

Creating an Efficient Business Plan for Longview Club Lambs

A Senior Project

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Introduction

Longview Club Lambs is a small startup business located in Lincoln, California. Longview Club Lambs has the goal to maintain a high of level efficiency and productivity to compete with other club lamb businesses within the next three years (Longview Club Lambs, 2018). In order to do this, Longview Club Lambs will need to evaluate its current practices and determine the necessary adjustments that should be made to their business plan.

To create this new business model, the business will need to re-evaluate all its management practices and make the needed changes to adjust to a larger scale operation. Implementing an effective business plan for Longview Club Lambs will consist of comparing its current operation to large-scale club lamb operations, evaluating types of nutrients the lambs, ewes, and rams should be fed, creating an effective marketing plan for the lamb crop each year, facilities must be able to accommodate operation size and efficiency, the health and care for animals must be pre-planned, the genetics and time of lambing must be organized to provide lambs at the demanded time of year, and finally, the finance of the operation must be properly budgeted and managed (Bowles, 2015).

Background

A large-scale operation must implement proper nutrition to the herd for lambs to grow efficiently. One of the key elements to maintain is the correct amount of crude protein based on the type and age of the lamb being fed (Fournier, 2018). The feeding time also creates a more effective operation. Feeding the lambs from the time of 8:00 p.m. to 8:00 a.m. increases the feed intake of the animals (Marshall, 2018). To meet the suggested feeding times, a proper facility must be in place and allow for the separation, movement, and organization of various lamb groups. This includes having pastures that allow for ample forage growth and having pens that allow for adequate space for lambing (Kintzel 2010).

To effectively use this information, once born, processed and fed properly, the lambs are ready for sale marketing to potential customers. This would include understanding the type of market lamb desired in the show industry. Customers are looking to have a breeder that can answer questions on the particular lambs they are interested in (Chaddock, F., and Stulz, R., 1998). Utilizing social media outlets will increase awareness of lambs for sale and begin a following of customers (Saravanakumar and Lakshmi, 2012). Maintaining detailed and current lamb health and breeding records is crucial to track the overall herd health, and individual lamb statistics (Bracken, 2017). Software programs such as Sheep Manager, FlockFlier and SheepTracker can aid in digitizing herd information.

Any business needs to have a systematic and accurate way to record financial information. They should implement a balance sheet to understand the assets, liabilities, and equity of the operation. Along with a balance sheet, a business should have an income statement and statement of cash flows. The income statement allows the business to see the various types of expenses and income that has occurred. The statement of cash flows shows the various areas of the business that use and gain money. The key to record keeping is keeping the information simple, so it can be clearly understood. Along with the financial statements, an operation should do periodic financial analysis. This ensures the operation is functioning efficiently (Arzeno, 2004).

Methodology

As referenced from Kelsie Bowles, “The Feasibility of Establishing a Club Ewe Lamb Flock at Cal Poly,” an effective business plan, in general, includes nutrition, health, facilities, scheduling, genetics, financing, and promotion (Bowles, 2015). Longview Club Lambs has utilized nutrition, health, facilities, scheduling, genetics, and financing of a general business plan to streamline current practices into a larger, more efficient and more profitable operation.

Longview Ranch utilized 10-acres of pasture and pen facilities to run its operations. The Longview Ranch had a barn with a small outdoor pasture, indoor stalls, a creep stall connected to the indoor stall, and finally a quarantine/lambing pen that connects to the back-pasture area. Next to the barn is the medium-sized pen with a shelter. There is a bottom paddock area, an ally and two medium-sized pens. These pens are utilized for the growing of weaned lambs.

Finally, there is one large pasture with a creek through it. This is the least utilized area. The ewes are allowed to graze the whole pasture on the offseason. There is the possibility to have four pastures sized from large to medium (Longview Club Lambs, 2018). The creek was part of the water provided by Nevada Irrigation District with the restriction of two miner's inches (Longview Club Lambs, 2018). A miner's inch is equivalent to 11.22 gallons per minute, which means Longview Club Lambs receives 22.44 gallons per minute (NID, 2018). The owners will take advantage of the free-flowing creek, which will reduce irrigation expenses. Longview will also rearrange its pens and pasture area to include more lambing pens, which will be separate from the quarantine pens. The pasture will also be maintained and sectioned to ensure proper use and grazing techniques.

