

# Identifying opportunities to enhance value for beef clients

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## Abstract

With respect to the interaction between veterinarians and cattle producers that occurs today, it is generally driven by producers and occurs on an “as needed” basis or as required for regulatory compliance. For the average producer, this arrangement generally results in a focus on trying to obtain specific services at the lowest cost and providing “added value” is not really part of the discussion. However, the future of animal agriculture should continue to provide many opportunities for veterinarians to become engaged with producers and provide enhanced value to them. Progressive veterinarians should be able to capitalize on these opportunities by focusing on the creation of tangible value for commercial producers with measurable returns on investment and the creation of appropriate business alignment to support and foster “win-win” relationships between veterinarians and producers. To be successful, veterinarians will need to “do better things”, not just “do things better”, think outside the “animal health management box” to identify innovative ways to bring value to customers, and embrace technology where it is cost-effective to do so. Providing enhanced value to producers is a journey, not a destination. It involves making continuous progress over time, with adaptation and evolution being the keys to success.

**Key words:** commercial beef producers, do better things, do things better, value-added services, veterinary services, win-win relationships

## Résumé

De nos jours, l'interaction entre les vétérinaires et les producteurs de bovins est généralement menée par les producteurs et a lieu selon les besoins ou selon les exigences de la conformité réglementaire. Pour le producteur moyen, cette entente implique généralement d'essayer d'obtenir des services spécifiques au plus bas prix de sorte que l'apport d'une valeur ajoutée ne fait réellement pas partie de la discussion. Néanmoins, l'agriculture animale devrait continuer à offrir aux vétérinaires de nombreuses opportunités de s'engager auprès des producteurs et de leur offrir de meilleurs services. Les vétérinaires à l'avant-garde devraient pouvoir exploiter ces opportunités en favorisant la création de valeur tangible pour les producteurs commerciaux avec un rendement mesurable des investissements et la création d'un aligne-

ment d'entreprise approprié afin de supporter et favoriser des relations ‘gagnant-gagnant’ entre les vétérinaires et les producteurs. Pour avoir du succès, les vétérinaires devront mieux faire et non pas seulement améliorer les choses, sortir des sentiers battus en ce qui concerne la gestion sanitaire, identifier de nouvelles façons d'apporter de la valeur à leurs clients et d'adopter la technologie lorsqu'il est rentable de le faire. Fournir une plus grande valeur aux producteurs est un chemin et non pas une destination. Cela implique de faire continuellement des progrès en misant sur l'adaptation et l'évolution comme éléments clés.

## Introduction

The interaction between veterinarians and cattle producers that occurs today is generally driven by producers. Veterinary and production input/services are provided at the request of producers on an “as needed” basis to manage disease and production situations that occur. In addition, producers hire veterinarians to do tasks and procedures that must be performed by veterinarians as dictated by regulatory requirements. However, there is only periodic engagement of veterinarians by producers to develop disease prevention and treatment protocols or to conduct specific assessments or evaluations. Moreover, there is infrequent involvement of veterinarians to provide oversight of commercial production systems on a daily basis.

In this scenario, with the producer requesting specific services from veterinarians, the ability of veterinarians to provide “added value” is generally defined and limited by the vision and imagination of the producers. This arrangement may work fine for the leading-edge producer that is constantly thinking outside the box about how their service providers, including veterinarians, can provide more value to them. However, for the average producer, this arrangement generally results in a focus on trying to obtain specific services at the lowest cost and providing “added value” is not really part of the discussion.

The good news is that as we look to the future of animal agriculture and consider the scrutiny and expectations of consumers and society in general, there will be more and more opportunities for veterinarians to become engaged with producers and provide enhanced value to them. In fact, there are already companies with trained veterinarians and production experts that are being routinely engaged by producers to provide onsite and virtual integrated oversight of

commercial production units 365 days of the year. As part of this process, there is a greater need for “real-time” disease surveillance and monitoring through the use of computerized, individual animal data collection systems, digital imaging, on-farm diagnostics, and remote sensors. In addition, the focus has shifted to creating value and providing a return on investment, as opposed to providing services at the lowest cost. The net result is that veterinarians and production experts are creating demand for their services because of the value they provide.

