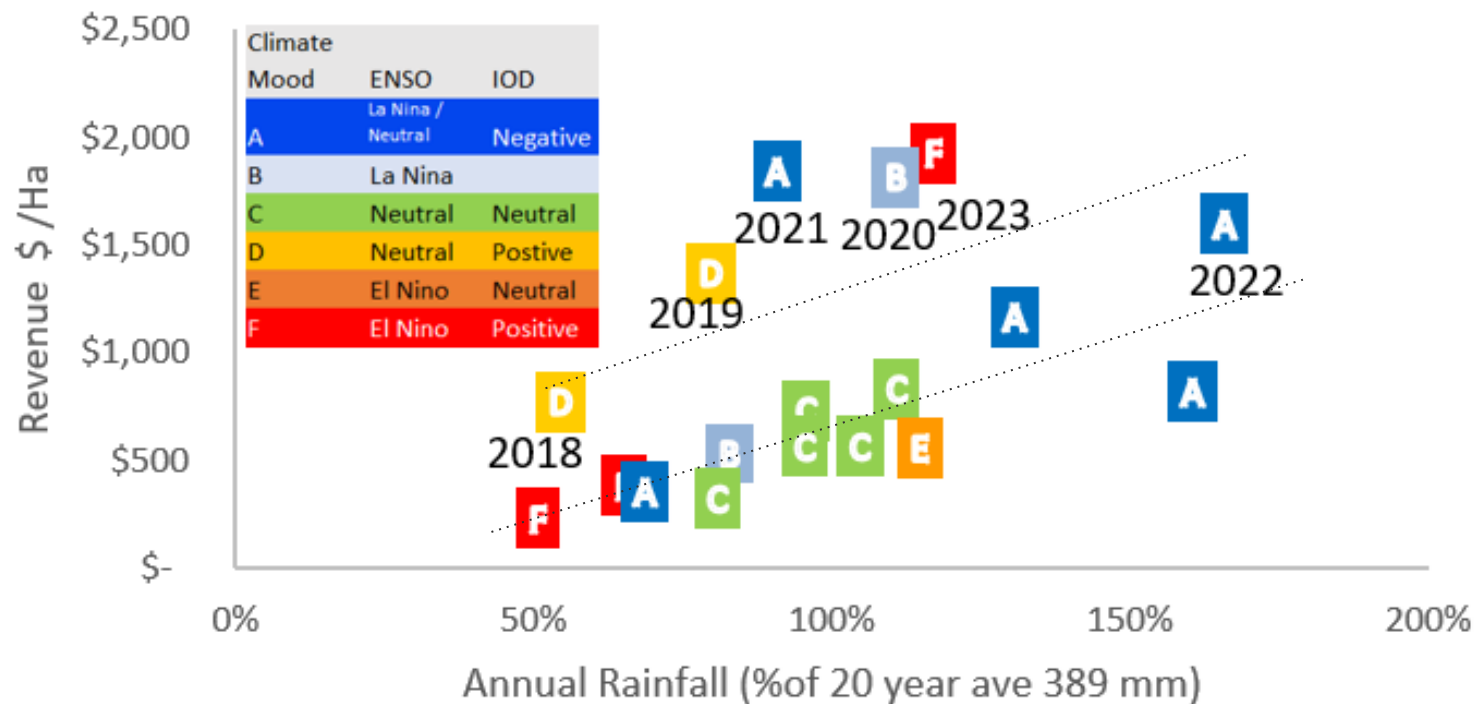
Wheat pricing for Outer Harbour for the past 6 seasons. The light blue line represents the 2022/23 marketing season. Source: Grain Advisors

