

Reinventing the Wheel

by Greg Comstock, RAAA Executive Secretary

One of life's road signs that appears forged from an alloy of common sense and logic is the admonishment, "Don't Reinvent the Wheel."

This warning is meant to spare us the wasted energy and lost opportunity experienced when we replace tools, structures, models or processes - which are current, useful and relevant - with some new means to the same end. While the basic design and function of the wheel remains unchanged, its utility and efficiency have evolved to meet the needs of a changing environment. Perhaps the wheel, with its permanence, and willingness to adapt to expand commercial application, is the perfect implement to lend structure to Red Angus' ultimate goal of sustained growth. So how is a wheel like a beef breed?

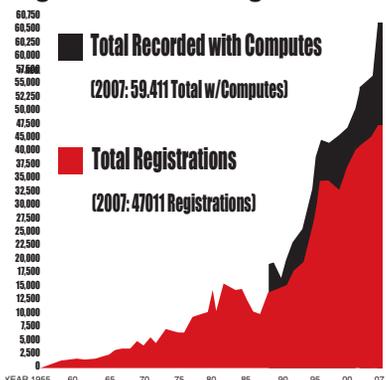


Greater energy must be expended to put the resting wheel in motion. A demand driven beef breed, like Red Angus, is not unlike a wheel in that neither is built to sit idle. Sitting still typically precedes being run over by competitors focused on the same market share. Red Angus has a 54 year history of growth that when charted as either membership (Fig. 1) or recorded calf crops (Fig. 2) produce very similar curves.

Figure 1. RAAA Membership



Figure 2. RAAA Registrations



Momentum suggests that an object in motion stays in motion. One lesson that materializes from these two graphs is that change is best implemented when momentum is on your side. Both growth curves show a sharp upward turn in the early 90's. What change produced this increased growth rate? For one, Red Angus implemented its first strategic plan in 1993 with a broad yet simple strategy of enhancing the appeal and utility of Red Angus genetics to the primary, secondary and tertiary levels of demand within the beef industry.

Timing is everything. Specific contributions of the 1993 plan included THR and FCCP, adding reliability and added value to our Red Angus product. These programs were off the ground and providing some risk management during an extended time of low profitability in the cow/calf sector. Likewise, ProCow, a product of the 2003 strategic plan, improved upside potential at a time when the nation's cowherd was ready for significant restocking. The 2009 strategic plan offers Red Angus the opportunity to sustain momentum through understanding issues and needs that will dictate

demand. The burden of leadership will require getting Red Angus stakeholders to collectively:

- Identify the holes in our product and implement solutions.
- Understand industry value drivers, build selection for them into our product, and provide access to them through added value programs and relationships.

These are not items to be checked off of a "To Do" list, but rather "lifestyles" of Red Angus' continued momentum. They are how Red Angus goes about the business of narrowing the gap between Red Angus and larger competitors, while distancing ourselves from breeds with less market share.

The wheel understands the benefit of critical mass. While the smaller wheel turns with less inertia, it also covers less distance making it less efficient for extended periods of time. For instance, first gear is useful when you pull away from a stop light, but if you stay in first, you waste fuel, put more strain on your engine, and delay your arrival. Applied to Red Angus: THR, FCCP, ERT's, ME EPD, ProCow, Age Verification, Young Guns all have effectively increased the size of our "wheel" allowing

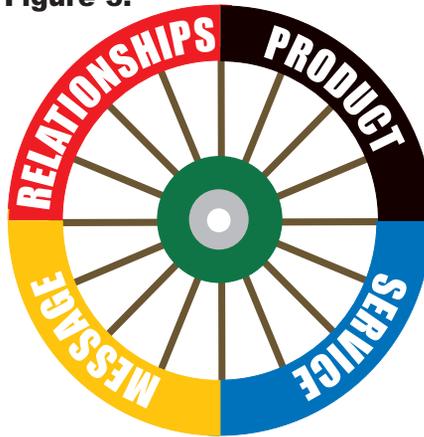
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growth through answering industry challenges.

During the last 7-8 years, our breed's momentum has been aided by the "downhill terrain" of the most extended period of profitability the cow/calf sector has seen in most folk's memory. That is not to say that our members and their association have "coasted". Quite the contrary...it only confirms the Boy Scout's motto: "Be Prepared". Red Angus made hay while the sun was shining; breeds that took their foot off the throttle lost market share. Likewise, the potential and predicted contraction of the beef industry in the near future suggests that Red Angus will have to expend additional energies/resources to maintain current momentum in a gradual uphill climb.

If such contraction occurs, leadership must not lose focus on harvesting market share. Keeping score by membership and registration numbers alone is taking our collective eye off the prize. This is no chicken or egg controversy. Demand requires supply, which in turn encourages human resources. In Red Angus terms: Packers - enjoying profits from Red Angus carcasses - provide feedback in the form of premiums, or inclusion in negotiated pricing vehicles. Cattle feeders wanting to ensure the continuity of such premiums become aggressive about filling bunk space with Red Angus. Ranchers receiving such premiums, or hearing their neighbors bragging about it, are more interested in turning out Red Angus bulls next season. Increased demand for bulls, pressures Red Angus cow herd expansion, enhancing the value of registered Red Angus females. Profitability at the seedstock level attracts new members' investment in the breed, and gives confidence to our next generation that a bright future exists with Mom & Dad's Red Angus seedstock operation. All of which is great for

Figure 3.



