



Working toward greatness

Jim Collins' first line in his book on corporate America, Good to Great, states, "Good is the enemy of great." He goes on to say, "We don't have great schools, principally because we have good schools. We don't have great government, principally because we have good government. Few people attain great lives, in large part because it is just so easy to settle for a good life. The vast majority of companies never become great, precisely because the vast majority become quite good — and that is their main problem."

I have considered this philosophy many times while analyzing the successes and shortcomings of purebred beef organizations.

Ups and downs

The Angus breed and the American Angus Association have enjoyed a certain amount of success, particularly in the past half century. This success, however, has not been without setbacks. Annual registrations peaked in 1968 when Angus breeders recorded an all-time high of 407,000 animals.

Just when Angus breeders thought success would last forever, registrations began heading south and did not stop their decline until 1986, when registrations reached an all-time low at 133,000. This adversity stimulated the minds of the Association's Boards of Directors and resulted in two distinct defining periods in the early and late 1970s.

The first defining year was 1972, when the Association made two monumental

decisions. The first was to allow unrestricted use of artificial insemination (AI). The second was to adopt a program called the National Sire Evaluation. The long-term effects have been incredible.

The second defining period in our recent history was 1978-1981, which is known for five major decisions:

- the formation of the Certified Angus Beef (CAB) Program (the forerunner to Certified Angus Beef LLC);
- the purchase of the *Angus Journal* by the Association;
- the formation of the Angus Foundation;
- the organization of the National Junior Angus Association (NJAA); and
- the combining of structured sire

evaluation data and field data submitted through Angus Herd Improvement Records (AHIR) into expected progeny differences (EPDs). These major cornerstones provided the most extensive program of combining genetic evaluation, end product marketing, communication, research and youth activity the purebred industry had ever seen.

No time for complacency

While it is very comforting to bask in the warm sunlight of success, I am also reminded of a quote from Winston Churchill: "There is no worse mistake in public leadership than to hold out false hopes soon to be swept away."

Another excerpt from *Good to Great* relates, "In the early 1950s, *The Great Atlantic and Pacific Tea Company*, commonly known as A&P, stood as the largest retailing organization in the world and one of the largest corporations in the United States, at one point ranking behind only General Motors in annual sales. Kroger, in contrast, stood as an unspectacular grocery chain, less than half the size of A&P, with performance that barely kept pace with the general market.

"Then in the 1960s, A&P began to falter while Kroger began to lay the foundations for a transition into a great company. From 1959 to

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ADMINISTRATIVE STAFF

Vice presidents: Finance—Richard Wilson ■ **Information & Data Programs**—Bill Bowman ■ **Industry Relations**—Jim Shirley
Departmental staff: Activities & Junior Activities—James Fisher, director; Shelia Stannard, assistant director ■ **Administrative Secretary**—Diane Strahm ■ **Angus Information Management Software**—Scott Johnson, director ■ **Commercial Programs**—Jim Shirley, director ■ **Finance & Accounting**—Richard Wilson, director; Kenny Miller, assistant director ■ **Foundation Development**—Milford Jenkins, director ■ **Information Systems**—Lou Ann Adams, director ■ **Member Services & Office Management**—Bryce Schumann, director; Carol Waller, assistant director ■ **Performance Programs**—Bill Bowman, director; Sally Northcutt, genetic research director

AMERICAN ANGUS AUXILIARY

President—Amy Iman Bellis, Orrick, Mo. For a complete list of officers, refer to page 59.

REGIONAL MANAGERS—Refer to page 147.

CERTIFIED ANGUS BEEF LLC

President—Jim Riemann, Wooster, Ohio
For a CAB staff listing, refer to page 83.

1973, both companies lagged behind in the market, with Kroger pulling just a bit ahead of A&P. After that, the two companies completely diverged, and over the next twenty-five years, Kroger generated cumulative returns ten times the market and eighty times better than A&P.”

How could such a tragedy happen? The answer is simple. The management of A&P failed to recognize and adapt to changes in consumer preferences. They failed to accept the fact that we live in a dynamic and changing world wherein consumers wish to purchase an array of goods under the same roof.

The Angus industry is no different. The competition for the seedstock market is becoming increasingly stronger; therefore, your Association is constantly in quest of programs that provide an Angus edge. The acceptance of Angus \$Value Indexes for feedlot gain (\$F), grid value (\$G) and beef value (\$B) by the commercial industry attests to the industry’s thirst for less complicated methods of seedstock selection.

The prospect of a new value in the near future relative to a weaned calf index is equally exciting. As research and time permit, additional programs requested by registered and commercial producers alike will be introduced.

Framework for success

Additionally, in a bold move enthusiastically endorsed by your Board, and in keeping with the five core strategies outlined in our long-range plan, we have



With spring, comes change

Springtime is a time for new beginnings and growth. Personal growth meant leaving our ranks for two of our young staffers this year.

Matt Perrier will be stepping down as director of commercial programs to join his family’s Dalebanks Angus operation near Eureka, Kan. Matt joined the Association staff as a regional manager for Texas and New Mexico in 1997. He came in-house Jan. 1, 2001, to help us expand the commercial relations efforts and has been instrumental in developing such programs as AngusSource and the Beef Record Service (BRS).

Susan Rhode stepped down as director of public relations and communications in March. Susan joined the Association staff in June 1995, working as assistant director to Keith Evans and then Ed Bible. She assumed responsibility for the department in August 1998. Susan helped develop award-winning national advertising campaigns for the Association, including the “Black Hide” campaign, and has directed public relations efforts to benefit the Association and its members.

implemented an improved business structure within the American Angus Association. This new structure groups together departments that are closely related as to function and future industry needs. This reorganization will greatly increase the effectiveness of each department and decrease duplication of efforts.

Key to the structural change is the naming of three vice presidents: Richard Wilson, vice president of finance; Bill Bowman, vice president of information and data programs; and Jim Shirley, vice president of industry relations. Shirley will also assume responsibility as director of commercial programs.

Information and data programs will include member services, information systems, Angus Information Management

Software (AIMS), and performance programs. Finance will include the Finance and Foundation Development departments. Industry relations will include activities and junior activities, industry and member communications, commercial programs, and regional managers.

To be competitive in tomorrow’s seedstock industry, just being good is not enough. There will be plenty of good seedstock backed by good records managed by good associations. Being described as a “good organization” is comforting, but we must not forget, “Good is the enemy of great.”

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