

On the Map



The right combination of old-time customer service and contemporary marketing know-how keeps the Hobson Bull Center at the top of the Angus bull sale list in spite of its remote location.

Story & photos by *Ed Haag*

Hobson, Mont., certainly isn't the easiest place to get to. Yet twice a year bull buyers from across the country are drawn to the tiny Central Montana hamlet like Harleys to Sturgis, S.D., for the big motorcycle rally. The attraction is a range of Angus genetics broad enough to satisfy the specific goals of commercial producers from Washington State to Florida.

"One of our main objectives is to offer the kind of genetics that allows us to respond to the needs of our customer at every stage of herd development," says Darrell Stevenson, co-owner and spokesperson for Stevenson-Basin Angus Ranch, an alliance of three family operations. Combined, their purebred seedstock Angus herd includes 4,000 cows in Montana and another 1,000 out of state.

Both Doug and Darrell Stevenson admit their bull marketing strategy is considered by some in the industry as unorthodox.

Attendance for their annual post-Thanksgiving bull and heifer sale, estimated from the number of people who sit down for lunch, runs more than 500 for each day of the three-day auction.

"It is a real community event," Darrell says. "Everyone pitches in to make sure our customers are well-treated and get what they have come for."

Every year 2,500 registered Angus bulls are sold under the gavel at the family's Hobson Bull Center — a modern complex dedicated to developing bulls for their commercial clientele. Five hundred more are sold by private treaty. Most of the bulls sold through the center are from Stevenson bloodlines and have been raised in the Judith Basin on a family-owned ranch or by one of Stevenson-Basin's numerous cooperators.

Those who are unable to attend the auction in person have an opportunity to purchase bulls long distance through Superior Livestock Auctions.

"We sell roughly 20% to 30% of all the bulls through Superior one way or another," Darrell says. "A high percentage of those sold over the video are past customers or

CONTINUED ON PAGE 148

► **Above:** "We want to provide the customer with what he needs to make his operation work right and add value to his product," Darrell Stevenson, co-owner and spokesperson for Stevenson-Basin Angus Ranch, says. "That is the first step to developing a long-term working relationship."

On the Map CONTINUED FROM PAGE 147

customers who come prior to the sale, mark the catalog and buy from home.”

Taking care of business

Darrell says he believes the main reason their central Montana operation has been successful in attracting a high volume of bull buyers to Hobson, in spite of its location, is that he and his partners pay attention to the needs of their core customer base.

“Our biggest job is getting the people here,” he says. “Once they are here, the cattle speak for themselves.”

For the Stevensons, that means focusing on the segment of the beef industry they have served for three generations. “Number one, we are a seedstock provider for commercial cow-calf operations,” Darrell says. “Ninety-eight percent of all our effort is focused on our commercial-driven market.”

This isn’t just rhetoric, he explains. It has been operational policy since 1992 when a series of major decisions were made that would guide the growth of Stevenson-Basin Angus to this day. “In that year, our fall bull sale average was over \$4,500,” he says. “Back then, that was a lot of money — top end for the commercial bull market.”

At the time, the combined herd of the three ranches was 1,600 mother cows.

The Stevensons knew if they continued on the same course it was only a matter of time until they priced themselves out of the commercial market. This would mean the loss of valued, long-term customers and loss of the accompanying revenue. “If somebody comes all the way to Hobson to buy a bull and he can’t afford one, then he isn’t going to come back,” Darrell says.

The family had been raising commercial Angus seedstock since 1946, when ranch founder, Jamie Stevenson, purchased his first four registered Angus heifers. Now, unless the owners of Stevenson-Basin Angus could do something to control their bull prices, they could easily become a victim of their own success.

After considering all their options and careful deliberation, it was decided to continue to focus on selling seedstock to commercial operations. It was also decided to expand the herd and the number of bulls offered for sale each year. With a larger inventory of animals available, it would reduce the competition between buyers for specific bulls and keep the prices down in the commercial bull range.

In addition, the larger number of animals available would allow the Stevensons to offer a broader genetic selection, which in turn



▶ “One of our main objectives is to offer the kind of genetics that allows us to respond to the needs of our customer at every stage of herd development,” Darrell says.

“We are not just selling black animals. We are selling predictability.”

— Doug Stevenson

would translate into a better, more specific fit for their customers.

