## The Human Side of the Business with Trey Patterson: Padlock Ranch

## Season 1, Episode 33

[Intro music]

**Kiernan Brandt:**

Welcome to Cattle HQ, a podcast from industry experts and progressive producers discussing cutting-edge info about the cow/calf sector to keep cattlemen and women in the know and positively affect their bottom line. [Music]

**Robin Salverson:**

Welcome to Cattle HQ, brought to you by South Dakota State University Extension. I am Robin Salverson, cow/calf field specialist based out of Lemmon and the familiar voice of Kiernan Brandt, a cow/calf field specialist in Watertown, will be my sidekick for this episode. Joining us as our guest is Dr. Trey Patterson, the CEO of the Padlock Ranch near Ranchester, Wyoming. During this episode, Trey will share his insight on working with employees at the Padlock Ranch. Welcome, Trey. It’s great to have you back. We’ve actually had you on a couple other podcasts earlier in the season.

**Trey Patterson:**

It’s great to be here and I look forward to this discussion. This is always exciting to talk about human resource management and the opportunities and challenges that go along with it, so thanks for having me.

**Robin Salverson:**

Well, thank you. To share a little bit to our listeners, can you give a description or share a little bit about the Padlock Ranch, and how many employees do you guys actually have there at the Padlock Ranch?

**Trey Patterson:**

Yes, I’d be happy to. We are a diversified cow/calf, farming, feedlot operation in Northern Wyoming-Southern Montana. We currently have about 36 fulltime employees. Our payroll in the summertime will be about 50 people, relatively flat organizational structure. We’re a big ranch and adding our big production ag enterprise but still relatively a small business, and really the way we’re structured centrally is that we have a livestock manager that oversees our livestock operations, a farm manager that will be over all of our farming irrigation, and then an asset manager that oversees or manage maintenance, our fleet of vehicles, equipment, and so those three are really the field generals, if you will, that have direct reports under them. Also, in our central management team we have a chief financial officer, a data/social media manager, and an administrative manager. I have six reports under me and then those people, especially those in the production, the livestock farm, and asset manager have folks that work under them out in the field. Like I say, we’re relatively flat in that we overlap, we help each other with different operational aspects and they’re all involved, but the bulk of the, really, people lies probably more on the livestock side, and just to give you an idea of how that structure, we will have our ranch units broken up into about 2,000-cow units and each of those units will have a person in charge that we call a unit manager, and under that person will be one to three fulltime employees, depending on whether they have [[Unintelligible]](http://recordings.civi.com/cgi-bin/player.php?file=PC-00002-CattleHq-Ep33.mp3&starttime=215&duration=20) the complexity of that operation on that Ranch and so on. They then direct the day to day on that area that they’re responsible for. The farm has some type of a structure, too, maybe quite not that formal, but I think the big thing is that there’s a lot of autonomy built into the system, a lot of people outside of central management that are making very important decisions every day and directing a lot of people. People management and resource management become really important to us. I realize that every agricultural operation isn’t structured like that and doesn’t have that many people or that much size, but what that’s forced us to do is be somewhat a professional or learned to be professional, and I’ll share some of that with you today about how to approach that. I think the principles really apply to anybody as you start looking at this discipline that is so important to our business.

**Robin Salverson:**

Kiernan, do you have any initial questions for Trey?

**Kiernan Brandt:**

I’m going to try to limit these analogies, but I was getting caught up over the long weekend. I think it’s fair to say that you’re like the John Dutton of the Padlock now in that capacity but you haven’t always been that way. Right? I mean you were formerly the livestock manager, right, or something in that capacity where you oversaw those individual farm-to-farm different breakdown of operations.

**Trey Patterson:**

Yes, that’s right. I actually came from an Extension background, was in a beef specialist with South Dakota State as you guys know, and came over here as an operations manager, and really started, even on the front end of that, did not have a lot of people under my report, started fairly humbly. You come into a place, a ranch, with a PhD, and I will tell you something, a PhD doesn’t mean squat on a ranch. I think it just stands for post hole digger. That doesn’t buy you any respect or credibility off the bat, so you have to earn that. I did, I earned that, and worked my way into a position over time where I was overseeing all of the operations, first the livestock and then farming and then financial as well. I’ve been here about 18 years and was asked to take the role that I’m in now as the CEO in 2014.