As suggested by Pennsylvania State Educator Michael Fournier, a lamb business should minimize costs and supply appropriate nutrients (Fournier, 2018). The ewes' diet is changed based on the current state of breeding. Fournier suggested feeding a full-size ewe, in the first 15 weeks of gestation or non-lactating, 3.5 pounds of alfalfa or pasture if adequate (Fournier, 2018). In the last six weeks of gestation, 2 pounds alfalfa and 1.5 pounds of commercial feed, or pasture if adequate (Fournier, 2018). A lactating ewe should receive 2-4 pounds of alfalfa with 4 pounds of commercial feed (Fournier, 2018). A ram should be fed alfalfa or be kept on pasture to maintain a healthy diet. During breeding season, they may need supplemental grain to ensure healthy state during breeding (Fournier, 2018). Replacement ewes should be fed approximately 2.5 to 5 pounds a day, based on the amount of weight desired to gain (Fournier, 2018).

Longview Club Lambs currently does not monitor the amount of feed increase or decrease for the various age and breeding stages (Longview Club Lambs, 2018). Longview will change its practices to monitor the sheep based on current stage of gestation/lactation. Longview Club Lambs has seven breeding ewes and two replacement ewes. Longview invested into one breeding ram. This ram is used for most ewes, while his offspring are bred to leased rams offsite (Longview Club Lambs, 2018). This ram belonging to Longview Club Lambs has only scheduled one lambing per year. The ram is currently used to improve the genetics of the market lambs. In 2017, Longview moved to two lambings per year, but were inefficient at conception of all ewes (Longview Club Lambs, 2018). Longview Club Lambs plans to move to multiple breeding seasons in smaller groups and increasing the amount of breeding time. Longview will also schedule lambing seasons based on county fairs. Better utilizing genetics can allow a club lamb business to improve the lambs it produces.

Longview Club Lambs has utilized Instagram and Facebook as their social media outlets (Longview Club Lambs, 2018). To be able to efficiently advertise the lambs, Longview Club Lambs should use social media to promote their lambs available each year and the winnings from various shows and events (Saravanakumar and Lakshmi, 2012). The owner will increase the content of Longview's social media accounts to engage more with potential customers. The content can vary from achievement of customers to facts and events related to the sheep industry to animals for sale.

Longview Club Lambs was financed mostly through outside income after the use of revenue for expenses. Previously, Longview Club Lambs used no formal accounting method to

track expenses and sales (Longview Club Lambs, 2018). The owner will use Microsoft Excel to create an accounting system to track income and expenses. The Excel spreadsheet will provide a balance sheet, cash flows, and income statement. This will enable better understanding of the profitability of the business from year to year and provide financial statements. After the business becomes a large operation, it will be ideal to invest in a computer system that will calculate the various records for financial analysis.

Results

The author took the research and methodology information to create a plan that outlines the steps of creating a more efficient club lamb business. The plan includes the cost and time required for each project. Following their research, they will begin to plan when they will complete each project.

The owner of Longview Club Lambs will update the feeding and breeding techniques, scheduling, financial collection, financial analysis, and social media uses. The owner created a spreadsheet to track the income and expenses for the upcoming year. Following the changes, the social media has become more active. Facebook and Instagram have been posted on daily to weekly. The information being posted is engaging and promotes the industry and the business. There is also helpful information posted to encourage 4-H and FFA exhibitors to learn new techniques and get involved in showing club lambs. The owners of Longview Club Lambs renovated the outstanding pens to create a more efficient area. These improvements will be used to help Longview Club Lambs begin to improve and become a large-scale efficient operation.

Moving Forward

The owner created a spreadsheet to track the income and expenses for the upcoming year. The social media will become more active. Facebook and Instagram will be posted on daily to weekly. The information being posted will engage and promote the industry and the business. Longview Club Lambs will also post information to encourage 4-H and FFA exhibitors to learn new techniques and get involved in showing club lambs. The owners of Longview Club Lambs will renovate the outstanding pens to create a more efficient area. These improvements will be used to help Longview Club Lambs begin to improve and become a large-scale efficient operation.

The following will be referred to as long-term goals and will be completed over a longer period of time. The owner will continue to improve genetics by selecting superior rams and breeding the highest quality ewes to that ram. The other ewes will be bred to the current ram that is incorporated into the flock. As the flock grows, the owner will purchase another ram to incorporate into the flock. The owner will also start to breed in multiple seasons. This will allow the business to have lambs to sell for all of the local fairs that happen from May until September. Finally, the owner will organize and sort the ewes based on their lactation/gestation stage. This will require the building of multiple facilities, but it will allow the owner to feed the proper amount to each ewe. The owners will monitor the body condition score to ensure the proper level of nutrition. This project will be completed in three years. This time frame will allow the owner to accumulate the financials needed to create the needed improvements.

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