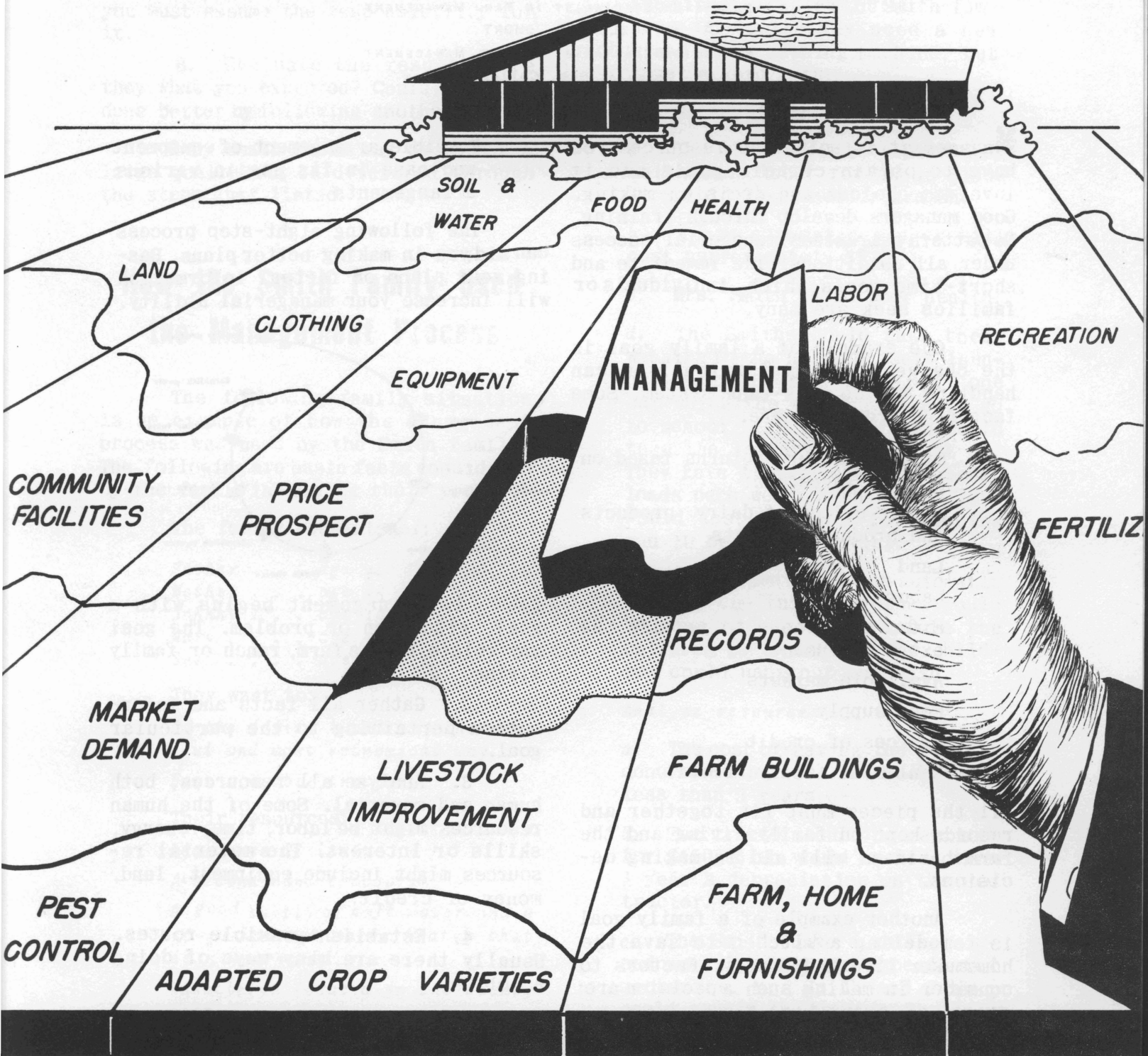


# The Management Process



# THE MANAGEMENT PROCESS

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**M**anagement is using the resources you have to obtain certain goals and it involves choices and decision-making. Good managers develop through training. No pattern guarantees managerial success under all conditions. The immediate and short-time goals which individuals or families seek are many.

One example of a family goal is the change in dairy farming from can handling to the bulk-tank system. Some factors to consider are:

Risks of future returns based on present investment

Future prices of dairy products and production costs

Land

Labor

Extra dairy cows to justify the extra equipment

Available markets

Feed supply

Sources of credit

Health of family members

All the pieces must fit together and records kept on family living and the farm business will aid in making decisions.

