



EMPLOYEE ENGAGEMENT

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A good manager communicates with people and listens. All of the human resource structures that we see in large companies may sound onerous, but they are there for a reason. Appraisals and feedback sessions are there in order for an employer to listen to employees and engage with their team. As a business owner, you might not feel you have the time to stop and talk to your staff, but being patient and making time for this will pay off for your business in the long run and establish you as an employer of choice.

Finding ways to motivate your staff is also crucial and this may not necessarily only be about money. People are motivated by different things, including the sense of satisfaction in a job well done, receiving praise, having their preferred time off, the offer of accommodation for their family or career progression.

Employee engagement is about having staff who are committed to and enthusiastic about their jobs and the business. Engaged employees believe that their contribution makes a difference and will invest extra time and effort into making the business a success. As a result of this they are more productive, less likely to have accidents and more likely to stay with their employer long term, making engaged employees really beneficial assets to any farming business.

How can I engage my employees?

Consider and understand the following key 'drivers' of employee engagement:

- Clear expectations about job roles and responsibilities
- Opportunities for career progression and the ability to grow and develop as an individual within your business
- Regular feedback and dialogue from management.
- Effective communication about 'what's going on' within the business
- Believing in the business that they work in

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- Recognition and reward for good work, especially when going above and beyond expectation
- Interesting and meaningful work
- Autonomy and the ability to make decisions about their own work
- Effective leadership from management

Where do I start?

- **Introduce weekly farm staff meetings.** Meetings are very helpful for communicating important information, seeking employees' ideas and fostering a positive team culture. Use a whiteboard as a meeting tool to record farm information, such as milk quality and cell counts and reflect on these as a team.

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- **Review your rota system.** How many hours are people working in an average week? How many days off do they have? Talk to staff about how the rota works for them and how they feel about their work-life balance.
- **Introduce a performance management system by carrying out appraisals with your team.** Ensure that employees have a clear understanding of what they are expected to do and the skills, knowledge and support needed to achieve these expectations. The most successful systems are simple ones – ongoing coaching and mentoring, frequent 10-minute chats, monthly catch-ups and formal review meetings once or twice a year.
- **Invest in training and development.** Coaching, mentoring and on-the-job training are some of the most effective methods of developing your people. Take the time to share your experiences and insights. Match new staff with another member of the team as part of their induction and encourage all employees to attend local farm discussion groups. Budget for external courses and formal qualifications, they are well

worth it in terms of staff productivity and retention.

- **Involve your staff in the business.** Ask their opinions, listen to their ideas. Their participation is essential for creating a positive workplace culture.
- **Recognise and reward staff for a job well done.** Make a special effort to reward those who go the extra mile.
- **Consider how jobs can be made more interesting.** Daily tasks on the farm are not always interesting or exciting. Try to provide as much variety as possible e.g. rotating jobs. Give people freedom to organise their own workload and tasks, this will empower teams and individuals.

Kite is running a series of courses for clients looking at Effective People Management which are being planned for 2019.

Please contact the Kite office for more details or to register your interest for a future course.

LOUISE HARTLEY SCHOLARSHIP SELECTION DAY



Kite Consultant, Paul Fox, is the trip organiser for the NZ study tour

We are delighted to be involved with the Louise Hartley Scholarship Fund 2018, which has recently announced the ten scholarship winners who will attend a three-week study tour in New Zealand, led by Kite Consultant Paul Fox, together with Ben Hartley, Louise's brother. As well as being involved in the organisation of the tour sponsored by JCB, Kite has helped to manage the recruitment process, with the Hartley family having the final decision on who will be going.

Trip organiser Paul Fox said: "We had over 170 applications and it was a challenging recruitment process culminating with a group interview for 20 people at the JCB headquarters at Rocester in July. I am organising the study tour through my contacts in NZ and we are being supported by other organisations including New Zealand Trade & Enterprise, the New Zealand Consulate, RABDF, ForFarmers and Tesco/Arla. We have also been getting some fantastic help from the New Zealanders who are really pulling the stops out to make this tour special."

The group will spend three weeks in New Zealand next February, learning about how the country has become a global leader and innovator in agriculture under a non-subsidy system. Travelling across the country, they will visit a variety of businesses in the farming sector including processors, farms, financial institutions and universities. Whilst abroad they will also be sharing their experiences via a series of blogs, vlogs and social media content through Farmer's Guardian.