# Whole of farm analysis



## Wimmera Casestudy

### Climate moods rainfall and revenue



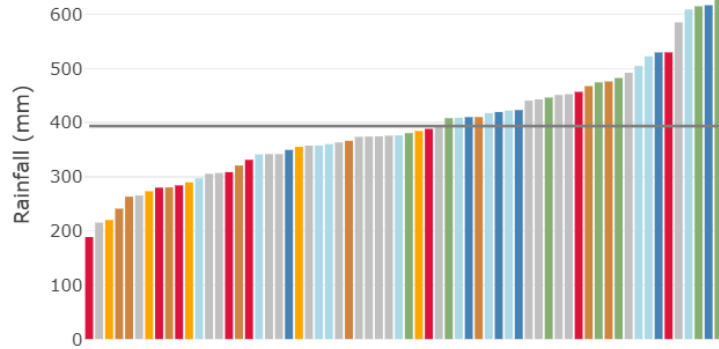


Climate		
Mood	ENSO	IOD
A	La Nina / Neutral	Negative
B	La Nina	
C	Neutral	Neutral
D	Neutral	Positive
E	El Nino	Neutral
F	El Nino	Positive



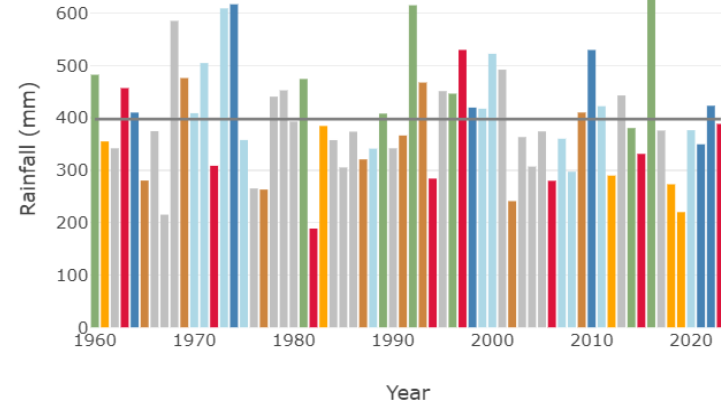
## Snowtown

Jan-Dec rainfall record and climate phases since 1960 for Snowtown ordered driest to wettest



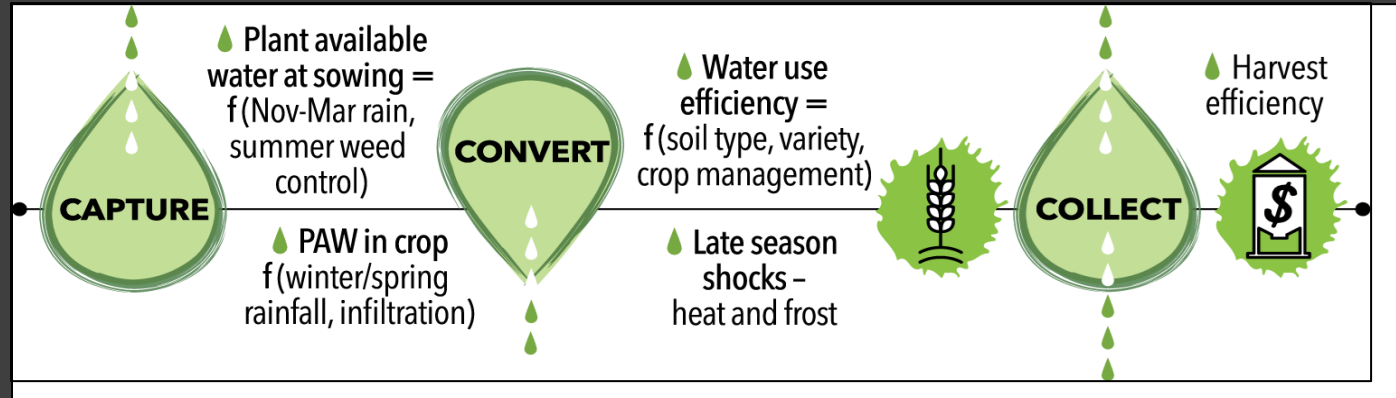
## Snowtown

Annual rainfall record and climate phases since 1960 for Snowtown



# A Few Futures

There is too much at stake not to get a better handle on yield potential, so discipline is vital. Be brave and stick to the process