Red Angus, but let's not forget, every turn of this wheel is driven by demand.

If commercial demand provides the energy that keeps Red Angus' wheel rolling, then perhaps the wheel provides a useful model for organizational structure. In Fig. 3, the outer circle represents Red Angus' interface with the industry, and is supported by spokes, representing various Red Angus departments and member committees working together to support their respective wheel component.

Though smaller in size than other wheel components, the wheel's bearing (central gray circle) functions to keep the wheel from freezing up, or falling off. This bearing is personified by an organization's administration which ensures bills are paid, receivables are current, staff is supplied, and events are planned...in short, the administration assures that forward motion is continued with as little resistance or disruption as possible.

Adjacent to the bearing is a larger green circle which represents the hub. The hub steadfastly supports the spokes and maintains balance as forward motion shifts weight from one wheel component to another. All Red Angus functions: communications, ProCow, contact lists, EPD calculations, etc. roll on a hub of data. This hub is a composite of

datasets, software, registry system, association rules and regulations, all directed by IT, programming and database management professionals. As electronic capabilities continue to raise the bar of possibilities, the Red Angus hub must intermittently be reevaluated, enhanced and retrained to assure the cleanest, fastest, most user friendly and secure transmission of information to the industry interface at the wheel's outer surface.

It is said that a primary reason many businesses fail is uncontrolled growth, and once again our Red Angus wheel supports this. Each component's dimensions must be designed in relation to other wheel components for the wheel to function successfully. When we expand the wheel's diameter through growth, two things follow. The spokes become longer and have more space in-between – both detract from stability. **Herein, the expression, "Spread too Thin" often forewarns growth rates exceeding an organization's ability to support.** Leadership must balance long term stability against the agility required to respond to opportunities – all the while understanding which trends to embrace and which fads to ignore.

The larger outer circle of the wheel consists of four interlocking components. This is where, "the rubber meets the road", or Red Angus' point of contact with the industry we serve. Those four interconnected components are:

- **Product**
- **Service**
- **Message**
- **Relationships**

Product rules the day; do everything else perfectly and customers will still gravitate towards the supplier who has built the best mouse trap. Historically, product is

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one area where Red Angus has held significant advantage over other breeds. Today, other breeds have initiated THR, while others promote Heifer Pregnancy and Stay-ability EPDs as well as predictions of energy requirements. The competition is smart, often larger in numbers and sometimes better funded. They aim to close any gap in innovation that exists between our product and theirs. If we are to keep our eye on the prize as promised, then we must visualize strategies that widen the gap.

Some strategies will enhance existing tools such as adding 3, 4, and 5 year data points to the Stayability EPD, allowing more rapid gains in accuracy. Multi-Breed EPDs promise to better describe animals in Red Angus' database through accounting for heterosis and Black Angus sires used in Red Angus pedigrees. Other strategies conceived, but not yet defined include correlating Feed Yard Efficiency to ME EPD, and establishing tools to select for traits affecting longevity, such as udder and foot structure.

Can technology hasten the light at the end of the tunnel? Sure, just remember that light might be a train that will run over the unprepared. Just as technology can widen the gap between breeds, it can also blur their differences. Didn't understanding black gene dominance in hide color coupled with the emergence of CAB turn many red hided breeds into "phenotypic" Angus? Looking to future examples: what impact will breed associations feel from Gene mapping, which has the potential to supply information faster and more accurately than EPDs or pedigrees? One thing is certain, understanding the impact of change, and identifying hidden opportunities could mean there won't be the need to spend 20 years digging out from under another "black hided" issue. As

technology continues to level the playing field between competitors on the product side, service bears the weight of creating market differentiation between competitive breeds.

Service's goal is to justify customers' faith in Red Angus product through adding value. Service is the "pull through" or "vacuum" that works on the simple logic, "if we create demand for our customer's product, then our customer will continue to need Red Angus' product". How can the weight of increased expectations brought on by improved Product be borne by Service?

- 47 Angus product lines exist; FCCP needs to supply more of these.
- Four major packers offer Age & Source premiums; FCCP must include processes and relationships needed to access all four.
- Prepare to shift from Age to Source as the primary value driver for export markets with prospective identification of 30 month old cattle verified by kill floor dentition.
- Develop pull through for Red Angus bulls sold outside of the Great Plains and Intermountain regions; i.e., Southeast, High Desert, Southwest.
- During restocking, ProCow as a promotional tool helped sell over 75,000 commercial females. During periods of cow herd contraction, ProCow must add value beyond simple promotion of Red Angus traits.

