



PAUL D. ANDRE PHOTO

SUCCESS in Customer Satisfaction

Nowhere in the industry is it more apparent that survival depends on customer satisfaction than to an order buyer.

BY PAUL D. ANDRE

Knowing the needs of the customer, then filling those needs, is the only way to achieve long-term success in every link of the cattle industry chain. From the seedstock producer to the retailer selling the end product, each individual business demands a satisfied customer who will be a repeat buyer.

That's a well-learned lesson at Vann-Roach Cattle Company, headquartered in Fort Worth, Texas. For more than 50 years it has been one of the premier order-buying firms in the country. It's widely known for its integrity in dealing with customers and making innovative moves to better serve them.

Originally, the firm was in the Fort Worth Stockyards, but was relocated north of the city many years ago when the stockyards shut down. There were many observers at that time who

believed an order-buying firm couldn't operate away from a terminal market, according to Roger, Weldon and Gary Vann, who today lead the company and its widespread operations. What those observers failed to realize was that customer service and satisfaction, not location, are key factors to a successful business.

Agent for customers

"We operate strictly as the agent for our customer," Roger Vann explains, "so we maintain no cattle inventory and do no speculative buying. Every head is bought on order."

Although Vann-Roach operates in a bigger area, it does the bulk of its business in five or six states. A field staff of 25 buyers covers the territory and receives daily orders from the Fort Worth headquarters on the number and kind of cattle they are to secure. They attend auction markets six days a week and also make private-treaty purchases.

When new representatives are hired, they go through an apprenticeship period at Fort Worth to become thoroughly familiar with Vann-Roach procedures. The length of the training period depends on experience and background, Vann says.

With the many thousands of cattle that go through the Vann-Roach facility, it's imperative each buyer closely follows price guidelines and quality specifications, he adds. Consequently, each is rated weekly on procurement performance in 20-40 different weights and classes of cattle.

Over the course of a year, there is about an even split between the number of head bought as stockers and as feeders, with about 70% being calves and 30% being feeders. Auction markets are the source of about 70% of the cattle.

"We usually get a producer's entire crop, and that is our goal," Vann says. "We are definitely seeing a trend in this direction, and this is the signal we are getting from producers, feedyards and packers. This is a result of the recognition for the need for cooperation between the industry segments if we are to make substantial progress in the effort to improve cattle quality."

Vann points out his firm uses every form of marketing available in the industry, so customers have their choice as to how they wish to buy or sell. Communication and understanding a customer's needs are the basis on which every transaction is built.

"We spend a lot of time determining what a customer has been doing, the breeds and influence he wants, whether he wants crossbreds, English cattle, exotics, what

Above: To make sure they're buying the kind of cattle their feedlot customers want, Roger Vann says they spend a lot of time researching what the customer wants in terms of breed, frame size, weight and quality.

frame size, weight and quality,” says Vann. “Some even specify the color. Our goal is to meet his demands exactly, because our reputation goes along with every truckload we send to a customer.”

The typical load

Here is how a typical load of cattle delivered to a customer would be assembled. After the customer places an order at the Vann-Roach office, the requirements are passed on to buyers who make the purchase that day. The cattle are then transported to Fort Worth that night by the Vann-Roach truck fleet.

In the morning the cattle are sorted into uniform groups, at a rate of up to 700 head per hour, in a highly efficient system that minimizes stress. All the information on their weight, quality and auction tag number is entered into the computer so the customer knows exactly what he is getting. The cattle are not reweighed.

Depending on the wishes of the customer, the cattle also will be processed before going into shaded pens where they have access to coastal hay. Processing can range from just dehorning or castration to a full processing procedure.

“About 90 percent of our customers have us do at least some processing,” Vann says. “It depends partly on the season, how busy a customer is and the facilities he has.”

The following morning the cattle are loaded on Vann-Roach trucks, which are cleaned and disinfected between each load and have extended stacks to prevent exhaust gases from going into the trailer. Although the majority of customers use the Vann-Roach truck fleet, they are not required to do so.

“We only deliver during daylight because we want the customer to be completely satisfied with the quality and uniformity of the cattle. Depending on the season and the parameters set by the customer,” Vann says, “we can usually deliver a load in one or two days.”

