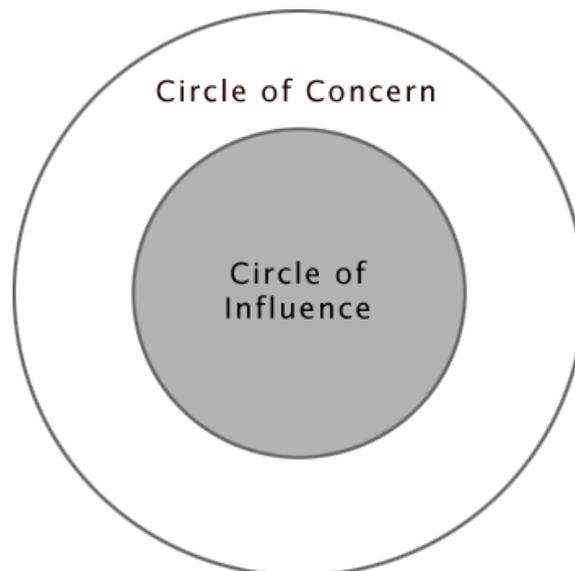


Circle of Influence versus Circle of Concern

In Steven Covey's book [The 7 Habits of Highly Effective People](#) he talks about the circle of influence versus the circle of concern.



The circles represent the two areas where you can focus your time and energy. The vast majority of people focus too much time and energy outside of their Circle of Influence, and in their Circle of Concern. Such people typically worry about things they cannot control. In a farming sense this will be such things as the weather, commodity prices, interest rates and the dollar. Preoccupying yourself with issues like that is a huge waste of time and energy.

Covey notes that highly effective people think and act primarily within their Circle of Influence. They forget about the things over which they have no control, preferring to focus their time and energy on issues where they can actually make a difference. By doing this, they gradually expand their Circle of Influence as they earn more power and respect.

Where do you spend most of your time and energy?

If all you do is sit at home each evening, shaking your head as you watch the latest news on:

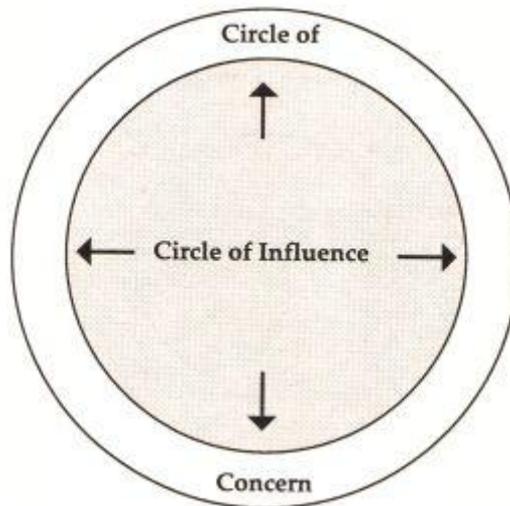
- the Global Financial Crisis,
- the impact of extreme environmental lobbyists,
- the rising value of the dollar,
- increasingly volatile commodity prices,
- the state of the NZ Cricket team,
- or the next forecasted southerly front

then you will be too scared to do anything. In this case you are firmly implanted in your circle of concern and you will have a feeling of trapped helplessness.

You have no control over any of the above. However, you can have an impact on the influence they have on your business.

That is why Southland is extensively drained, Canterbury is extensively irrigated and I've stopped worrying about the Black Caps.

So what can you do within your business to increase the size of your circle of influence?



Let me list some common things farmers worry about (Circle of Concern), followed by an example of something they could do to improve the situation (Circle of Influence): (note these are quite general as are the solutions.)

- Southerly storms – plant shelter.
- Interest rates – understand your risk profile and fix if appropriate.
- Environmental risks – identify the risk, and plan to mitigate. Fence off creeks, monitor soil moisture, use standoff pads, and get ahead of the game.
- Commodity prices – have improved clarity around your long run budgets.
- Debt levels – implement best practices for your business. Improve your management and governance skills, or get someone to help you. Monitor your cashflow and make fully informed decisions.
- The Black Caps – pretend you don't care.

Whenever you're getting worked up over something, ask yourself, "What can I do to change the impact of this on my Business?" Figure out some good ideas and act on them. If you really can't think of anything, realize that you're wasting valuable time and energy worrying about the issue. Let it go, and redirect your resources to an area where you can actually make a difference.

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