



THE BUSINESS OF DAIRYING

Dairy's Six Keys to Success

Who We Are:

Dairy Enterprise Services (DairyES) is a business solutions resource for today's dairy industry - a business where progressive dairy producers, as well as the allied industry, can find answers to modern-day problems and opportunities. Dairy producers and other agricultural businesses in the dairy sector have confidence that DairyES will deliver the information, alternatives and advice needed to proactively manage their businesses.

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Resources for Today's Dairy Industry

If you believe in managing change and are considering steps to improve the productivity and efficiency of your business, Dairy Enterprise Services can help you meet your goals. To learn more about Dairy Enterprise Services and how we can lead your business through the process of managing change, please contact us:

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Everyone wants to know which of the thousands of issues, expenses, and management factors most influence the ultimate success or failure of a dairy business. If a dairy producer were to ask 100 different nutritionists, bankers and accountants this question, he or she would undoubtedly see 100 completely different lists. As Dairy Enterprise Services continues its work on dairy operations across the U.S. these six issues are the cream of the crop in terms of long-term success on dairy operations.

DEVELOP A PLAN Have you ever taken a family vacation without first talking about what you want to do and see? Do you then plan how and where you will travel? A carefully developed plan helps a business determine its long term destination and how it will ultimately achieve its desired results. Remember the old saying, "failing to plan is planning to fail."



TAKE CARE OF THE COWS No matter how you slice it, cows pay the bills. Therefore if you manage reproduction, herd turnover, herd health and feed quality in top-quartile performance levels, the milk will come.

MANAGEMENT TEAM Even a 35-cow dairy requires input from more than one person. A team is not a collection of individuals working independently under con-

stant direction from the coach. It is instead made up of individuals who have been recruited into positions well suited for their talents, properly trained and empowered to manage (not just complete tasks). Remember that your team also includes "external" staff such as the veterinarian, nutritionist, accountant and many others. Goals and expectations for these professionals need to be set as well.

CAPITAL EFFICIENCY As consolidation continues to impact our industry (just as it has been doing for over 60 years) careful investment in cash-producing assets is becoming an increasingly influential dynamic. Margins will narrow as more and more players exit so it will be more important than ever to make sure business assets produce as much cash as possible.

INFORMATION SYSTEMS Don't count on improving production efficiency if you don't have a method of measuring production costs and productivity gaps and monitor improvement over time.

MARKETING PLAN We all talk about volatility in milk prices and the industry is just now seeing the tip of the iceberg. Consolidation will bring even greater price volatility and managing market risk will take on greater importance. More and more producers will realize financial rewards from managing "form" (not just selling raw milk to a marketing agency) much differently than what is common today. 