

# Best Practices of FBS Pork Clients

Norm Brown

http://www.fbssystems.com/cmspages.php?id=45

#### **Best Practices**

"Generally-accepted, informally-standardized techniques, methods or processes that have proven themselves over time to accomplish given tasks."

## **Benefits**

- 1. Effectiveness
- 2. Efficiency
- 3. Internal control
- 4. Compliance to statutes and policies

## Data entry

- ✓ Capture quantities
- ✓ Consistency
- ✓ Optimize the "buckets"
- ✓Alpha or numeric?



#### Place for Accrual

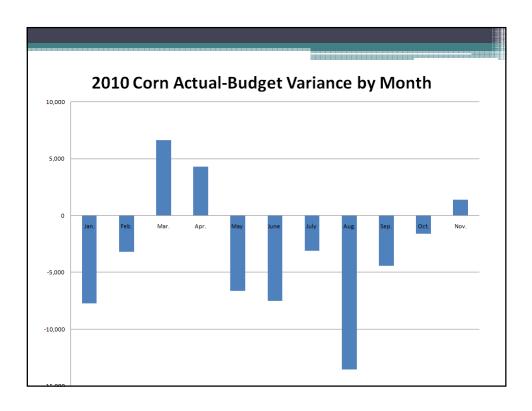
- ✓ Manage by accrual/report by cash
- $\checkmark$ A/P-A/R
  - Makes inventories and closeouts practical
  - Tie between production and financial
  - Purchase orders
- ✓Trial balance

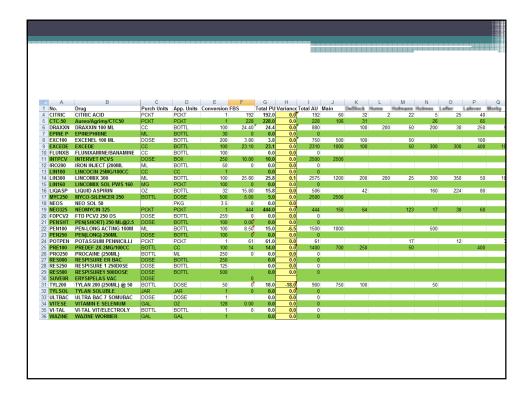
#### Set the Standard

- √ Vendors
  - You've likely got a better system
  - They are more "generic"
  - Make EDI a minimum requirement
- ✓ Employees
  - Just trying to do their job
  - Often don't appreciate the big picture
  - Build a "culture of information accumulation"

# **Inventory Control**

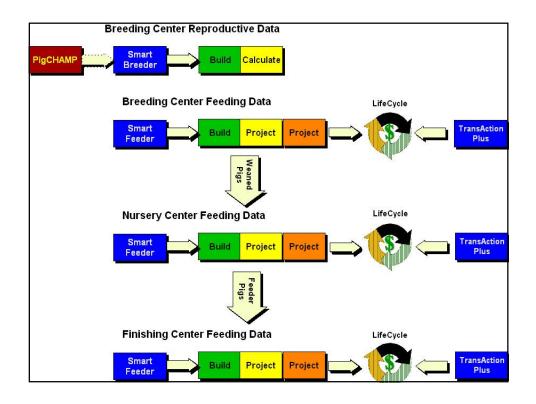
- ✓ Balance monthly
  - Products
  - Locations
  - Attributes
- ✓ Animals
- **√**Feed
- ✓ Drugs
  - Locations

