



*CAB Corner on Quality*  
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## **Plans beat predictions**

*By Clint Walenciak, CAB Packing Director*

Every day and virtually all the time, you think about the future. How can you best spend the afternoon? What will you do if it rains or snows this weekend? What bulls will you use in the spring, and do you need to buy another one this winter? How many heifers – and which ones – will you retain next year?

The nature of the business forces us to keep next year, if not the next several years in mind. But how often do we dare to think about business 10 or even 15 years out, and more importantly how we can affect it?

Of course, not even tomorrow is promised. But as we look back on the *Certified Angus Beef*<sup>®</sup> (CAB<sup>®</sup>) brand's 30th anniversary, we also find ourselves looking forward. Closing the books on a record sales year, we're inspired to maintain or improve in the years ahead. Sure, we have to stay focused on the here and now, but a position of strength lifts us to higher ground. From there, we can prepare for the challenges and opportunities that lie ahead.

Intermediate to long-term planning lets us establish the minimum benchmarks we'll need for CAB to remain relevant to the beef industry and to our customers. It lets us confront any dark clouds on the horizon with contingency plans, and it lets us dream a little about how much more we could do to add value to Angus cattle if things continue to work out well.

Our current business model tells us that we'll need to sell about 1 billion pounds (lb.) of CAB product annually by 2020. Now that's a benchmark! It's a long way from the 634 million lb. sold in 2008, but still a realistic estimate that reflects steady growth and accounts for standard increases in marketing, staff, taxes and general inflation. Once we catch our breath, we begin to focus on how to get there, one step at a time.

How can you define where you want to be in 10 to 15 years? Don't just look at how many calves you want to sell, but add a quality factor. Better yet, think about how many of those calves of you NEED to sell just to maintain your way of life, given some admittedly wild guesses about cost increases. Keep in mind a worst-case, average and best-case scenario, a "stretch" goal that could be within reach if optimum conditions are met.

Granted, once you take a look at where you need to be, it generates a completely new set of questions, but that's part of the purpose. Should I increase herd size? Do I have enough grass? What marketing strategies should I change? How will I maintain and grow my customer base? How will changes in consumer demand affect the beef producer? Should I look at natural production? What are the best and worst things that could happen outside of our control?

Answering such questions helps us see things we'd never notice in just planning for the next year. It also provides a check-and-balance system, constantly challenging you to increase or decrease your estimates over time.

Don't get caught up in details like price predictions, or you're done before you even start. This is planning, not predicting, and certain aspects of the business are well out of your control. Just use the best estimating tools and resources history provides, combined with what we know today. That's where the "high-medium-low" estimates come into play. As general ranges and levels begin to develop, you'll be surprised at how your confidence in projecting builds through the process of planning.

Overwhelming? It can be, especially if your crystal ball is no more accurate than mine. But you owe it to your future to start taking a serious look at all of the long-term "what ifs." Doing so can expose weaknesses that you can fix before they become critical, encourage more things that are going well and show positive results sooner rather than later. You'll build confidence and even excitement among your family and employees as you take a more active role in shaping your destiny.

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