The Scholarship winners are Rachel Beasley (Shropshire), Tom Dracup (Devon), Gregory Edwards (Devon), Emma Nelson (Northern Ireland), Olivia Nicholson (Staffordshire), Laura Teasdale (Cumbria), Charlie Thompson (Northamptonshire), Sam Trick (Lancashire), Grant Walker (Dumfries), and Robert Walker (Lancashire).

TESTING SILAGE WITH DRIED & GROUND NIR

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This year's weather has left many with lower than usual stocks of forage, so balancing diets correctly to avoid over and under feeding energy and protein is more important than ever. To achieve this it is vital to have a silage analysis that is as accurate as it can be. But beware, not all silage analyses are equal!

The table below shows the variation in results seen between silage testing laboratories with grass from the same clamp.

Firstly, it is key to get a representative sample – poor sampling is one of the biggest contributors to errors in the silage analysis. Secondly, as advisors, it is important for us to consider which analysis methods to use. Wet chemistry was the preferred method for previous generations, but it is much slower and more expensive than the NIR options now available. Near-infrared resonance spectroscopy (NIR) uses near-infrared light to predict what samples may contain in terms of dry matter, crude protein, organic matter digestibility etc.

Conventionally in the UK we would use a wet NIR method. However, there is now an alternative dry NIR process available. Here, a sample is dried and then ground to a fine powder. This generates a very homogenous material which is more representative of the whole sample. This is then placed in a rotating jar on an NIR machine and scanned around 500 times. In contrast, a fresh sample is normally only scanned a couple of times. As the moisture is removed during drying, the dry NIR instrument can 'see' and read far more detail in the spectra used to predict the analysis (like the difference between driving a car on a clear or foggy day). The process takes a little more time, but the outcome is a much more accurate set of results.

It is important to remember that NIR's predictive ability is still only as good as the size and quality of the original data used to calibrate it. If 100 grass silage samples of a known analysis are scanned by an NIR instrument, minute differences between different wavelengths on the spectrums can be used to calibrate the instrument to estimate the chemical makeup of a test silage sample. This is how NIR machines can be trained to predict what is present.

Until now, the UK has only had ready access to grass, maize and a general whole crop silage database, each often containing only a few hundred samples. In contrast, the provider of this new dry NIR service, Eurofins Agro, maintains a much wider family of NIR data sets containing thousands of samples, allowing the dry NIR to be used not only on silages, but also on straights, compound feeds and total mixed rations. The data sets used are constantly updated with conventional chemical analysis to reflect the changing character of the feed being scanned. As a consequence of the database size it can use the concept of a local calibration, in which the 400 "nearest neighbours" to the sample being scanned are used to create a calibration specific to that sample. This removes the "averaging" effect often observed when using a global calibration, in which all samples in a database are used to create an NIR prediction. This again increases the accuracy of the analysis, our understanding of how the feed will perform and how diets can be balanced with greater confidence.

For more information on this service, please speak to your Kite consultant.

Summary of silage analysis results from five different companies, taken from the same clamp of 2015 second cut silage

	Company A	Company B	Company C	Company D	Company E	Range in results
Dry matter, %	35	38.5	40.6	31.3	32	32-40.6
ME, MJ/kg DM	10.6	9.1	10.8	11.2	10.3	9.1-11.2
D-Value, %	66	57	67	70	64	57-70
Crude protein, % DM	12.3	12.8	17.8	15	14.2	12.3-17.8
Neutral detergent fibre, % DM	48.3	54.0	46.4	50.1	50.6	46.4-50.6

INTRODUCING NIAL O'BOYLE

We are delighted to welcome Nial O'Boyle, who has recently joined the Kite team as a subcontractor.

Nial qualified as a veterinarian in 2001 from the University of Liverpool. After a few years in farm practice on the Welsh borders and in Cheshire he spent a year in the USA completing a Large Dairy Management Internship. Following a spell in New Zealand and another couple of years in Cheshire he returned to the USA for 10 years working for the same group of family-owned dairies.



The group owned several large commercial operations with both Holstein and Jersey herds around the Midwest, mainly Michigan, Indiana and Ohio. They raised their own beef cross and bull calves. Nial's initial role was as a herd veterinarian, but later undertook management and advisory roles with the herds and feedlots. He also helped with expansions and start-up projects within the group. During his initial years he completed a Masters, part-time, in Bovine Immunology and Nutrition with Michigan State University.

In 2012 he moved to help establish three herds and satellite feedlots in Iowa and across the border in South Dakota. After completing an MBA in the UK and one last stint to help set-up a 24-box robotic dairy in Michigan, Nial returned to the UK in May 2018 and he and his family have settled in Lincolnshire.