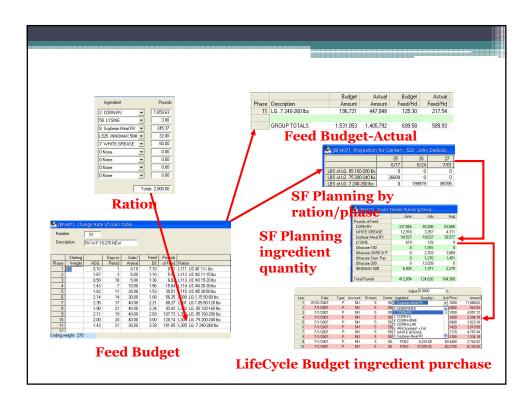


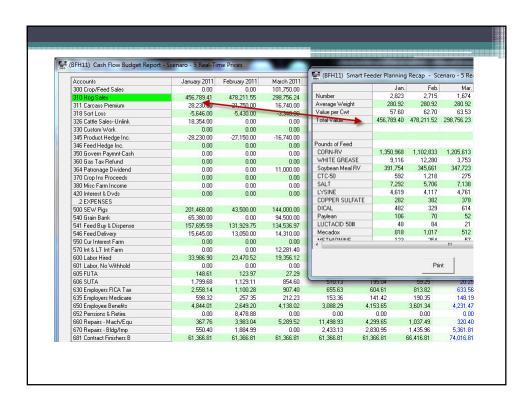


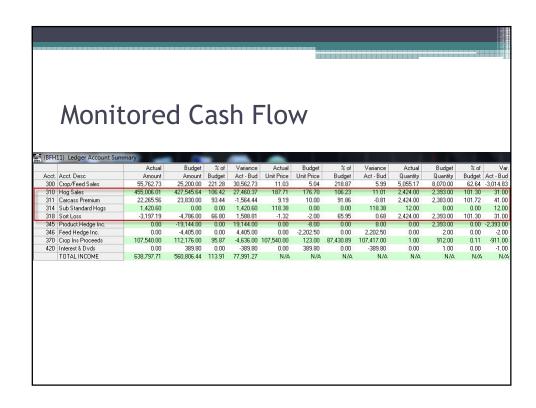
# **Budgeting**

- ✓Based on Biology
  - Breeding
  - Pig flow
  - Feed budgets
  - Corn/meal requirements
- ✓ Current prices
- ✓ Rolling projections
- ✓ Scenarios





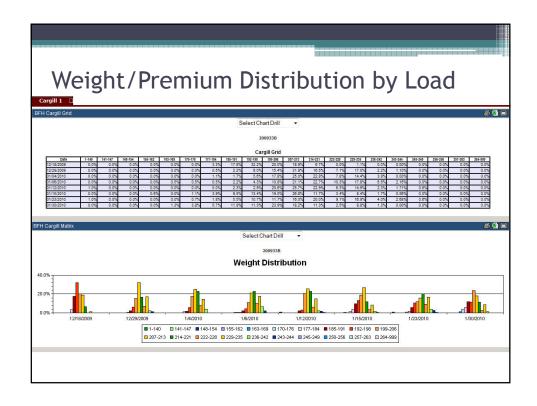


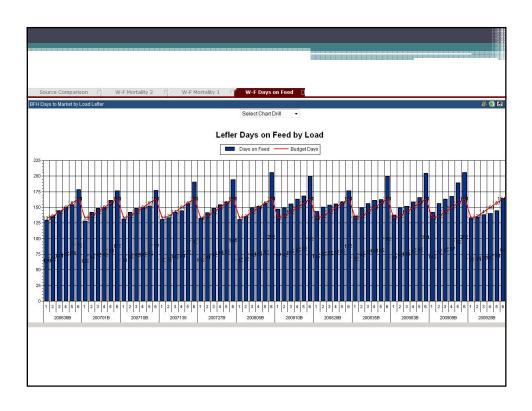


# Animal Flow

## Sales

- ✓ Full-value / Sub-standard accounts
- ✓Sort/Premium
- **✓** Carcass traits
- √Weight/premium distributions
- ✓By load





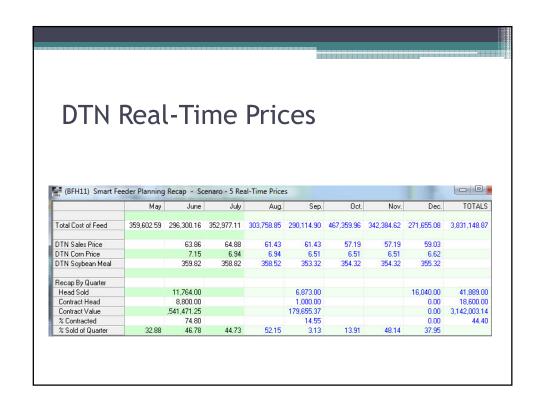
#### **Automation**

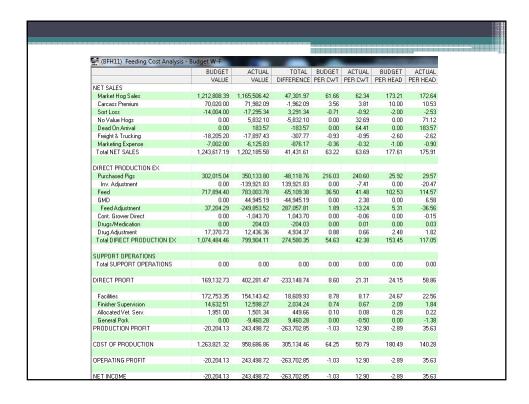
- ✓ Leverage relationships
  - Feed suppliers
    - Feed Office Pro "Auxiliary IDs"
  - Packers
  - Vendors
  - CIH

