

Remarks by Norman Adami

**“Capabilities that are relevant to the
Game Industry today”**

**WRSA Information Day
(Thabazimbi and Pilansberg Chambers)**

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INTRODUCTION

I was asked to talk about capabilities that are relevant to game ranchers today.

My intention is not to provide an exhaustive list but highlight some of the key capabilities that I believe are important and relevant to us today.

And because of my business background, I also tried to draw on my experiences at SAB, which spanned a long, exciting 35 year period and which turned out to be very learningful.

In some respects the “topic of capability” is probably somewhat of a “dangerous” topic Because often it is very easy to talk about but also very difficult to actually do or at least do well.

I also want to be careful. Over the past 25 years that I have been involved in game ranching it has been a rewarding and exciting time and I have had some successes but the last thing I want is to position myself as, is some kind of expert.

But there are 5 capabilities that I believe are very important and relevant today:

1. Leadership attitude and orientation
2. Revenue growth management and cost containment
3. Marketing and Brand Building
4. Animal selection, evaluation and Planning
5. Capability to build capability and skills development

I will touch on each of these and given the time we have today, I’ll try to give you the short story on each.

1. Leadership attitude and orientation

This is the most important, I believe, and the best way I can describe this, in summary, is as follows:

I have reflected on the success and failures that I have had in business and there are a number of observations and conclusions that I have come to:

So today, instead of trying to lecture you about what it takes to be successful as a leader in business in the game industry, I thought I would take a different approach to the subject by talking about what it takes to fail. In my mind this applies to any type of business, not just the game business.

So I'd like to share with you a few ideas that I call the 10 "sure-fire" rules of preventing success in your wildlife business, or any business, for that matter.

(And if anyone here:) is really intent on preventing success, as a leader, you might want to jot these rules down):

- Rule # 1 STOP TAKING RISKS
- Rule # 2 BE INFLEXIBLE
- Rule # 3 ISOLATE YOURSELF
- Rule # 4 ASSUME INFALLIBILITY (i.e. believe you cannot make mistakes)
- Rule # 5 PLAY THE GAME CLOSE TO THE FOUL LINE
(i.o.w. Take chances that are borderline illegal or unethical)
- Rule # 6 DON'T TAKE TIME TO THINK
- Rule # 7 PUT ALL YOUR FAITH IN CONSULTANTS AND OTHER EXPERTS
- Rule # 8 SEND MIXED MESSAGES
- Rule # 9 BE AFRAID OF THE FUTURE
- Rule # 10 LOSE YOUR PASSION FOR WHAT YOU DO - LIFE

Each of the above rules follows basic common sense with a high level of integrity and ethics.

I could tell a story relating to each of these rules but I think the idea is clear.

2. Revenue growth management and cost containment.....

When faced with conditions that are beyond our control

..... things like a troubled economy, political uncertainty and weaker demand

.....then we must not use these conditions as an excuse to let up but instead use these conditions as a motivator for creativity and innovation.

..... In other words “we must make reality our friend”

Successful people are often at their best when their backs are against the wall because that is when they become most resourceful and creative.

And that’s the mindset that we must adopt right now because it’s critical for our success (and by the way we are not alone as an industry or a country, for that matter, that requires this mindset)

So we should explore doing certain things differently and possibly revisit our business strategies revisiting strategic choices in our business and getting sharper and more choiceful about them.

Strategy is all about “WHERE TO PLAY” and “HOW TO WIN” and often in uncertain times, new opportunities present themselves.

There are many

Examples of Revenue growth management. ...

which one should explore.....some of the these are:

- (i) Growing new revenue streams by considering diversification into related areas of the wildlife value chain, where one does not currently operate, e.g.

- Hunting
- Eco-tourism
- Game meat
- Other related products or services

..... often this can be achieved at marginal cost and can make a big contribution towards covering one’s costs

- (ii) From a breeding perspective, there are great opportunities to make a step change in terms of the level or tier that one currently operates at for a particular species....in ones breeding herds.

There are magnificent and outstanding animals that are ecoming available in market only now, that have taken breeders years and years to produce with much investment which one can now acquire at reasonable prices.

By acquiring some of these specimens....this will enable one to put one's stud breeding operation of a particular species (or a number of species), among the top tier of breeders in the country.

And sometimes the most efficient way to do this is to acquire a top breeding bull which will have an impact on one's whole herd from the get-go.

Often the best time to invest is not in the boom times but when prices are less exorbitant.

As a breeder bear in mind quality will always sell and also bear in mind that game ranching under the right cicumstances is still much more attractive than stock farming.