“We felt we could expand our numbers while improving our quality and selection,” Darrell says. “We wouldn’t have attempted it if we didn’t know we would succeed.”

The plan also fit well with their human resource situation. A new generation of Stevensons was about to join the family business, and they would bring with them the young energy needed to succeed in their new endeavor.

By every visible criteria, the Stevensons’ game plan has proved a remarkable success. In spite of launching their ambitious expansion program in the midst of one of Montana’s severest droughts, the Stevensons have persevered and have managed to grow their herd more than threefold in the last 15 years.

Every customer special

For co-owner Doug Stevenson, the goal of being able to offer the customer an affordable bull that is the best possible fit for his or her operation has been an objective worth pursuing. “We are here to serve the commercial livestock producer,” he says. “That is the reason why we are in business.”

This means working directly with the prospective buyer to determine both his short- and long-term development goals. “We are not just out to sell a bull,” Doug says. “If our customer needs help with development or even marketing, we are available.”

For Doug, this personal attention to each customer’s specific needs is one of the main reasons why ranchers return to Hobson year after year to buy their bulls and why the auction attendance numbers continue to increase.

“We have been at this a long time, and we can’t attribute our success to any specific thing we have done to try and market cattle,” he says. “Instead, our success has been that we produce the right product for the customer so the next time he comes to Hobson he brings a neighbor.”





►The family's Hobson Bull Center is a modern complex dedicated to developing bulls for their commercial customers.

Doug notes that the demographics of the Stevenson-Basin customer base stands as hard evidence of this word-of-mouth marketing phenomenon. "Most of our growth is within pockets where we started with one customer in an area, and it just built up from there," he says. "Now we might have a couple of carloads from the same town coming to our auction."

Long-term strategy

Both Doug and Darrell admit their bull marketing strategy is considered by some in the industry as unorthodox. "The approach of a lot of seedstock producers seems to be to develop bulls that they believe their customers will want, and then try and bend the market to fit those bulls," Doug says. "We like to get to know the customer and something about his operation before we start selling him bulls."

Because of this commitment to service, it is not unusual for someone from Stevenson-Basin Angus to spend time observing a new client's operation in order to better

understand his seedstock requirements.

"We want to provide the customer with what he needs to make his operation work right and add value to his product," Darrell says. "That is the first step to developing a long-term working relationship."

For Bob Finegan of Hyannis, Neb., who has been buying animals at the Hobson auction since 1990, it has meant staying in close contact with the Stevenson family. "They really seemed interested in what I wanted, and spent lots and lots of time talking to me," he recalls, adding that, at the time he started acquiring Stevenson bulls, he was making a switch from another breed to black Angus. "They really made it easy for me, and they still do."

As a beef producer who calves in March and sells in the fall, Finegan is particularly pleased with the weight gain he gets from his Stevenson bull offspring. "Two thirds of our steer calves weighed 647 pounds," he says. "Around here those are pretty good calves."

Finegan notes that with Stevensons'

genetics and knowledge base to draw upon, he has grown his cow-calf operation from 250 to 800 mother cows.

This kind of expansion in a client's herd is not uncommon, Darrell says. "Helping our customers grow while adding value to their product is a big part of our job," he says. "We want to be part of that process."

Doug says it is not only desirable for Stevenson-Basin's staff to be in the loop regarding a customer's expansion plans, it is, in key ways, absolutely necessary if he and the others at Stevenson-Basin hope to remain relevant to their client base.

He points out that if today's customer does not get what he needs from Stevenson-Basin in the future, he will go elsewhere.

"We are always planning two years ahead for each customer that is on our program," Doug says. "That way they will have the bulls they need when that time comes."

This also applies to predicting what is needed for future herd development, Darrell says, adding that the size of their selection offers a real advantage to their clients.

"With our large contemporary groups, customers can dial in exactly what they need to be breeding for, very specifically, down to one trait at a time on-a-per-trade basis, without neglecting overall balanced trait selection," he says. "We are not just selling black animals. We are selling predictability."

Finegan concurs with Darrell's assessment of predictability, adding that the combination of Stevenson-Basin's extraordinarily large selection of bulls and the family's willingness to share their broad knowledge base with their customers offers the best of both worlds. "It's kind of like being a personal friend of Sam Walton," he says, laughing. "It's pretty hard to beat that."