"My experience in the US has given me a lot of exposure to all areas of dairy management, but in particular staff management and improvement of herd genetics; both challenges in the US that are relevant in the UK," explains Nial. "With Iowa's low unemployment rate there was a lot of emphasis on staff training and development, along with promoting automation where possible. Here, there was a big focus on improving staff facilities and training, whilst implementing automation such as post-dipping robots into rotaries, robotic feed pushers, and manure vacuuming equipment. The group I worked for also embarked on a large genomic testing and IVF embryo programme. With the use

of sexed and beef semen, we minimised the low opportunity costs of dairy bull calves, whilst creating markets for the beef crosses. Genomic testing enabled us to strategically use these technologies to improve the herds' genetic potential. The recent IVF embryo programme has increased this genetic progress, whereby embryos are placed in lower genetic merit animals."

Nial is keen to apply his US experience to advance the UK dairy industry, do contact the Kite office to be put in touch.



AgriScot
Your Farm Business Event

Kite will be hosting a seminar on the outlook, opportunities and obstacles for Scottish dairy farmers at this year's Agriscot. The seminar will be presented by David Keiley, Kite Consulting's Scotland-based senior consultant together with Chris Walkland, an independent dairy market analyst and journalist. They will present an overview of the current market situation, prospects for the next few months and immediate practical challenges facing Scottish dairy farmers. They will also assess what might lie ahead for dairy farming in Scotland

over the medium term from an economic and technical perspective. Please join us in Seminar Room 2 between 1.00 - 1.45pm.

Kite is pleased to be supporting Agriscot 2018 and invites you to join the team for refreshments in the hospitality suite in the upper foyer of the Highland Hall between 9-11.30am. Also, why not pop along after the seminar for tea and scones served between 2-4.30pm? We look forward to seeing you there.

FARMERS AND CLOUD ACCOUNTING

By Lisa Oliver, Associate Director and Kate Edgington, Associate Manager at Hazlewoods LLP



In the last couple of years there has been a rapid increase in the popularity of cloud-based software, mainly due to the advantages it can offer to all businesses. These being time efficiency, accessibility, security and the ability to utilise real time information.

The advantages of using cloud-based software:

Cost - upfront costs are reduced. There is no initial start-up cost, but instead a monthly subscription. As accountancy and taxation rules and regulations change, the software will be automatically updated at no additional cost.

Access - just having one computer, with only one user being able to access the information will be a thing of the past. Multiple users can access the information from smart phones and tablets, which will allow you to be connected to all your financial affairs at any time.

Time - bank transactions can be fed into the system daily, so this frees up time that would have previously been spent entering each transaction.

Real time information - a major disadvantage of traditional software is that key advisors do not have access to the most up to date financial information that could be used to advise businesses and add real value. The Cloud means information can be completely up to date and gives farmers the ability to concentrate on other aspects of the business, without feeling tied to the farm office.

Relationships with professionals - your accountant will be able to access the data throughout the year, advise on how to record transactions and also enter the year end journals in to the software directly, ensuring all data is up to date and relevant. With up to date, meaningful financial information, key business decisions can be made on an informed timely basis. This changes accountant/client relationships from being purely based on compliance and allows better collaboration with other professional advisers.

Making VAT Digital

From 1 April 2019, all VAT registered businesses with a taxable turnover above the VAT registration threshold will be required to maintain digital records as part of HM Revenue and Customs (HMRC's) push towards Making Tax Digital (MTD).

This will mean virtually all farming businesses will have to keep digital records and use Making Vat Digital compliant software to record income and expenses and submit their VAT return.

It is estimated that around 20-30% of farming businesses will not automatically be compliant for MVD. If you are unsure whether you are compliant for MVD or want to explore a cloud-based accountancy package, do speak to your accountant to ensure you are ready for 1 April.



Xero

There are many accounting packages out there for farming businesses and choosing which is most appropriate will depend on your business and what you want from your software. Here at Hazlewoods, we are seeing many farmers choosing Xero as their preferred cloud option as it is incredibly user friendly and does not tie users down to only working from the farm office. For example, Xero has an app that enables the quick uploading of invoices whilst out and about and it also allows you to reconcile the bank from your smart phone.

Daily bank feeds also ensure that real time information is available and this is where the added value comes in. Professionals you work with can access this data and it ensures decisions are made using meaningful financial information. Profit forecasts can be prepared prior to the year end to determine the timing of sales and capital expenditure and this will enable tax calculations for the next tax year to ensure accurate cash flow planning.