**Kiernan Brandt:**

You’ve really gotten to see it progress through some growing pains and transitions and progressions. I remember touring it for the first time when I was in undergrad and before I really knew anything about Extension or academia or anything in that capacity, just the struggles that sometimes, and challenges, that it can be to implement new ideas, especially coming from an academic background and I’m sure Robin knows as good as anybody how the struggles of coming from that perspective to try and implement some of these management strategies, especially when you’ve got to have 15 or 16 or however many, 36 fulltime people all get the same ideology and get with the program.

**Trey Patterson:**

Yes, change is always hard and then it takes leadership to do that, but I think the first thing that was important for me coming here was you first have to understand what the existing system is, and explain how things are being done the way they’re being done. That doesn’t mean that that’s all perfect and that that can’t change, and we employ that concept when we hire people today because we want people that are innovative. We tell them, “We don’t want you to come in and think you’re going to change our whole program in your first year here, but after you’ve understood why we do things the way we do them, we’re completely open to innovation and to be challenged with some of those concepts of the historic paths, and agriculture, ranching in particular, is pretty steep in a lot of tradition and stubbornness, and that’s important. That’s what makes us resilient. You do become very good at what you do over time, and most ranches are, they’re pretty darn good at it, but sometimes it’s really good to step back and be challenged, yes, we’re good at what we’re doing but are we doing the right things? There’s always a learning curve for everybody. I think that was the first step, it’s really trying to understand where people were coming from and why things were being done and then when you do have ideas for change, that’s really where leadership comes in. I think leaders are not there to drive consensus. They’re to be more molders of it. You start getting people onboard with different concepts and sometimes that takes baby steps and it’s a little slower than you want but I think there’s an approach there that makes that less painful than just hardline changes.

**Robin Salverson:**

Trey, you mentioned some of your - how you work with your employees and make them feel valued, but how do you physically communicate? I think communication is sometimes the biggest barrier or breakdown whether it’s within a family or a business. How do you communicate with your employees so they feel and understand what is happening on such a large operation that you guys are functioning with, and also how do you communicate that they are valued?

**Trey Patterson:**

Yes, I think the big thing for us is we all live in this digital world today and so we do communicate a lot amongst ourselves with text messages and through our two-way radios and so on, but I really stress the importance of personal communication, of looking people in the eye, and so, for instance with myself, I will share information and just that by text or email but I never provide direction by text or email. Direction means to be personal, I think. I think that’s really important. The way that people can feel valued is to understand how they can be part of this larger picture, and I think that comes with establishing purpose. “Why is my job important? Well, my job is important because I need to take care of this set of cows. Well, why is that important? Well, of course, so that they stay alive. Why is that important?” I think if ranches and ag businesses start digging into a deeper purpose and get that communicated to employees and get them to buy into that, you’re going to have a more robust, innovative, and engaged group of people. That’s hard. You’re always going to have some people in the operation that may not be interested in that, but boy, you identify the ones that do and you truly – we want everybody onboard, and some of them were just going to engage at a higher level. In our business, we’ve established what we call five elements of purpose and that is why we exist and we talk about that in interviews, we talk about that in staff meetings, and it is how the owners of the ranch - it's a family-owned business – that’s how they evaluate our success, and those five elements of purpose that we’ve established are, number one, human excellence, having excellent people, and developing people, having engaged people. The second one is excellence in natura resource management, taking care of our resources that we’re given. That’s just part of the sustainability picture when all this is really part of sustainability but it’s part of the natural resource side of that, good grasslands, taking care of – repairing areas, the ranch resources. The third is financial excellence, profitability. We feel like that we have to be profitable to stay in the business for perpetuity, and so we talk about that, decisions that we make are based on how-about-do-you-have-a-profit motive but that’s not the only motive. The fourth element of purpose is being a positive member of our community, and that’s just through service and representing ourselves well in the communities where we live and work and in the greater beef industry. That’s one of the things that why we’d take time to do something like this, it’s just trying to help other people and help the industry out and be a positive member of the community. The fifth element of purpose that we work under is for the ranch to be an emblem for the family. The family becomes very, very important when you think about their engagement, their passion to stay in the business and in ranching. We talk about those five elements quite a bit and I think that that’s important to help with engagement if people understand that there’s maybe something greater to what they do than just taking care of this crop or this set of cows or whatever. It’s for a greater purpose.