## Cost of Production→Margins

- ✓ E.CLIPSE management accounting
  - Allocates indirect costs (facilities)
  - Ties with balance sheet
  - COGs rather than "pounds produced"
  - Properly matching hedging transactions
- **✓** Projections
  - Projected Cost Analysis
  - SF Planning DTN recap

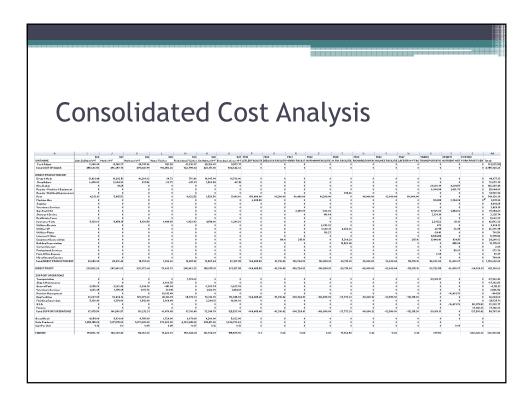


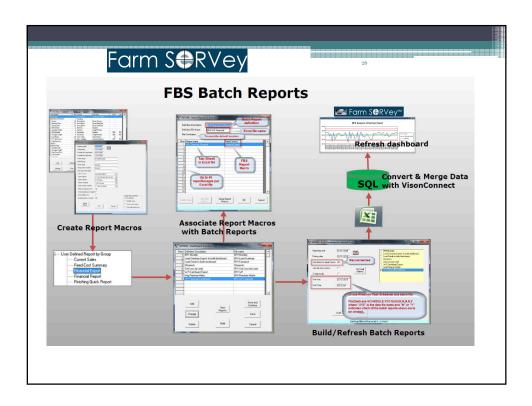


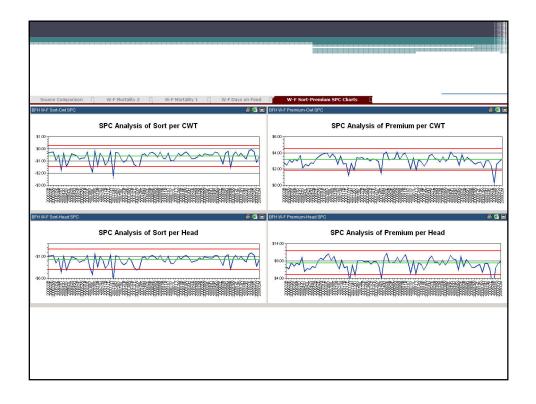


#### **Executive Summaries**

- ✓ Consolidated Cost Analysis
- **√**Graphs
- **✓** Batch Reports
- ✓ Dashboard



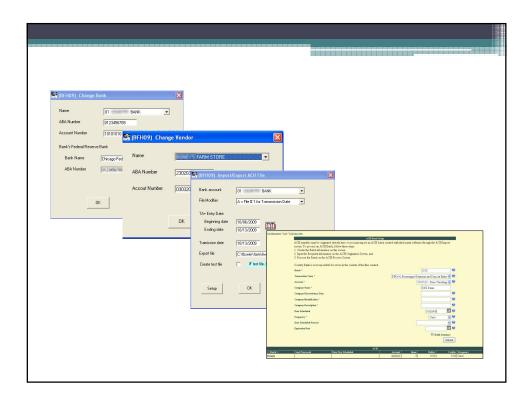




# Paper→ Digital

- ✓ Electronic Document Management
- ✓ Automated Clearing House (ACH)
- ✓Import/export with Excel





## Moving Into the Cloud

- ✓ Networks
- ✓ Hosted
- ✓ Software as a Service (SaaS)
- ✓ Pure cloud-based
- **✓** Benefits
  - Cost
  - Scalability
  - Collaboration

#### **New Metrics**

- ✓ Full-value pigs/mated sow vs. P/S/Y
- ✓ Margin/Head vs. Cost of Production
- ✓ Cost of gain vs. ADG
- ✓ Maximum days on feed vs. ADOF
- √% at Target Sales Specifications vs. % Marketed

## **Timeliness**

- ✓ Efficiency (getting more done)
- **✓** Effectiveness
  - Doing the important things rather than busy work
  - Making decisions with the best information available

# **Future Objectives**

- ✓"Reconstituting" groups
- ✓ Your goals?