

# 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

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- 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

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- 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

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- 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

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- 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

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- 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

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

## Leprino Foods Mission

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

## DeLaval Mission

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- 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

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- 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

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- 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

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

## Mission Statement 1

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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

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- 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

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



## Weighting Decision Alternatives

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## Decision Criteria

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

## Weight Each Criterion

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

## Rate Each Alternative for Each Criterion

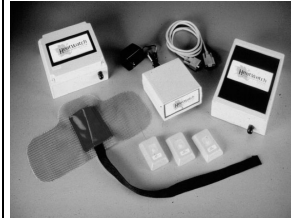
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- 4 = Excellent
- 3 = Good
- 2 = Fair
- 1 = Poor
  
- This is not a ranking, all can be 3

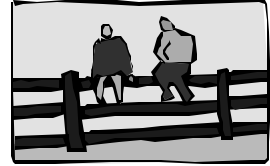
## Combine Weight w/Ranking

- 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