**Kiernan Brandt:**

Just off the top of your head, that’s a great roadmap, some of those things that get implemented don’t necessarily just go off the greatest at the beginning. What are some of the highlights, some of the most drastic changes that you’ve seen implemented in your time with the ranch? I’ve always grown up hearing that philosophy especially when you’re coming from something that you don’t have a background in, if you want to get really good at it as fast as possible, go find the best out there that exist in whatever it is. At the time, the first time I heard it was probably a baseball quote or something like that, “Go find the best in the world and copy them verbatim and try to replicate exactly what they do, and then that will make you an expert the fastest. What are some of those things that you’ve personally seen implemented in your time at the Padlock that have been eye opening for the ranch that might not have been the easiest to understand right off the bat or the easiest to take home.

**Trey Patterson:**

I think the interesting thing about that is there’s all – we have had some fairly large changes over the years, like change in the time of calving season, and a big one has really been the change in the HR model, how we operate. Part of that was out of necessity because of the, really, change in the workforce. There was a time in ranching where you had 18 to 22-year-olds lined up to come do seasonal work, and they were young, single people that would work for peanuts, for room and board, and you could have a lot of them. That availability is not there, and so we’ve really transitioned more into having fewer people. We’ve got half as many as we did 25 years ago, but having higher skill level, higher caliber of people that can handle that, and you say, “Man, you just put more work on them.” Well, it’s working more efficiently. With all of that said, I think it’s been more of a slow evolution. It’s not one of those things we haven’t had. Personally I know some businesses have where you wake up one morning and you make an announcement, “We’re making a huge change in how we’re doing a thing.” It’s been really a disciplined approach to management of the ranch and making sure people know that we are very professional under each of those elements of purpose that we’re operating those professional business and being very disciplined in how we do things and the accountability that comes with that. So, I think, really, the change in the human resource side of things has probably been the biggest one and has had some real hurdles with it. I’ll give you an example of that. I think the folks that are my generation or older, we grew up in a little bit of a different world than some of the younger workforce today. I’ll give you an example. I had a chance to play a little football prior to all this and back in the day, it was not uncommon to have football coaches that would holler at you, scream at you, call you names and with heavy, heavy, heavy disciplinarian type approaches, and you look at the successful ball coaches and they’re not like that. They’re engaging more at a personal level with their employees, and I think the ranching community had a little bit of that kind of mentality like, “Get your butt out of bed. Get to work. Do what I say. Do it how I say to do it and don’t give me any whip.” That transition took some time in coaching to say, “That’s not how we want to do things anymore.” It’s really a culture change. That’s probably been the biggest thing I could come up with to answer your question.

**Kiernan Brandt:**

Oh, gosh. That’s been top-down, too. Robin, I’ll let you dive into that one, but I mean the biggest one that pops into my brain is just how much we’ve learned from the science and just from the common sense side of cattle handling and facility design and just handling, when you’re managing those animals just through your attitude and through your pace and everything, from the top-down and just how systemic that can become and how important that is to herd health and docility and your happiness when you get done at the end of the day, I mean everything.

**Trey Patterson:**

It does. You’re absolutely right. I can give you an example. One time I was at a weaning. We were weaning a fairly large group of cattle and it was not going well. When I go out and work with our unit managers, and I don’t do that as much as I used to, but I didn’t come in and say, “Well, I’m the boss. I’m taking over,” because they had been weaning every other day, right? So, I left him, continued to lead, and I was just one of the guys. Well, we had one of those days that there was an absolute wreck going on. It was not working well. The cattle were handling well. The guy that was in charge was hollering at people and, “Get over here,” “Do this different,” “You screwed up,” and it just kept spiraling. Well, he trots over to me and says, “What is wrong with these people today?” I just looked him in the eye, set in – horseback to horseback there and said, “The problem today is you. You were nervous because this was a big group. Your horse feels that. Your people feel that. The cattle feel that. You’ve set this whole situation up for failure. Maybe you ought to take 15 minutes and go cool down and let’s just regroup.” That, it all really comes back to the human side of it in all the processes.