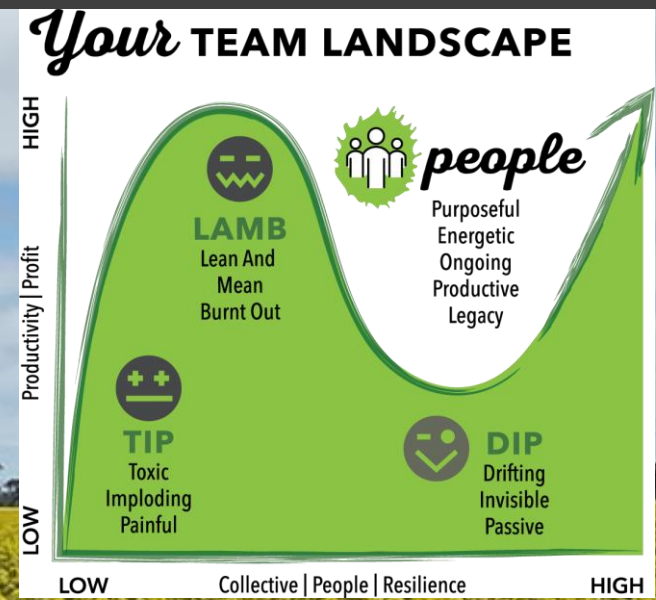






# Kindness

Financial  
Management is a  
team sport



# Kindness

Required response to uncertainty for good business outcomes

Decisions driven by

- logic

Assisted by:

- healthy habits
- rest and sleep
- facts (good information)
- self awareness
- emotional management

**RATIONAL  
BRAIN**



**LIMBIC  
SYSTEM**

Natural response to uncertainty

Decisions driven by

- emotion
- anxiety
- fear

Compounded by

- stress
- lack of sleep
- unhealthy habits
- bias
- assumptions

Uncertainty makes your brain yield control to the limbic system.  
You must engage your rational “brain” to keep yourself on track.

Source: Bradberry  
2016



# Kindness

Starts with Self awareness



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## Exploring the Impact of Emotional Intelligence on Family Farm Member Conflict Experiences

by  Emily A. Paskewitz  

School of Communication Studies, College of Communication & Information, University of Tennessee Knoxville,  
Knoxville, TN 37996, USA

*Sustainability* **2021**, *13*(15), 8486; <https://doi.org/10.3390/su13158486>

Submission received: 11 June 2021 / Revised: 23 July 2021 / Accepted: 26 July 2021 /  
Published: 29 July 2021