### Creating Enhanced Value

In terms of creating additional value for clients from animal health services, there are several potential ways to do this. At the macro level, our company (Feedlot Health Management Services, Okotoks, Alberta) has focused on 2 things: “doing things better” and “doing better things”. Our approach has been to focus on both areas of improvement to bring value to clients as opposed to only 1 or the other, as discussed by Kravitz in human medicine.<sup>1</sup>

“Doing things better” focuses on daily oversight, monitoring, consultation, input, and training to ensure optimal execution of the animal health and production strategies and protocols used by each client operation. In other words, of the things we already know are cost-effective to do and the producer has made a decision to implement, let’s work with producers to help them get it done correctly as close to 100% of the time as we can to allow them to maximize the value of their decision. For example, if implementation of a new protocol in a specific population of animals has been shown to produce a net benefit of \$10/animal, but the producer only gets it implemented correctly 50% of the time, the realized net benefit may only be \$5/animal or less.

“Doing better things” focuses on continuous research and development to identify and evaluate the most cost-effective methods for improving client production systems. In other words, of all the new things that are out there and new ideas that are put forth, which are the ones that are cost-effective for client operations to adopt and implement in specific populations. For example, if there is a new vaccine licensed for the control of respiratory disease, it is imperative to know if the new vaccine is more or less cost-effective than the current program recommended for use in each population at client operations.

On the “doing things better” side of things, “real-time” or “near real-time” data collection and monitoring systems, combined with scheduled site visits and visual observations, are the backbone that supports bringing value to clients by helping them execute animal health and production strategies and protocols more accurately on a daily basis. As an example, our company relies on daily recording of all events on each animal production unit, daily replication of data to centralized sites, and automatic exception reporting to identify animal well-being outliers/non-compliance issues to facilitate daily

provision of veterinary and production oversight on small and large production units. Our goal with this proactive approach is to be looking out the front window to see what is coming at us and try to prevent it as opposed to a reactive approach of looking in the rear view mirror to see what happened last week, last month, or last year and trying to understand what has already happened. Of course in reality, we end up with both proactive and reactive situations, but our objective is to be more proactive and have less need to be reactive.

On the “doing better things” side of things, continuing education, literature reviews, data mining, pilot projects, large scale commercial field trials to assess the impacts of new ideas/technologies on important biologic outcomes, and bio-economic modeling of commercial production scenarios are the backbone that supports cost-effective evidenced-based decision making for our clients. It goes without saying that having a structured decision-making process is an important part of each cattle production enterprise. However, most producers do not have the time, necessary skills, or both to be able to assemble the information and analyses necessary to support a rigorous, science-based decision-making process. As a result, this represents a tremendous opportunity for veterinarians to fill this void and provide producers with the information they need to make the most cost-effective decisions for their operations. In some cases, this only requires the review and summary of existing information in the public domain and, in other cases, this may require analysis/modeling of existing data or even generation of new data through the conduct of applied research. Regardless of what is required for each situation, veterinarians are well-suited to this role.

In addition to focusing on “doing things better” and “doing better things” in animal health, the other big opportunity to provide additional value to clients is by offering other services. For example, in addition to animal health management, our company provides services in the areas of nutrition, animal growth enhancement, production cohort optimization, decision support tools for cattle procurement and marketing, animal and facility verification for specialized production programs, and support for client research activities. Of course, this requires our company to recruit and hire veterinary and non-veterinary personnel with specialty training/expertise in these areas. However, by offering an expanded scope of services outside of animal health management to clients, we diversify our ability to provide added value to clients, including the ability to capitalize on synergies that are created when recommendations in multiple service areas are applied in a combination. Moreover, when we apply the approach of “doing things better” and “doing better things” to these additional service areas, we further enhance our ability to provide additional value to clients over time. Lastly, with a focus on creating tangible value for commercial producers that is not limited to the “animal health management box”, our team can identify other opportunities that might exist such as, services in adjacent production sectors, lifetime wellness

monitoring, greenhouse gas emission reductions and credit generation, and lifetime production models.

### Conclusions

The future of animal agriculture will continue to provide more and more opportunities for veterinarians to become engaged with producers and provide enhanced value to them. Progressive veterinarians should be able to capitalize on these opportunities by focusing on creating tangible value for commercial producers with measurable returns on investment in services and creating appropriate business alignment to support and foster “win-win” relationships between veterinary service providers and commercial producers. To be successful, veterinarians will need to “do better things”, not just “do things better”, think outside the “animal health management box” to identify new and innovative ways to bring value to customers, and embrace technology where it is cost-effective to do so. Providing enhanced

value to producers is a journey, not a destination. It involves making continuous progress over time, with adaptation and evolution being the keys to success.

### Acknowledgements

The author is a managing partner at Feedlot Health Management Services, Okotoks, Alberta, which is a professional services company that provides a full suite of value-added animal health and production consulting services to commercial feedlots and calf grower operations in Canada, the United States, and Mexico.

### Reference

1. Kravitz RL. Doing things better vs doing better things. *Ann Fam Med* 2005; 3:483-485.