**Robin Salverson:**

I have been to places where I dread going to because it is all about the humans, it’s not about the animals. It’s about how the individuals around you are reacting to the situation, and so, Trey, I totally, fully understand going into that weaning situation where it really wasn’t the animals. Sometimes I dread going to certain places. I’m not going to lie. [Laughter]

**Trey Patterson:** Yes.

**Robin Salverson:**

I mean I, myself, try to be calm and react to the situation in a calm manner, but when you have people around you, sometimes you’d feed off of that, too, unfortunately.

**Trey Patterson:**

Absolutely.

**Robin Salverson:**

Again, it’s all about the humans. It’s not about the animals. I have to share, my 16-year-old nephew probably gave me the best advice and it relates to this. It’s, “Work smarter, not harder, Aunt Robin.” [Laughter]

**Trey Patterson:**

Yes.

**Robin Salverson:**

He’s absolutely right. This has been a great conversation. You really gave us a lot of good, just valuable things to work with employees, work with the staff that you have with you. You mentioned it a little bit ago how you used to be able to get quite a few, those 18 to 22-year-olds, those young pups there, in to help you, and across the industry, across the ag industry, actually across every industry. They’re having challenges of attracting individuals to work for them and/or even retaining them. Could you share what you do at the Padlock Ranch to attract those individuals? It can be anything from the basics of how do you advertise to do you provide benefits? I know you are a larger operation that employs 36-plus people, but what are some of the ways that you attract individuals to come and stay with you when it comes to that?

**Trey Patterson:**

Okay. Well, a lot of that starts I think with word of mouth. I mean we get quite a few people just form our network of people that we associate with, and we let our employees, it’s not just the management’s network, they have networks. If you expand that network and we go to somebody and say, “Do you know any young friends that may be looking for employment and so on?” You use that network. I think we’ve really moved a lot away from – we still do advertising, post jobs. That doesn’t always yield a candidate. We’re finding more and more leverage in social media to the point that we have a person that is in charge of that for us, a social media manager. I’m not a social media person, and needed somebody to help with that, so we hired that position and then that person had some other roles as well, but we really try to leverage that, and then I guess the next step is really when we get a list of candidates, we’re being careful when we select those that we’re going to interview that we’ve checked some references that we know how we have a little background on them, but how we interview them becomes very, very important to make sure that we’re getting somebody that really fits out culture, and I’ve learned that we – I think where we’ve grown over time in our thought process is maybe hiring – competency is always important but maybe hiring a little less on competency and a little more on attitude and work ethic and fit to our culture. Then you know we can talk about, that may be beyond the scope of your questionnaire, but interview techniques and so on. When we get over here, I think getting them onboarded right, I saw one author one time, right, that people decide usually within the first two weeks whether they’re going to be at a place long term or not, so getting them onboarded is really important, and it’s always when you hire somebody you needed them yesterday. Right? I mean, somebody quit or left or you had a need pop up or whatever, and we’re still guilty of this where we’re trying to get better. You bring somebody in and you throw them right into the fire and there’s a lot of pressure. It’s a new job, and they just move, too. They’ve got personal things that they’re dealing with, and so I think that onboarding process is really important. We do provide as benefits that we really believe in wanting to take care of people, and so we provide health insurance, and after an employee’s been here a year, we have a 401(k) investment program where they can invest in this 401(k) and we will match that up to 5% of their salary, and so we put some money into that investment for them, and then, of course, vacation time and other little things that I think mean a lot to people, like a little Christmas bonus and those type of things that just kind of help out. I realize, there’s some operations that would have trouble managing all of that, but there’s health insurance on the public platforms and others that you can help them find insurance for their family, and really, invest in helping them. You can encourage them to put money aside. I think that that really engages a lot of people, especially those with families and some others that say, “Hey, this place really cares about me long term.” I think it’s just that investment into them early on and throughout and how we treat them with those kind of benefits.

