

## Mind Your Own Business

### Selecting a Management System is a Major Business Decision

Operating a successful horse business is a challenging undertaking by any measure. Not only are the days long and the work hard, but the ever increasing cost in an unpredictable market only adds to the difficulty and risk.

One of the most important initial business decisions you will make is which horse business management system do you need to help you manage your business? *And yes, you do need one!* There is just too much at stake to try and manage your business using scraps of paper and or depend on your memory. You need a horse business management system that not only helps you manage your business and provides you with the accounting records you need for your taxes and your banker, but also helps you measure it by providing you with intelligent reports so you can make good business decisions.

Unfortunately, there are many products advertised as horse business management that only keep records. By definition, recordkeeping records an activity or task. There is no mention of management in a recordkeeping definition. If you select a recordkeeping system you will need to purchase additional software or use Microsoft Excel to measure your business. You will also need to purchase accounting software to record your financial transactions.

There are many advantages to using a business management system that cannot be achieved using a recordkeeping system.

- A recordkeeping system does not connect your financials, horse care, business operations and customers. A management system makes those connections and enables you to track, manage and measure their interactions.
- When using a recordkeeping system you incur the cost of additional software – and potentially the cost of additional staff. An accounting program alone can cost you more than \$200. Accounting programs record your financial history which is recordkeeping not management.
- A recordkeeping system requires as much time to setup as it does to setup a management system and a management system adds value that a recordkeeping system does not.

- When using a recordkeeping system with other programs your valuable time is wasted having to enter the same information multiple times. Using multiple systems increases the risk of making entry mistakes or worse, losing information.
- A recordkeeping system is no more than organized scrapes of paper and does not provide the connection and interaction of information that is necessary to measure and manage your business.
- Because a recordkeeping system doesn't connect your financials, you are subjected to the 'checkbook management' trap. Running your business out of your checkbook is a path to going out of business – unless of course, you have an infinite source of money. You might have checks, but just having checks doesn't tell you if you have the cash to meet your next payroll, and or make your next horse trailer payment, and or purchase the feed you will need in two weeks.

There are some recordkeeping systems that include invoicing, but they are still missing the financial connection. Without the financial connection you cannot easily connect an invoice and the money you receive with your business's financial demands. You are unable to easily manage and or analyze your income sources for breakeven and or ways to increase your profitability. You are unable to easily manage and or analyze your customer's receivables and any past due amounts without additional expenditure of your valuable time - *and time is money*. The true cost of using a recordkeeping system instead of a management system is not in its purchase price, it is its cost of ownership.

Believe it or not, your horse business management system has a lot to do with your business's degree of success or failure. Selecting a good horse business management system can assist you in making good business decisions. It does this by providing you with up-to-date information that is based on the connection and the interaction between your many business activities, tasks, income and expense.

***'If you can't measure it, you can't manage it'***

This isn't just a nice cliché, it is a fact! The right horse business management system will enable you to set up your business so that it can be measured, thus allowing you to manage your finances, horse care, business operations and customers and their interactions without purchasing additional software or having to enter your information more than once. You will have the information you need in intelligent reports that will assist you in making good business decisions. Getting organized is easy. You don't need a recordkeeping system to get organized, but you do need a management system to manage your business.

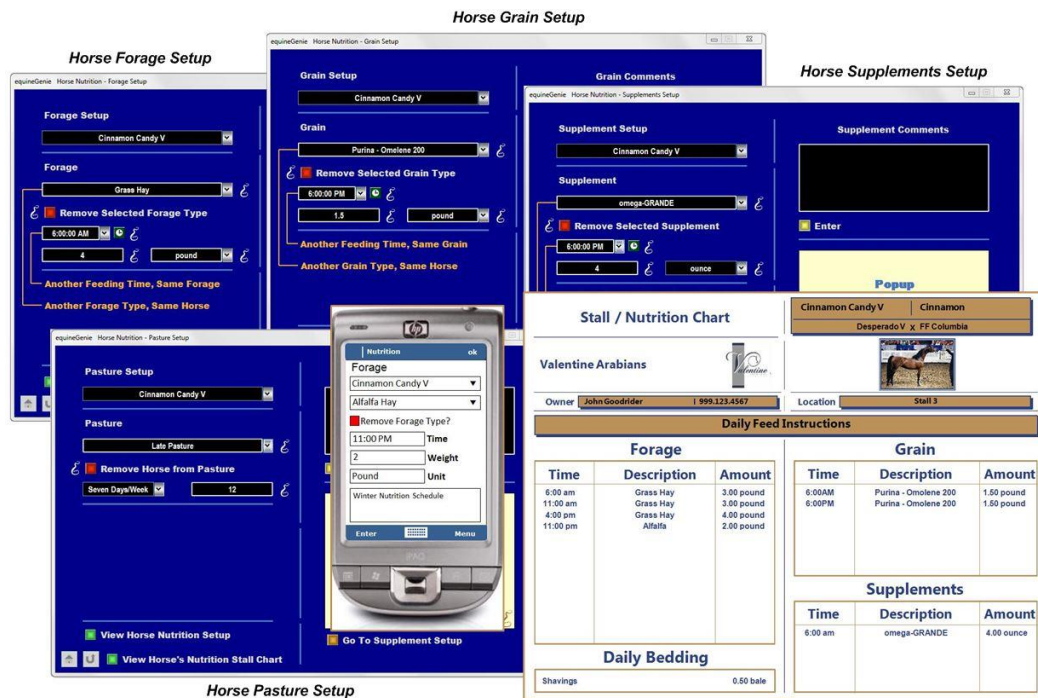
A simple management example is tracking, managing and measuring your horses' nutrition. You might be asking, why be concerned with tracking and managing my nutrition supplies? After all, I can go count my bales of hay and bags of grain – And you can, if you have nothing else to do with your valuable time. But, why not let your management system manage and track your nutrition supplies and alert you when you need to reorder while you do something to improve your business that your management system can't do.