Our ability to adapt and embrace change affects Service just as it does Product. Packer consolidation, the continual shift from commodity to branded products, reopening export markets, and a shortage of cattle to fill bunk space and kill floor capacity have become part of the landscape the Alliance and Marketing Committees must operate within. New players in added value mar-

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kets will only serve to elevate Service's dependence on Message and Relationships if the desired vacuum is expected to materialize.

Message tells our story, says who Red Angus is, and why the industry needs us.

Message creates "Buy-in"; internally, through member and customer education, and externally through industry awareness. While skill and imagination are important and capture the spotlight, tenacity is often what tips the scales in favor of Message's success. That success depends on teamwork; stakeholders pulling the rope in the same direction will always defeat competing agendas creating a tug-of-war. Message is the composite of all forms of communication; word of mouth, print advertising, press releases, magazine publication, feature articles, e-newsletters, web-

casts, video and radio media, sponsorships, speaking engagements, signage...each present opportunities to tell our story. Message necessitates that old dogs learn new tricks. The options to distribute the Red Angus message greatly exceed the ability to finance such endeavors. Thus, creativity must extend beyond the imagery and language of the message to its delivery, targeting and value.

Without Message, Product's differentiation and Service's added value go unnoticed. Look to our model of the wheel and we see how these strategies succeed through their co-dependence. Let Product and Service sit idle, and Message becomes an empty promise. In well run organizations, Message's job is never complete. As the wheel turns through a dynamic industry, Product is enhanced and Service

offers new programs, Message is constantly provided with fresh material. While Message may be limited by staff, budgets, and time, it is magnified by its alliance with Relationships.

Relationships are the personification of symbiosis, and require the identification of opportunities where industry partners prosper from strategies that benefit Red Angus.

Bull customers, video reps, sale barn operators, branded beef programs, bull studs, regulatory agencies, producer alliances, livestock media, DNA companies, cattle feeders, even other breed associations become the faces attached to Red Angus' relationships. Young Guns, GridMaster, Special FCCP Sales at sale barns or on Video, GPS, Sal Forbes induction into Saddle &

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Sirloin, The Ranchers' Guide webcasts on DV Auction are just some of the recent successes that would never have gotten past being a good idea without Relationships.

Relationships in their best form involve partners who understand Red Angus' product, utilize our service and believe in our message. Relationships, both old and new, must be continually cultivated. Fortunately, forward thinking, when applied to the other three wheel components, attracts Relationships. Across the wheel, Relationships work hand in hand with Service. To its right inspired by Message and its left revitalized with enhancements to Product, Relationships bring the wheel full circle.

If the Red Angus wheel is to continue moving ahead, converting gained market share into critical mass and stimulating breed growth, its course must be charted by the strategic planning process. The current Red Angus strategic plan is completed in 2008, and while the overall goals of the plan have been met, increases in the rate of change within our industry during the plan's five year lifespan have created unexpected detours to our impetus. As dynamic as our industry is, Red Angus leadership must compare the objectives of the next strategic plan against industry needs on a more frequent basis. Otherwise, the plan becomes like the rudder on the Titanic, insufficient to navigate our Red Angus wheel through changing or turbulent conditions.

The wheel, by its bearing, is affixed to an axle, which is represented by the white circular interior of Fig 3. An axle may perform any combination of three functions.

1. If it is a drive axle, it provides the inertia that puts the wheel in motion and then supplies energy required to maintain momentum.
2. Some axles are part of a steering mechanism, and provide guidance during the wheel's journey.
3. All axles are meant to transfer the weight of the vehicle and its payload to the wheel.

The membership of the Red Angus Association exists in all three of these roles. First, general direction is provided by the

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Association's Constitution and By-Laws - a board chaired member committee which recommends change or clarification, but ultimately relies on member consensus. Second, inertia for our wheel's progression as well as navigation in an ever changing industry is provided by the member elected leadership, the RAAA Board of Directors. The Board functions like a drive axle. As it turns, member feedback is delivered to the organization, and explanations of organizational functions and programs are distributed to the association's grass roots.

Finally, as our Red Angus wheel rolls on, the weight of our collective payload is increased by growth. New members require education about Red Angus practices and policies. Their understanding of what differentiates Red Angus product, how Red Angus Service can be utilized, and their belief in Red Angus' message can enable them to build relationships with customers of their own. Thus, as the wheel turns full circle, a new member becomes an integral part of our breeds' forward momentum.

“Don't Reinvent the Wheel” sounds a little like “If it ain't broke, don't fix it”. Both are proven, sage advice, just as both are justification for doing nothing – somewhat of a “Smith-Corona” business model. They were not broke...they made the best typewriters in the world...right up until the day they went out of business. The reality is: “not being broke” is not good enough to compete. Red Angus stakeholders must ask more than, “What are we doing wrong?” The question becomes, “How can we do it better?”



No, the wheel doesn't need reinventing, but there is a reason we do not sit down with a block of stone and chisel out a new one every time the tread gets a little thin. Let's not be afraid to question the design and construction of our Red Angus wheel, nor miss any chance to hone and polish it closer to perfect roundness. ■