



Outside the Box

► by **Tom Field**, director of the Engler Agribusiness Entrepreneurship Program, University of Nebraska

Look in the mirror

“Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skillful execution; it represents the wise choice of many alternatives.”

— *William A. Foster*

NBQA history

Nearly 20 years ago, visionary cattlemen made a courageous commitment to log the progress of the beef industry as it transformed from an undifferentiated commodity to a focus on delivering quality and value at each stage of the supply chain.

In each subsequent National Beef Quality Audit (NBQA), industry leadership has reaffirmed its commitment to step back from the day-to-day challenges to take a long look in the mirror and evaluate the industry's progress in delivering on the quality promise.

All five NBQAs have been conducted from a foundation created by management and process control expert W. Edwards Deming. Deming was a detail-oriented, deeply analytical thinker who developed a system termed Total Quality Management (TQM).

While volumes have been written on his systematic vision for management, the core principles of his approach were continuous improvement; eliminate waste; performance must be measurable; pride of ownership is a key driver; and people are at the heart of quality, with the motivation and engagement of the team fundamental to sustained success. Deming's ultimate measure was a satisfied customer.

Improving the ability of the beef industry to satisfy consumer needs provided the impetus for the NBQA. As part of the *2000 NBQA Final Report*, Gary Smith stated that the primary goal of the industry was to “assure that every customer who purchases cattle, beef byproducts or beef products, as well as every consumer who eats beef or beef products will be satisfied with their purchase.”

In an earlier NBQA report, Smith stated that the “U.S. cattle industry cannot expect improvements in prices for its products/byproducts when ‘quality’ doesn't warrant such increases. The beef industry must proceed beyond its present policy of correcting quality shortfalls by the use of

Band-Aid and ‘put out the fire’ approaches. The industry must identify its quality shortfalls because one of these could result in its downfall unless the root causes can be ferreted out so the problems can be corrected.”

The 2011 NBQA results are fascinating and provide the most detailed, data-rich report in the history of the project. There is considerable information to be studied in the final reports, and it is incumbent that every participant in the industry takes seriously the task of studying, understanding and acting on the information from all three phases of the study — face-to-face interviews with supply chain participants that characterized the quality factors each sector considered as non-negotiable; the terminology various sectors used to describe or measure quality, describing the quality characteristics and performance of the fed-cattle supply; and the producer quality-practices survey. The *Angus Journal* is publishing a summary of key findings of the report in this issue (see page 278), and the executive summary and final reports can be accessed at www.bqa.org.

Key messaging

At the risk of oversimplification, the key messages from the most recent study are that the industry must consistently and relentlessly work to protect and improve three pillars that underpin the success of the beef supply chain — eating satisfaction, product integrity and communicating the beef story.

Eating satisfaction was closely tied to two primary attributes — flavor and tenderness. Results of the 2011 audit indicated that the industry had made significant progress in terms of improving the percent of fed cattle grading USDA Prime and Choice (61% in 2011 as compared to 51% and 55% in 2000 and 2005, respectively). Marketing programs have provided a strong signal to producers, and the cooler audit showed that nearly one-third of the carcasses were stamped as eligible for a quality or process-verified brand.

In regard to **product integrity**, supply chain participants overwhelmingly pointed to food safety as a key attribute affecting beef's integrity and trustworthiness. Unique to the 2011 audit was the finding that supply chain participants at retail and foodservice were increasingly interested in the production practices that were used in the management of cattle prior to harvest, as well as product attributes (e.g., marbling score, cutability and cut size).

Animal care, well-being, sustainability, and other social attributes were viewed as having significant impact on beef demand. Concurrently, the supply chain clearly communicated that the industry was not doing a good enough job **telling the beef story** and was viewed as inadequate in terms of its level of transparency.

Thus the biggest take-home message for those who manage and produce seedstock, cow-calf, stocker and feedyard cattle was to shift the framework around which management decisions are made to include the filtering lens of eating satisfaction, product integrity and the beef story. Assuring customer satisfaction and, thus, long-term beef demand requires that we must evaluate our decisions related to processes, inputs and technologies used in beef production by asking three questions:

- How will this process, input or technology affect eating satisfaction?
- Does this decision improve product integrity and thus consumer trust?
- Will I be proud to include this decision as part of the beef story?

How the industry deals with these questions ultimately determines whether or not beef demand grows or declines. These three questions frame the test that the industry will have to pass and, as such, our responses have real consequences. Take a long look in the mirror and answer wisely!

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