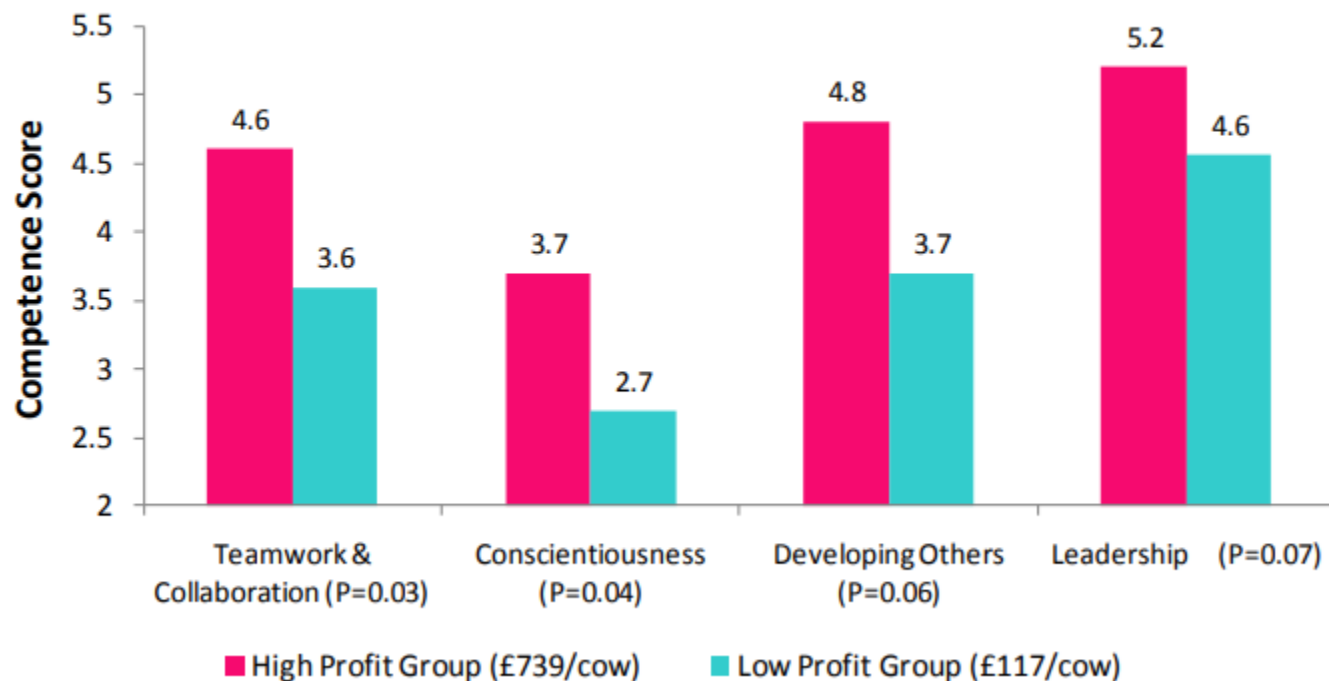
(This article belongs to the Special Issue Emotional Communication, Organizations, and Sustainability)

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Figure 3: Results high vs. low performing farms



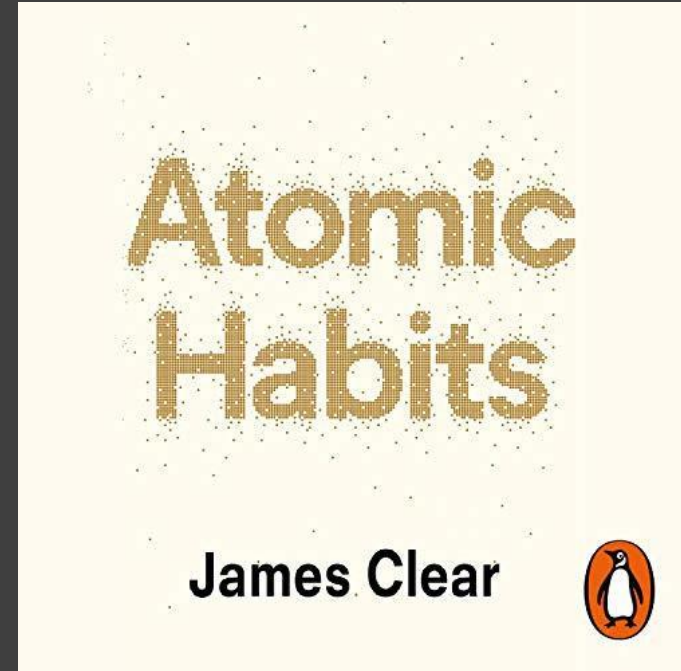
THE RELEVANCE OF LEADER PERSONALITY IN RELATION TO FARM BUSINESS PERFORMANCE Report prepared by Promar International on behalf of AHDB Dairy 2016



# Kindness

## Implement with intent

What tiny change will you make?



# Financial Management HACKS

Hope from history is about maintaining perspective

Acceptance is about being comfortable with variability

Committment is about prioritising the work of financial management

Kindness is about self awareness and relationships



# CROPS *people* MONEY & You

THE ART OF  
EXCELLENT FARMING  
*(and Better Returns)*

DR KATE BURKE



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## Excellent Farming Grounded Thinking

Think Agri  
Agri Expertise

