

The role of computer software in budgeting and goal setting of farmer clients

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A computer can't do anything you can't do by hand. Because of this, many farmers (and others) find it difficult to perceive how owning a computer could change the way they farm. Most potential clients do not believe they will have more money in their pockets at the end of the day because of owning a computer. There is the perception that computers are useful to do the GST and save some money at the accountants but otherwise they are expensive and time consuming. With the right software computers are able to do the task more quickly.

The number of computers in use nationally is difficult to determine. A survey by the Kellogg farm management unit indicated 8.4%. In the Wairarapa we have 11.6% of farmers using our software on their PCs.

At Computer Concepts we have always focused our financial software on budgeting and on farm business management. This process is simply a matter of knowing where you are today, and from that position projecting (budgeting) into the future. It sounds so simple. In farming the production and prices are always changing. Each week the budget is old, it halves in value. All budgets need to be constantly updated. This means that most farmers are very **sceptical** of the usefulness of a budget.

Historically budgets were only necessary for farm purchase, re-finance and once a year to keep the bank manager happy. The budget was difficult to prepare and useless a week later. This was because of changes in management, season, general refinement of ideas and movement in prices. As much effort was put into balancing the numbers as what the numbers were saying and how they were made up.

Using a computer the budget can be easily kept updated. If there is any doubt about the financial result for the year most clients will pass it through the budget first. If they do not like the bottom line result, then what are they going to change? Most will look at other management options to **maximise** their profit.

This process gives the farmer the confidence that the budget has an achievable plan for the year. The farmer's attitude changes and so does the management of the farm. Most will explore different management options and do everything possible to meet their budgeted goals. Most revise their goals only as a last

resort, usually due to more extreme climatic or financial swings than expected.

The computer has become another farm tool to be used in the planning and management of the farm.

Keys to changing attitude

What are some of the factors that trigger the uptake of computer and other technology?

Innovation

There are probably between 5 and 10% of farmers that are innovators and will give something a go if the systems look workable. This group includes enthusiasts and gadget-orientated farmers. They often act as a proving ground and test bed for the remainder of the industry.

Economic pressure

Computerisation of the financial records helps in the financial management of a farm. We expect our clients to make a profitable investment in computers and our software.

Instant satisfaction

After purchase there must be clear and continuous pleasure and satisfaction with the new technology. If that is not there then interest and enthusiasm will lag and the software and hardware will not be upgraded.

The software

The software must be, first, easy to use and, second, be technically correct and complete. It must work for the clients to achieve their aims, not the desires of off-farm professionals.

Peer pressure

"All the neighbours are doing it so it must be good". When a technology reaches critical mass it becomes self sustaining. I would suggest that this happened with the electric fence in about 1980.

Organisation

The computer is often a catalyst to better **organisation** and routine in office and business management. By their nature, computers impose a discipline that flows into other areas.

Confidence

If the farmer is not confident about the projected outcome of a plan, the plan will be largely ignored.

The key to all changes is motivation, whether economic, personal satisfaction or others. The key to maintaining that change in management is personal satisfaction and long-term profitability.

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