

Strategic Management

Dairy Production Systems – ANS 440
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Introduction

- You can't get there if you don't know where you are going
- All of us have a mission
- What is your current or future mission?
 - Get out of or get through this course
 - Graduate
 - Establish a successful career

Management Pyramid



Vision

- A vision is an attempt to articulate what a desired future for a company would look like
- It gives the company direction and it's the basic premise for the success of the mission statement
- Big-picture thinking with a little bit of soul

Vision

- An organizational dream - it stretches the imagination and motivates people to rethink what is possible
- ML King's "I Have a Dream", he elucidated his vision of a non-racist America
- A vision is not the same as a mission, strategic objectives, or philosophy
- Visions tend to be evocative, rather than precise

Michael Jordan

- **It is a rare person who comes along and raises the standards of excellence, who captures the hearts of many, and who inspires a group of individuals to achieve the impossible**



Visions

- Leprino Foods
 - To make the finest mozzarella cheese available anywhere
- DeLaval
 - Whenever dairy farmers have a need they should think first of DeLaval. We aim to always be there, always available, always working on their behalf

Visions

- Land O'Lakes
 - Be one of the best food and agricultural companies in the world by being: Our customers' first choice; Our employees' first choice; Responsible to our owners; and A leader in our communities.
- McDonalds
 - Be the world's best quick service restaurant experience
- Henry Ford
 - Make the automobile accessible to every American

Mission

- A mission statement is a brief explanation of the organization's purpose
- It tells who we are and what we are
- Should articulate the principles that will guide the business and its employees to grow, advance, and prosper

Mission

- A mission statement should include
 - social responsibility
 - quality
 - commitment to survival, growth, and profitability
 - identify customers and markets
 - identify products and/or services
 - family values

Mission Statements

- Survey of Companies - commonalities
 - Products marketed
 - Quality of products
 - Profit
 - Role in the industry
 - Reputation
 - Contribution to community
 - Influence on environment
 - Stewardship of resources
 - Family values
 - Future configuration of business

Mission

- Should not designate
 - Details
 - Timetable
 - Assignments
 - Measurements
 - Tasks

Leprino Foods Mission

- Customer service
- Product quality
- Human resources
- Ethics
- Citizenship

DeLaval Mission

- We aim to be at the cutting edge of the industry, to pre-empt farmers' needs through superior resources, technical expertise and service second to none.
- We will focus our attention on dairy farming as a whole and each individual farmer, whatever the size of their business and whatever environment they are working in.

McDonalds Mission

- Be the best employer for our people in each community around the world
- Deliver operational excellence to our customers in each of our restaurants; and
- Achieve enduring profitable growth by expanding the brand and leveraging the strengths of the McDonald's system through innovation and technology.

Wendy's Mission

- Our guiding mission is to deliver superior quality products and services for our customers and communities through leadership, innovation and partnerships.

Land O'Lakes Mission

- We are a market- and customer-driven cooperative committed to optimizing the value of our members' dairy, crop and livestock production.

Mission Statement 1

Get the milk
from the cows
to the plant for
as little cost as
possible.

- Product
- Quality
- Profit
- Customers
- Comm/Enviro
- Values

Mission Statement 2

Our mission encompasses three major areas for improvement. The first area is to produce a high quality product more efficiently. The second to implement a computerized record keeping program, and last to improve upon the current ration, by an in depth evaluation if the current program, followed by a precise implementation of an improved ration/program

- Product
- Quality
- Profit
- Customers
- Comm/Enviro
- Values

Mission Statement 3

Our mission is to operate a dairy farm that will provide:

1. Financial success through the marketing of high quality milk
2. A high standard of living for our family and a comfortable retirement for family farm participants

- Product
- Quality
- Profit
- Customers
- Comm/Enviro
- Values

Mission Statement 3

Our mission is to operate a dairy farm that will provide:

3. A rural family living environment with ample time for recreation and personal growth for all involved
4. Opportunities for family member involvement and advancement in the farm business

- Product
- Quality
- Profit
- Customers
- Comm/Enviro
- Values

Mission Statement 3

Our mission is to operate a dairy farm that will provide:

5. Recognition for accomplishment

The farm should be comfortable to work around, be labor efficient, provide a happy work environment, and express a high degree of pride.

- Product
- Quality
- Profit
- Customers
- Comm/Enviro
- Values

Objectives

- Objectives reflect the desired future look of the business
 - Reduce mastitis
 - Reduce feed costs
 - Improve herd health
 - Increase conception rate
- General, observable, no time table, and no numbers

Goals

- Goals or strategies describe how the objectives will be accomplished
 - Specific
 - Measurable
 - Numbers given
 - Time table outlined

Goals

- Objective: reduce mastitis
 - Goal: By April >85% of cows <100,000 SCC/ml
- Objective: reduce feed costs
 - Goal: reduce feed costs to 45% of cash expenses in first quarter of next year
- Objective: improve herd health
 - Goal: reduce calf mortality to <5% this year

Goals

- Objective: increase conception rate
 - Goal: achieve 55% first service conception rate first half of this year



Weighting Decision Alternatives

Decision Criteria

- Start-up Cost
- Cost to Maintain
- Ease to Implement
- Effectiveness
- Managerial Time
- General Appeal

Weight Each Criterion

- 4 = Most Important
- 3
- 2
- 1 = Least Important

Rate Each Alternative for Each Criterion

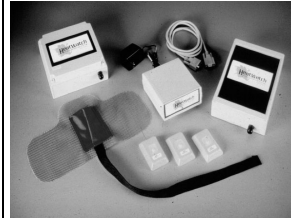
- 4 = Excellent
- 3 = Good
- 2 = Fair
- 1 = Poor

- This is not a ranking, all can be 3

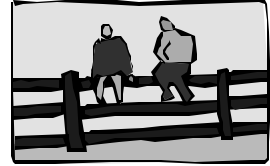
Combine Weight w/Ranking

- For each alternative
- Multiply Weight by Rate
- Sum
- Rank alternative by totals
- Greatest Sum being best alternative and so forth

HeatWatch



Visual



DecChart.xls

Criteria	Weight	Human		Heat Watch	
		Rating	Points	Rating	Points
Start-Up Cost	1	4	4	2	2
Cost to Maintain	3	4	12	2	6
Ease to Implement	3	1	3	2	6
Effectiveness	4	1	4	4	16
Managerial Time	3	2	6	3	9
General Appeal	4	1	4	3	12
Total Points			33		51
Final Rank			2		1