

## **Summary - Case Study 1: IOTA Family.**

### ***Business continuing***

***“We weren’t going to live like peasants”.***

Fred and Sue Iota have built a dynamic business. Fred is the fourth generation of his family to own and operate the home farm. Their three children all had post-secondary education and will be able to make a contribution to the business. Two, who are now young adults, work in the business, where the eldest has a high level of responsibility in the business. The Iota family has a long, well-handled history of succession and passing responsibility to the next generation.

Over a thirty year period the Iota family has built the business in the high rainfall zone from 500 hectares (ha) to 2,300ha. The major enterprise is a bull breeding, and the business runs in excess of 30,000 DSE's.

There are ten attributes which have enabled Fred and Sue to build a successful business:

- 1 Work as a couple and be prepared to ‘have a go’:** They developed a common interest, were determined that they would not ‘live like peasants’ and that they would need to grow the business to allow their children to follow them.
- 2 Become highly skilled:** They honed their individual skills to ensure that between them they understood their business, their cattle herd, genetic improvement and the industry.
- 3 Have a compatible attitude to debt:** That is not to say that they always agree about the debt level, but in general terms they do.
- 4 They are prepared to things differently:** This includes almost every aspect of the business model, management, sale preparation and presentation and advice to clients.
- 5 Focus on the customer:** While many of their competitors produce the sale animals that they want to produce, Fred and Sue continually try and look beyond the day to day, and work with their clients to meet expectations.
- 6 Seek external advice:** They attribute much of the success of the business to the external advisors they have retained. Sometimes they have ‘outgrown’ individual advisors, but they have always maintained a cordial relationship.
- 7 Allow the business to grow at its own pace:** In reality, that means when they have more stock that they can carry, they find more land through rent, agistment, lease or purchase and allow the herd to grow. At the same time they keep a close eye on the balance sheet, cash flow, profit and loss, and equity.
- 8 Employ the right people in the right positions:** The staff are as stable as the continual growth allows. Individual employees are given a high level of responsibility and delegated authority.
- 9 Bring family members into the business:** That has already happened, with two of their three children now working in the business on a full time basis. The elder of the two now holds a senior position in the management team.

**10 Treat land as the basis. Keep the capital together:** This is fundamentally important to Fred and Sue. As Sus says ‘the cattle make the money but we couldn’t run the cattle if we didn’t have the land.’

The really important lessons from the Iota family are that they work hard, are prepared to ‘have a go’ and use the best technologies and advice they can find.