Another example of a family goal is remodeling a kitchen to save the homemaker time and energy. Factors to consider in making such a decision are:

Amount of money needed

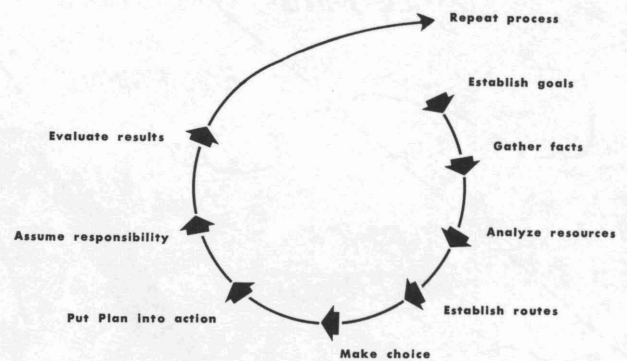
Available money or credit

Available labor

Original construction of the house and possible structural changes

Possible arrangement of equipment and ease in its use in various arrangements

The following eight-step process can aid you in making better plans. Basing your plans on factual information will increase your managerial ability.



1. Management begins with a goal, situation or problem. The goal may relate to the farm, ranch or family living.

2. Gather all facts and information pertaining to the particular goal.

3. Analyze all resources, both human and material. Some of the human resources might be labor, time, energy, skills or interest. The material resources might include equipment, land, money or credit.

4. Establish possible routes. Usually there are many ways of doing a job.

5. Make a decision or choice of possible routes.

6. Put your selected plan into action or follow through with your decision. If you fail to try to complete

the plan, the effort of planning will be fruitless.

7. Once the decision is made, you must assume the responsibility for it.

8. Evaluate the results. Are they what you expected? Could you have done better by following another route?

Many small goals may be within a large goal. Each is developed through the steps just listed.

## How the Smith Family Used the Management Process

The following family situation is an example of how the management process was used by the Smith family. The following are basic facts considered by the family in solving their problem.

The family consists of:

Father . . . age 36  
Mother . . . age 35  
Johnny . . . age 16  
Mary . . . age 12  
Sue . . . age 10

They want to:

*Do the family laundry in the easiest and most economical way.*

*Have a usable tractor.*

Their resources:

*150 acres of land.*

*A second-hand tractor.*

*A good supply of soft water and a 30-gallon hot water heater that is 5 years old.*

*Washateria located in the county seat.*

The problem:

*They cannot afford to buy both the tractor and the automatic washer.*

**What should they do?**

1. *Establish Goals.*

The situation which the Smith family faces is that they need a new tractor and a new washing machine, but they cannot afford both.

2. *Gather facts.*

a. The tractor can be repaired by using home labor for about \$150. It should last another season.

b. A new automatic washer will cost approximately \$230.

c. Mrs. Smith is in poor health.

d. The Smiths could take their washing to the help-yourself laundry, but (1) They have only one car which the children use to go to school. (2) The children could take the laundry and pick it up. They have from five to six washer loads each week. Each washer load would cost 20 cents for washing and 10 cents for drying.

e. If the Smiths had an automatic washer, one tub of clothes could be done each morning before the children go to school. The children could hang out the wash.

3. *Analyze resources.*

a. The cost of having the laundry done would pay for the machine in less than 3 years.

b. The tractor could be repaired for \$150 which would be less than 1 year's depreciation on the new tractor.

c. The Smiths have a well-equipped workshop and are experienced mechanics. Mr. Smith and Johnny could repair the tractor. The only cost involved would be the purchase of new parts.

d. The laundry taken to the washateria would cost \$1.50 to \$1.80 per week or a total of \$78 to \$93

per year. Some extra gasoline and time would be required to take the laundry by and pick it up each week. During the summer, by careful planning, the washing could be done while the weekly shopping is done.

e. The Smiths have a good supply of soft water and a 30-gallon hot water heater that is 5 years old.

4. *Establish routes.*

a. Repair tractor and buy automatic washing machine.

b. Buy the tractor and let children take laundry as they go to school and pick it up as they return in the afternoon during school term.

5. *Make a choice.*

Select the route which will best suit the needs and desires of the family. The Smiths decided to repair the tractor and buy the washing machine.

6. *Put plan into action.*

a. The Smiths bought the washing machine. The purchase plan selected

was the 90-day pay without carrying charges.

b. The necessary parts for the tractor were purchased and the tractor was repaired.

7. *Assume responsibility.*

The family assumed the responsibility for their decision which involved the risk and uncertainty of making a crop with an old tractor and sharing the duties of the laundry.

8. *Evaluate results.*

a. At the end of the year the washing machine was paid for.

b. The tractor was still in good repair.

c. Each family member assumed his share of responsibility for doing the laundry at home.

d. Fewer articles of clothing were necessary since they could wash more often.

e. The family received great satisfaction from owning the washing machine and keeping all clothing and household linens clean.