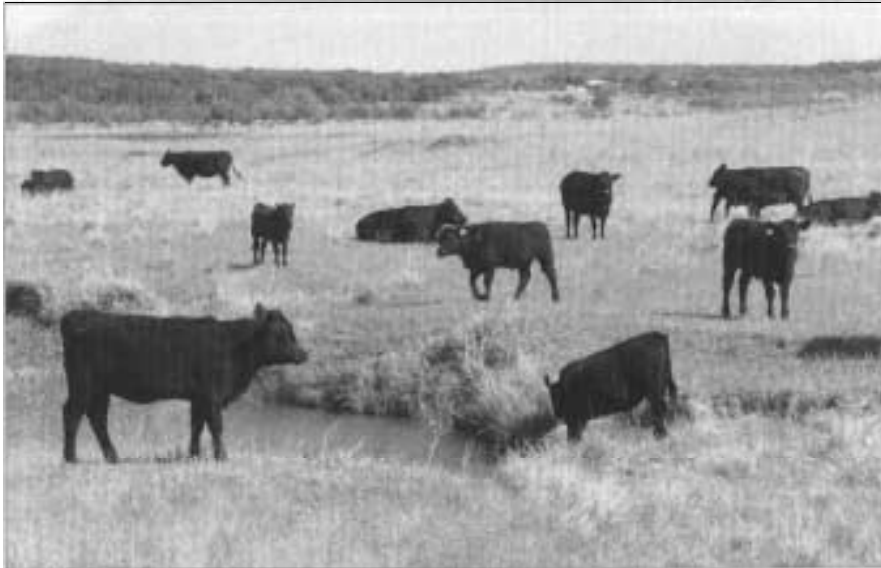
Overall cattle quality has improved as producers have sought out better genetics for their herds, and Vann says customers are in general agreement cattle are better than they were just a few years ago.

“Every customer has his own idea of what the ideal animal is for him,” Vann says. “The larger producers have been working hard on improvement, and this does trickle on down to the smaller guy as he sees the economic benefits it brings.”

Giving a little extra

One program Vann-Roach offers is providing carcass data back to producer customers through their relationship with

CONTINUED ON NEXT PAGE



Overall cattle quality has improved as producers have sought out better genetics, says Roger Vann. Shown here is the herd of Jacksboro, Texas, cattleman Stewart Sewell.

feedyards and packers. It's expected this will expand and become a more important service because of another innovative move being made by the firm. Vann-Roach has entered into a joint venture with Leachman Cattle Company, Billings, Mont., to market its genetics throughout the southern United States and Mexico.

Bulls and replacement females will be

offered for sale at a San Angelo, Texas, facility where two bull tests will be conducted annually. Both auction and private-treaty sales are planned. "Basically, this has come about because it was customer-driven by those wanting known and superior genetics," Vann says.

Dan Leddy, who manages the program, points out there are some 5.4 million cows

in Texas alone. If a bull-cow ratio of 1-to-20 is applied, that means some 270,000 bulls are required.

"Availability of good bulls is always a problem," he says. "We hope to sell 1,200-1,500 bulls the coming year and will be offering black Angus, red Angus, South Devon, Charolais and four different composites."

However, he emphasizes the program is far more than selling bulls. "We are trying to form a program that merges the seedstock, commercial producer, feedyard and packer interests to help the industry move forward."

Bulls will be produced in cooperator herds that have a minimum of 200 head, according to Leddy. At weaning, the cattle will be sorted, and those that do not meet the quality standards will be castrated and fed out. Data will be collected on them.

Bulls will go on test at San Angelo at 7 months of age weighing 550-700 pounds (lb.). They will be fed a growing ration to come off test at 1,100-1,350 lb. The bulls will be measured at 11 months of age for frame score, scrotal circumference and pelvic area. They will be fertility tested and offered for sale at 13 months. Some of the qualifying heifers in the cooperator herds also will be offered for sale as replacements in breeding or commercial herds.

"For the commercial producer who buys our bulls," Leddy says, "we will go back and help market the calves. ... Actually this entire program is directed toward the commercial man so he can produce uniform calves that will bring more money with whatever marketing method he chooses. Then we will follow the calves off the ranch and collect the performance and carcass data for him. Certainly some people are going to be surprised at how their cattle grade and yield.

"With two experienced companies, over 50 years for Vann-Roach Cattle Company and 25 years for Leachman Cattle Company, we have the understanding for and the capability of actually making significant change in the industry with known genetics and quality. Our customers are excited about the program because the quickest and cheapest way to improve is through the bulls. Over the next five years, we feel they will play a major part in changing the cattle industry.

"We definitely aren't just bringing bulls in from the North and we aren't bull traders," Leddy says. "People want cattle acclimated to the environment with no transition period. We know things won't happen overnight. What we are after is steady cattle improvement by pushing three things—quality, quality, quality."