**Kiernan Brandt:**

You know what? You touched on it a little bit there, but something I think that’s worth diving into a little bit more that whether it’s working cattle or the team dynamic from unit to unit or the hierarchy within the entire operation structure, I think just overall as a people, as a species, we’ve - whether it’s technology driven and because we communicate so much through cellphones and everything else that it seems like sometimes maybe we’re losing our ability to have those tough conversations with each other with [[Unintelligible]](http://recordings.civi.com/cgi-bin/player.php?file=PC-00002-CattleHq-Ep33.mp3&starttime=1701&duration=20) as that bad energy and curious just to hear your thoughts on how you address that within your day-to-day experiences, and is that something that you can foster through intervention or is that something that you guys just try to avoid through emphasizing that onboarding and doing your homework through the hiring process?

**Trey Patterson:**

Yes, I think we have to be intentional about that. It doesn’t necessarily come naturally, and so, one of the things that I think is really important is you have to provide clarity. People need clarity into what’s expected of them, and you need to understand what their expectations are. If those don’t match, always think of an interview as being a – it’s really a two-way interview. We have to meld, and so I think a lot of times, I’m interviewing people, coaching, directing, or reprimanding people, we do too much talking and not enough listening. So, it’s really sitting back and listening, but being willing to be very real with people, and I think, for the most part, a lot of people appreciate that and will respond to it, or they’ll leave and sometimes attrition is not all bad. Right? If they’re not fitting the culture, whether it’s right upfront or later, but if you’ve been direct, you’ve been real, and you’ve been polite and professional, I have an employee tell me one time that the biggest butt-chewing he ever had his whole life, he said, “I grew up with people screaming at me, and the biggest butt-chewing I ever had was with you and you just told me you were disappointed in me,” and he said that, “I went home and beat myself up over that and decided to make a change,” but I’m just trying to – and see, it’s not about cussing, screaming, and hollering in those difficult conversations, just being very real but listening also if you’re dealing with something, listening to the other people. I hear people say all the time that, “Well, the human resource is your greatest asset.” People are not an asset. They’re individual human beings that come to you with things that are going on behind the scenes that you don’t understand, issues at home, issues personally, depression, addiction, past experiences, and they all respond differently to different styles, and so I think good leaders are never going to be perfect at that, but you try to discern that, and try to help people really where they’re at, not where you’re at.

**Robin Salverson:**

Well, I think it’s about time. We need to wrap up this conversation with Trey Patterson. Kiernan, do you have any other questions or comments for Trey before we wrap this episode of Cattle HQ up?

**Kiernan Brandt:**

No, I think this was a pretty good, concise, little episode. Trey, thanks again for joining us. It was a pleasure as always and we’ll have to do it again soon, all as if Extension can be of any help. We’ll go ahead and attach some of the resources that we talked about and also the episodes from the last time we had you on to the description, so make sure to check those out. We got a lot more onto the specifics of the cattle side at the Padlock and we’ll have to do something again on that next time.

**Trey Patterson:**

It was my pleasure. I could talk about this all day. So, if I could just leave you with one thing, I think it’s about leadership, and I do not believe that you can motivate people but I think that you can move mountains with motivated people through leadership. So, it’s getting the right people onboard and being a good leader, y can do a lot of good things.

**Robin Salverson:**

Thank you, Trey, for that last thought, very powerful. I hope everyone can take that home. Regardless if you’re managing 36-plus people or if you’re at home with your son or your daughter, that is just as valuable. This has been Cattle HQ brought to you by SDSU Extension, headquarters for all things beef/cattle. Visit extension.sdstate.edu for the latest beef information. Until the next steps, so remember, a smile is like a virus. It is contagious. [Music]

**Kiernan Brandt:**

Thank you for tuning in to this episode of Cattle HQ. Brought to you by SDSU Extension, headquarters for all things beef. We invite you to visit extension.sdstate.edu for the latest beef information as well as subscribe to the show on Spotify. You will also find show notes and resources from today’s episode. Until next time, remember success is not a goal. It’s a byproduct. [Music]

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[Outro music]