

## **Managing People and Systems to Improve Core Marketing**

Cliff Ehr

Finisher Production Manager

Big Sky Farms Inc

As we all strive to produce a better quality product and as packer requirements become more specific, producers are required to adjust practices to best achieve these requirements and to maximize their returns. As units change from owner operators to integrators, how we attain that final product has also changed. Owner operators control all aspects of their operations. If they ship a light, it hits them directly in the pocketbook. In integrated systems, management makes decisions on many of the same elements of their business except one, the actual shipping weight. This is controlled by our staffs, many of whom get their paychecks irregardless of whether their pigs hit the core % or not.

In June 2002, we looked at our Core % and made it a focus area for improvement. Our marketing system at that time consisted of:

1. 40-50 loads per week
2. 16 different production units
3. 2-3 loads/ night/ unit
4. 4-5 different packers
5. 90% of loads loaded between 10:00pm and 4:00am
6. marketing teams at units that worked night shifts from Sunday-Thursday
7. eyeballing rather than weighing most of the market hogs
8. the belief that we could not weigh each pig

We had a marketing system that relied on the individual to select the market hog and had little way of verifying the weight until we received the settlement slips. We did a great job of loading hogs but a poor one of hitting the grid. Our marketing teams were tired, grumpy and were just happy to fill the trucks, let alone worry about whether they hit core or not. Staff turnover was very high and morale was very low.

In late 2002, our marketing group identified all the main processes that we felt could be negatively affecting our ability to reach our marketing targets.

1. Operations

- with a fixed number of days in our units any improvement in average daily gain will reduce the number of bottom end pigs
- maximizing days in the farrowing crates and nursery areas will allow for increased entry weights into the finishing unit again reducing the number of bottom end pigs
- use of sire-lines to maximize growth performance and reduce some of the variation that we were seeing within groups
- additional contract spaces were added to allow more flexibility

2. Systems

- Time of loading (night vs day loads) we were convinced that carcass shrink would increase if we loaded in the afternoon and slaughtered the next morning (10-12 hr hold time vs the 2-4 hrs we were at). We ran a trial to understand if it would be possible to move to afternoon loading to help with the staffing problems and found little difference
- how we selected our market hogs (eyeballing) wasn't working and we felt that individual weighing was going to need to become a reality. Handling systems were designed and different types of scales were used
- unit design (sorting and weighing areas) units were not well suited for weighing and areas needed

development within the units to make this more convenient. Space was taken from finishing areas to allow us to install weighing systems. We are currently weighing most of our market hogs.

- tattooing systems Changing from gender specific to group specific allowed us to monitor the pigs from each batch to determine if lights are out the before the room was needed for the next fill
- tracking systems (spc graphs, load reports, monthly tattoo program) SPC charts are used to track performance in each unit, as well as for the corporate average. Load summaries are broken down by weight categories and sent out to the units. The tattoo program allows managers to look at specific tattoos which enables them to see where and when our lights and heavies are coming from.

### 3. People

- Motivation was improved by changing from night shifts to afternoon shifts, we reported weekly rankings and commentary from our CEO on how each unit performed and how they ranked amongst their peers.
- Marketing meetings were held to help our staff understand why we needed to improve and enabled us recognize improvements that had been made.

- On farm visits helped staff to develop new methods for achieving their marketing goals. Staffs were encouraged to develop systems that worked for them
- A reward system for achieving core marketings was developed. These consisted of both peer recognition and monetary reward for good performance as well as penalties for under performing units
- Unit fill rotations were adjusted to allow for a more even workload for the staff and enable all staff to become involved in marketing

Our current marketing system (as of Jan 2005)

1. 50-60 loads/week
2. 33 different production units
3. 1-2 loads/unit/day
4. 4-5 different packers
5. 90% of loads loaded between 12:00pm and 6:00pm
6. transferring of marketing duties to all finishing techs
7. the belief that we need to weigh each pig

Employee turnover has been reduced and morale has improved dramatically.

Our experience has shown that it just wasn't the system or the people. We needed to adjust the system to allow the people to succeed while encouraging the people to believe that changes in the system would improve our performance.