

# Marketing Veterinary Services in an Established Midwestern Dairy Practice

Darrel E. Johnson, D.V.M.  
Weyauwega, WI 54983

*“It don’t take much to see that something is wrong, but it does take some eyesight to see what will put it right again.”*  
—Will Rogers

This afternoon I represent a perspective from an established midwestern dairy practice with on going plans for improving and expanding services within traditional practice boundaries. By *traditional boundaries* — the inference is those which have evolved over many years relative to phone access, traditional shopping area and adjacent veterinary service. *Marketing* of the services we provide is a relatively new term in my vocabulary and I have to recollect over almost 30 years of practice to determine if marketing is what I have been doing at intervals during these years — and never put a handle to — or if it is a new concept. I conclude that in 1960 when I discontinued dehorning cattle and instead developed the scheduled herd reproductive exams we had begun — that was *marketing*. We identified the progressive farmers in the community and sold them on the concept as we stood by the side of a cow with a reproductive problem. We followed this with discussion at client education meetings and shortly we were up to our armpits — so to speak. To use present terminology, we effectively traded the *margin of profit* in dehorning for the *margin of value* afforded the client in reproductive work and in turn we provided ourselves with a highly repeatable service opportunity. In the transition we demonstrated and sold many electric dehorning irons. In the middle 60’s we became aware of the epidemiology of the strep.ag. mastitis organism and a screening of our herd health clients using the then new WMT procedure and culturing revealed an average 36% incidence of infected cows. We marketed strep.ag. eradication on a large scale based on the *margin of value* afforded our client — and we delivered highly repeatable sales of teat dip. Along the way we marketed milking equipment analyses, advice on the proper use and installation of equipment, and demonstrated sanitary milking procedures — all under the heading of a *mastitis control program*.

The introduction of the energy concept of feeding dairy cattle with lead and challenge feeding in the middle and late 60’s also afforded similar opportunities in nutritional counseling and this provided highly repeatable sales of vitamin-mineral premixes in many practices. In the process we learned to identify more closely with other service people dealing directly with our clients. We *all* learned we serve the dairy farmer better if we cooperate with each other and we

learned also, that allied service people could be an effective image builder and marketing aid for our practice. In substance we were becoming *market driven* in terms of identifying the needs and proving to the client that veterinary service — when properly applied is a profitable investment — not an expense. This is a differentiated from being primarily *production driven* in the number of fire engine calls one can generate or *sales driven* relative to dispensing drugs.

So — if it is any comfort many of us have been marketing our services to one degree or another and now we have a string of buzz words and sophisticated terminology to identify our clumsy efforts. It seems obvious we must improve our grasp of the concepts of marketing as the economic realities drive animal agriculture to more efficient production. We must define and refine our former clumsy attempts in order to move quickly and accurately to act on the 4 axioms of modern food animal practice:

1. Determine the market driven need.
2. Assess the practice resources required.
3. Determine profitability.
4. Create client awareness.

We are somewhat less concerned with what our progressive client *wants* at this point than in what we perceive as his *needs* relative to the forces in the industry. This is not necessarily new for many of us, but it is definitely more challenging in it’s urgency. Make no mistake — marketing is the safety net of food animal practice and marketing, along with how we individually conduct ourselves on the farm on a day to day basis will determine how high a profile we maintain in animal agriculture in the next 10 years. Marketing is sort of building on what we know is here — so we can reach what we know is there. Where does advertising leave off and marketing begin? Marketing involves the 4 axioms mentioned above plus the capability to meet the demand created. Advertising is only creating awareness and can be more shadow than substance in the individual practice. Some of us talk a better game than we can play and some of us play a better game than we talk. Each practice must decide how to use its human resources to the best advantage. As a practitioner I have given little thought to the perceived over abundance of veterinarians other than be aware of the data generated. We realize that the road to success in our practice

is always under construction — even after 30 years! My principal concern as the senior member of our group practice is that the corporation I lead makes money. It will do so only if we continue to strive to provide that best possible service to the clients in our practice area. If a member of our staff develops a specialty service that results in being occasionally invited out of our area that is simply some “frosting on the cake” and not the result of strategy or initiative on our part.

**I accept the surveys indicating there is an oversupply of veterinarians when demand is considered — but that may be untrue when the unmet need is evaluated in the individual practice. Client response to services we may provide, offer or improve on is not — in my view — our greatest concern in an established midwestern dairy practice — assuming we can reasonably assess needs. Our primary concerns are two fold — first is providing the practice resources in terms of a motivated and qualified staff and secondly is processing data into usable knowledge. Regarding the first— attitude and motivation aren't for sale and you can not get a degree in them. I've noticed over the years that clients do not care how much we know until we show them how much we care. If you want to get close to management, you really have to commit. That is a first question to ask ourselves when considering a marketing transition — “Do I really give a damn?”**

We do not presently consider merchandising drug products via media advertising, in direct competition with retail outlets, as a priority in our dairy practice. It appears the energies applied to competing to see who can sell the most drugs to our dairymen for the least money would be too unrewarding. Our monthly newsletter provides us with in house opportunity to promote. We would rather direct our energy and concentration to developing and selling services with a good margin of value for the client and then service what we sell. Obviously this may not be as valid in practices with a significant number of beef and swine producers as clients.

#### **What do we Expect in our Established Wisconsin Practice Area in the Next 5 to 10 Years?**

We expect:

1. Our practice to remain predominantly dairy.
2. The size of the average herd to increase to approx. 100 cows and we expect a decrease in dairy clients from the present 175 milk producers to approximately 125.
3. New clients that must be made aware of our services to be primarily new owners of existing farms — either newcomers or sons and/or daughters of present clients.
4. To see more multifamily farms — and the owners become less involved with labor intensive activity and more involved with productivity and profit margins.

5. The owners of progressive dairies to be actively seeking out expertise in several areas of herd management.
6. To find no pedestal for us among our clients. If others in agribusiness get there first — with the most — for the least — it is theirs!
7. Animal welfare considerations will receive more thought in production planning.

#### **Practice Resources: What Might We Expect?**

We expect:

1. A significant portion of our practice income will remain with diagnostic, surgical, and treatment services to small herd owners.
2. To be available 24 hours a day for client initiated urgent calls — this type of service will continue to be an important yardstick by which the client measures our practice.
3. We expect to develop the practice resources which will allow practice professionals to further specialize in herd health management as well as in specialty services such as embryo transfer.
4. To look to the AABP, NMC, Veterinary Extension, and Dairy Economists for the most practical help in herd management and data analyses for the next few years.
5. To look to the AVMA and state veterinary associations for skills — enhancement in marketing and other public relation areas.
6. To have no more than 5 years to meet the herd management needs of our most progressive clients or risk losing some areas of potential repeatable services.
7. To place new emphasis on communicative skills of new employees.
8. To sharply increase our involvement with herd records and to be the principal records analyst for the client.
9. To assume more control of the use of treatment drugs in response to public concern for food safety.
10. To continue to improve client education techniques in coordination with others seeking to update the meat and milk producer.
11. To find our way out of ensnarement in the dairy cows rectum. The value of repeated rectal palpation of every cow in terms of margin of value has become disproportionate to the time and energy required, ie. milk progesterone testing must come of age.
12. **To remain realistic — in the end — the farmer must succeed or fail on his own. We can only be a catalyst for change, and through records and advice point the way. We see cost control and level of production per cow as the 2 important areas to concentrate on to avoid a cash crisis.**