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Identifying opportunities for improvement

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Identifying opportunities for improvement is important to all competitive businesses today. In today's global economy, all competitive businesses are in a constant search for opportunities to improve their efficiencies which will help set them apart from the rest of the competition. Those that do not strive for improvement become the companies that fade away or get listed on the "acquisition list" of more aggressive and better capitalized companies aspiring for growth and market share to help give them the competitive advantage.

These opportunities for improvement are occasionally hidden in some new technology that needs to be adopted but, most often come in the form of identifying areas of weakness in the current business model or the lack of execution of existing protocols. Continued focus on identification of opportunities for improvement is critical. Implementation of a plan to capture the opportunity is the discipline that needs to be taken to make the weakness a strength. Often these weaknesses are not even due to lack of knowledge but are the result of a lack of implementation / execution of what is already known.

Caution should be taken when identifying opportunities for improvement and it should be noted that there are resource limitations as to what is available to address these opportunities. Subsequently identified opportunities need to be listed and prioritized as those that will make the biggest impact and those that can be most effectively changed. For example, if the cost of an energy source like choice white grease becomes cost prohibitive and looks to stay that way for a significant amount of time it is not a difficult task to have the diets for the system changed to accommodate this. While if it is recognized that a certain genetic combination is less competitive than another due to changes in demands placed by the current market environment it may be more difficult to make the appropriate genetic change and get it done in a timely enough manner to make an impact.

If we look at the macro economics to raise a pig from weaning to approximately 270 lbs. it can be summed up into the four broad categories: the feed, the pig, the facility and other. **Table 1** gives a good gross breakdown of what it will cost to raise a pig from weaning to 270 lb. The detail of each category can obviously be investigated to a greater level to identify more specific opportunities. The more detail that is kept the better you can identify your opportunity. It should be noted that while this table assigns numerical numbers to the major costs of production it does not take into consideration many other critical factors that are not assigned numerical values but are necessary for a successful business unit. Examples of these would be location, people, pig flow, health, communication, etc.

A critical component for identifying opportunities for improvement is to have a data collection system that is reliable and can efficiently and accurately assimilate the data. In today's business environment the information center needs to be web based, made accessible to all that need to be "in the know" and user friendly. It should have the capability to import electronic data from all the major data generators such as packing plants, feed suppliers and accounting programs. For today's industry there are options made available publicly that do a very nice job of handling data.

Once you have data collected, basic financial and production reports need to be generated and distributed to the right people. The right people are those that need to be informed and can make an impact by using the information. This is usually more people and not less. The reports need to be generated at regular frequencies and need to have scheduled discussion regarding them. In addition to basic report generation, it is essential that the data be easily extracted from the data center and made available in an electronic format to other programs that will allow for more customized analysis as specific situations present themselves.

Table 1: Gross breakdown of what it will cost to raise a pig from weaning to 270 lb

Category	Estimated cost	Running total	% of cost
Feed (for wean to finish)	\$60	\$60	51%
Pig (purchased as a weaned pig)	\$34	\$94	29%
Facility	\$18	\$112	15%
Other	\$6	\$118	5%

There are three common mistakes that are made: 1) data collected is not complete or accurate, 2) the information is not made available to the people that need to have it and can make an impact and 3) designation of proper time for discussion of the information does not occur. The more information that is shared, the more participants you will get in identifying opportunities for improvement.

While having “information generated by data” is an important part of the process to identifying opportunities, it is also critical to understand the process of the business unit. The process includes many necessary components of the business unit that do not have a monetary value placed on them but are critical to day to day operations. They would include understanding constraints that occur because of pig flow, pig health, personnel and geography to name a few. Success in finding opportunities for improvement is really dependent on finding a balance between knowing the process and analyzing information generated by the data. Without balance in using information and understanding the process the focus of the business unit can get out of balance. This could result in a business unit spinning out of control in a direction that may take too long to recover from. Understanding the process takes time and experience. There are no shortcuts here.

Personnel in the field is one of our biggest assets. The more people you get in the game the better your team will be. It is clear that to have them working for you they need respect and feedback on how they are doing and how their business unit is doing. People like to know that the business unit they are working for is doing well. Everyone likes to be on a winning team. If the people at all levels are informed, you will find that they will help find opportunities. More importantly if they are included and giving 100% in the field their efforts will help make up for some missed opportunities.

Identifying opportunities for improvement requires information review, understanding the process of the business unit and gathering input from the people involved at all levels within the business unit. While technology has and will continue to contribute to the advancement of the industry, in most cases, it has not been what has set one swine production unit apart from another. The fate of the company most often lies in something other than the silver bullet.