Unfortunately, most people don't associate their supplies with their cash flow or their supplies consumption cycle and shelf life. Having the ability to make sure you always have what you need, when you need it, but never too much, not only optimizes your use of cash, but ensures that your vaccines haven't expired, or your feed hasn't lost its nutritional value, or you have enough breeding supplies when you need them.

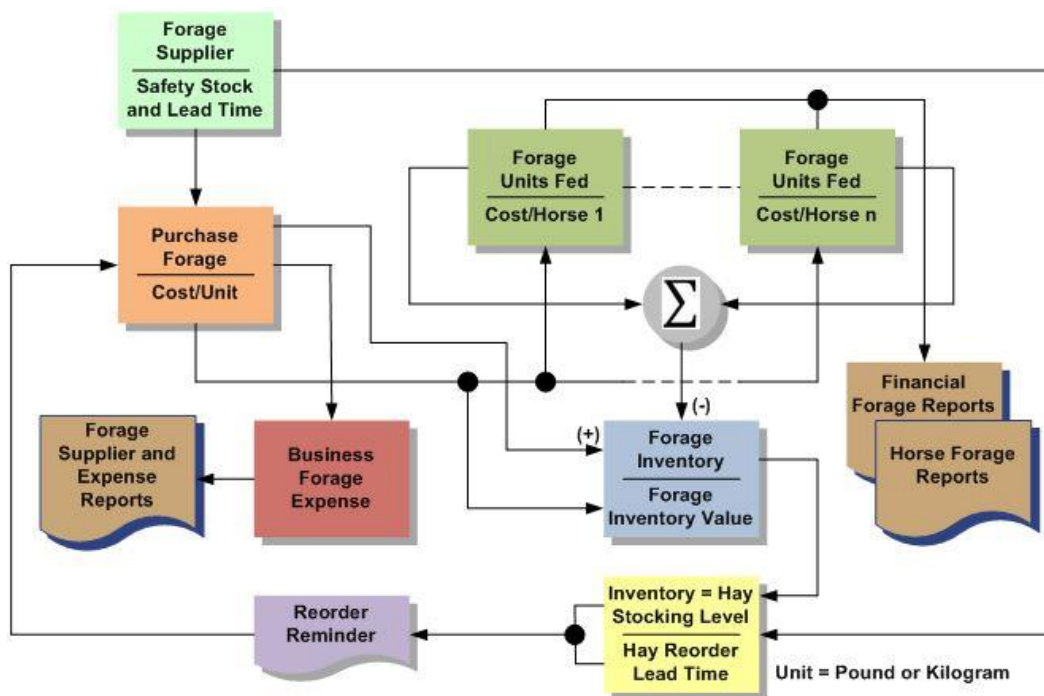
Often, it is the feeding methodology, not the feed composition, which leads to digestive disorders in horses. Tracking, managing and measuring your horse's nutrition should be taken very serious because digestive problems can result in a horse's premature death. Far too often, you hear someone say they feed their horse a couple of flakes of hay two times a day and a coffee can of grain. Under some circumstances that might be adequate, but the probability of a digestive problem is far greater than if a horse's nutrition is defined, measured and scheduled using a well thought out nutrition plan and a management system to help you execute it. The plan should be based on a horse's weight and body score, its use and discipline, where it is in its life cycle, the nutrition value of its feed and how it is stabled and cared for. It is well worth the time you will invest. Using a management system you only have to do it once and maybe tweak it a few times to get it right. An investment in a good horse business management system and less than \$75 in a good scale can help prevent a \$5,000+ colic surgery.

A horse's nutrition is so important to its health and performance it should be considered part of a horse's preventative care protocol. A good management system will provide the information you need and assist you in setting up, managing, tracking and communicating your horses' daily nutrition and feeding schedule.

### **Horse Nutrition Plan and Management**

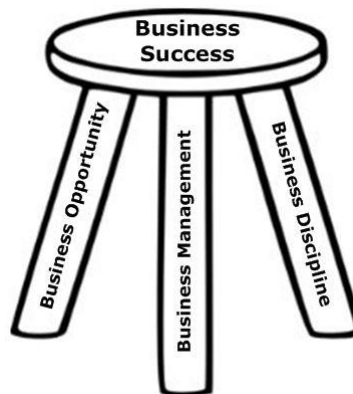


## Management System / Forage Management Illustration



However, underlying the success of any horse business and the management system you chose is your commitment to keep your system current and use the information it provides to assist you in making good business decisions. Believe me; you need a horse business management system! But, purchasing one if you do not have the 'business discipline' to keep it

current and use it is a bad business decision, and probably not the fault of the management system!



To be successful in a horse business does not require a finance education, but it does require business discipline and an understanding of what your financials are telling you. This understanding will enable you to make better business decisions. A good *Horse Business Management System* will do the calculations for you and analyze and report the results with comments or suggestions. A good *Horse Business Management System* will save you valuable time you can then use to improve your business. I encourage you to investigate how *equineGenie* not only helps you manage and care for your horses and manage your business operations and support your customers, but helps you be financially successful.

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