

Straight to Your Bottom Line

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Finding the Sweet Spot

Have you ever noticed that sports teams, collegiate or professional, normally have a uniqueness in the way that they play the game? Typically, the head coach determines what the unique aspect(s) are, but over time the team gets recognized by that type of play. Maybe it is playing fast, or having the biggest players or a scheme that no one else has, but the goal is the same in each instance. Due to the geography, history, financial situation, size or many other factors – what gives us the best chance to win, knowing what our limitations and what our strengths are?

Dairying is much the same. Outside factors have a tremendous impact on the success of a dairy, and those factors make it unique. If you made a list of strengths and weaknesses on your dairy – Are you taking advantage of the strengths and minimizing the negative impacts of the weaknesses – or are you “kicking against the goads”? Coaches that are unsuccessful all too often try to force a type of play that they are comfortable with, but don’t have the players to execute effectively. Rather than trying to adapt to the situation they are in – they continually struggle against outside forces that are bigger than they.

Do you have the ability to acquire cheap feed? Is freight cheap? Is weather favorable? Is feed quality top notch? Is the milk pricing structure to your advantage? What attracted you to begin dairying in this location? Are you taking full advantage of the positive aspects of your business? Conversely, if you struggle with feed availability, extensive freight, little water, environmental challenges, unfavorable weather, or whatever else it may be – Does your business model allow you to minimize the negative impact those factors have on your dairy?

Sometimes we focus so hard on what used to work or what works for the neighbors or other family members, that we forget to look specifically at this situation. As the relationship changes between feed cost, milk price, replacement cost, freight cost, labor, financing, etc... The way in which the dairy has the highest probability of being successful changes too.

Sports dynasties come and go. People change, philosophies change, adaptations occur, competition applies pressure, determination is lessened and sometimes we just get complacent. Perennial powerhouses always seem to come back and stay at the top of the game. Others show signs of greatness and then fade away to mediocracy, because they can’t, don’t, or won’t adapt.

Dairying is not for sissies! If you want to be in this business 20 years from now, continue growing, learning, adapting and recognizing what factors to take advantage of, those factors that give you an edge. While at the same time, minimize the negative effect of factors detrimental to your business. If you are unable to do both you may very well fall into the mediocre category instead of being recognized as one of the perennial powerhouses that always seems to adjust, and adapt, and grow, and

not only survive – but thrive and continue to make decisions that positively impact business that go
Straight to Your Bottom Line.