Moving from a manual or excel cashbook to Xero genuinely requires very little effort and, with no hefty up front costs, really is a cost effective solution for many farms.

Kate Edgington says: "One farming client recently moved across to Xero from a manual cashbook. Whilst apprehensive to begin with, they are really seeing the benefits of the automatic bank feed, making bank reconciliations easy and efficient. It also means that Hazlewoods have access to the real time information so

are able to deal with any data entry queries as they arise.



The year-end accounts then require minimal adjustments and the year-end meeting is now focused on looking forward rather than discussing historical information."

Don't forget, the Kite team of Xero certified advisors can come to you and help set up the programme for your farm.

What is more, we have developed a template of accounting headings and codes that better suit farming businesses. Not only does this make benchmarking easier and quicker, but for dairy farms this allows pence-per-litre costs to be calculated on an ongoing basis as well as other bespoke reporting.

We can also offer remote set up to those already familiar with the Xero system or those that have attended a workshop. For more information, please speak to your consultant or contact the Kite office.

DAIRY FARMING WITH TECHNOLOGY

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Many dairy farmers have embraced technology over the last decade and today we have all manner of new technologies in which we could invest hard-earned capital, but which systems deserve a look?

In terms of 'cow side' technology, undoubtedly some of the best systems in terms of return on capital are those that determine oestrus. Here, the technology leads to improvements in both fertility and health performance and ultimately reduce veterinary input costs.

The improvement in health comes from early diagnosis of the onset of a number of disease issues (metabolic and other), allowing more rapid treatment and thus quicker recovery rates. They will also (with rumination monitoring and in some cases temperature monitoring) allow staff to monitor recovery post-treatment.

The fertility improvements come from better heat detection accuracy (24 hr monitoring of activity), so submission rates improve. This in turn leads to fewer 'non-seen bullers' in front of the veterinary surgeon, as they are likely to be cycling and will have been served. Better heat detection also improves conception rate (due to more accurate timing of AI in relation to onset of heat), and the diagnosis of abortions or follicular cysts (due to non-activity or regular heat activity).

Some systems will also provide a 'calving stress alert' and other health alerts to draw staff attention to cows in labour or cows that are lame or otherwise in 'health distress'.

So do these systems work in practice, and which systems are working best?

In conjunction with our clients, Kite has been monitoring and evaluating systems used on farms throughout the UK. While there is a whole plethora of systems out there for people to use, two in particular at present have drawn our eye.

CowManager (WWS)

Alex Dann has installed this ear-tag based system on his 400 head Holstein herd based in Norfolk. The benefit of this system is the addition of temperature readings which compare to the herd average. Again, the system monitors rumination, activity and health parameters. Although in its early stages on farm, CowManager is already showing its potential in terms of oestrus detection and cow health recovery post-treatment.



SCR Sensetime (Fabdec)

James Lywood, who milks 200 high yielding Holstein cows in West Sussex, installed the neck collar system around three months ago and has already seen some significant results:

"I worked on a spring calving system on my university placement where fertility was very important and when I came back home from university I quickly worked out that fertility needed to be improved. After much research, together with advice from Ben and my vet, we opted for the SenseTime system, taking advantage of the productivity grants available to part-fund the investment. The collared system picks up heat, but also monitors rumination and health and we felt that this combination of information would provide us with some useful data. The heat detection works particularly well. While we still observe the cows for heat at least four times per day, the technology means we don't miss the 'silent' heats and as a result we have moved from 55% submission rates to around 90%. The system also tells us what time to serve which, now I am doing DIY AI, allows us to serve cows more accurately and conception rates have increased from 30% to 40% as a consequence. It is noticeable that we have fewer non-bullers in front of the vet at routine visits now and have also reduced spend on synchronisation and hormone treatment so we are saving cost both on vet time and on treatments."

"Health-wise the system alerts me to a cow that may have mastitis and it regularly picks up cases earlier than I would have picked it up in the parlour - it has also highlighted cases of ketosis, LDAs and even lameness. It is just putting us one step ahead. The collars also send pre-calving alerts which are useful if you are off farm, but often they go off a bit late and sometimes the cow has already calved. The software is easy to use and I can access it on my phone and in the farm office. Apart from the upfront cost of the collars, the only ongoing cost is the wi-fi we had to install in the farm office, but this obviously won't be applicable to everyone. We're only three months into using this system but already it seems to be making a real impact."



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