- (iii) Another example is that of Private sales maximize the opportunity available to you.

It doesn't matter whatever the size or type of operation you run, you should always have animals for sale at any point in time at all times.

..... know their sizes and ages, price them correctly, have photographs readily available.

..... so that you can provide a potential buyer with information instantly so you don't lose a sale because you were unprepared. This applies equally to breeding stock, hunting stock or animals for game meat.

Cost containment is another very important capability and I'm sure there are many ideas that you can share with me on the subject.

The objective here is to reduce the break-even level of your farming or business operation by reducing your operating cost levels and finding resourceful ways to operate more cost effectively and efficiently.

.....Start with your bigger cost items like feed, veterinary and other animal related costs, salaries and wages and understand the underlying drivers of each of these costs.

In very simplistic terms the 2 biggest drivers are price and quantity and then start to identify what, in turn, is driving the price and or the quantity of these and explore alternative ideas of how you can change these or do them differently.

Also Draw up a simple “zero-based” budget (by zero based I mean - don't simply take last year's number and apply a percentage increase or even just a decrease for that matter).

Budget your costs as if you were starting from scratch with your new approaches and ideas. And then manage your costs according to this basis (and understand the variances) on a regular-interval basis whether this is daily, weekly or monthly.

Let me briefly highlight only some of the cost saving ideas.

(a) Feed

There are many resourceful ideas out there from Bushclearing which increase grazing capacity to more extensive camps to planting your own quality grazing to the use of “kuilvoer” and other different, less costly ingredients.

However, it's also important to know your grasses well and to know your grazing quality know when to feed what animals and know the right quantities and know when to use licks.

In this way you can optimize the condition of your animals and minimize your costs. (the old story that you not farming with wildlife you are farming with veld).

(b) Veterinary, helicopter and capture costs

- Avoid helicopter costs and immobilizing where you can like using passive capture methods, or using valium in feed and then immobilizing on the truck if it is necessary to do pregnancy tests
- If you are going to use helicopter and vet – maximize the number of animals you do in a day try set a minimum quantity standard for the day plan your work well in advance.
- Avoid double-handling where you can have the skill and ability to judge animals at weaning age, and thereby you can move your animals directly into hunting camp at weaning.

(c) Other related animal costs

- If you know your buffalo herds well and if you can identify, (through physical characteristics) all the animals as well as the calves, you could avoid immobilizing and micro chipping your buffalo calves and in this way also save costs.
- You need not microchip your sable and roan calves..... again, if you know them, and can easily identify them, particularly if they are in in small camp and/or in relatively small herd.
- Only use nuclear, parentage and mitochondrial DNA tests where necessary. Again you must know your parentage and animals in order to do thistogether with a good record keeping system.
- You can save on dip and pesticides and labour if you use rotational grazing camps for your sable and roans, in particular.

(d) Staff skills and capability.

- Ensure that staff are skilled, trained and multi-skilled that they are capable and can add value this can save substantial costs across your farming operation.

3. Marketing and Brand Building

From a marketing perspective whatever sector or sectors you operate in make sure you are shaping and designing your product, services and experiences to meet the needs of the market. And you need to understand their needs. The total product itself is critical.

Marketing is much more than communicating with fancy print ads or emails or whatsapps or videos or digital media.

At SAB, I always used to tell my people:

You are not just selling a beer you are selling a brand

You are not just selling a brand you are also selling services and a reputation all these form an envelope around the product to make it desirable and attractive in all respects to the customer or consumer.

Building a Brand is about..... consistently delivering a product, service and/or experiencethat is different , special and unique and that meets the customer's needs and exceed their expectations.

The right product together with Reputation, authenticity and integrity is fundamental.

My definition of a brand is “an emotional thought about a material difference”

Material difference is something substantive what makes it special, unique or different (the pheno-type, geno-type, the performance values)

Emotional connection is also very critical Breeder's reputation, integrity the after-sales service.....his/her contribution and support to industry, sharing of knowledgeand giving of himself or herself to the industry and the broader community goes a long way to creating this emotional connection with a brand

Also Remember “Everything communicates” from the smallest detail about the neatness of the ranch to the pride and passion that you and your staff reflect

At Nyumbu we have consistently (year after year) tried to go out of our way to offer unique, special top-end breeding stock to the market that is not available or easily available anywhere.

By the nature of our choices.... these animals are those that we ourselves would wish to acquire.

Simply that is the acid - test that we apply in order to assess whether our choices are correct. We believe unless we find the auction choices that we have selected painfully we have not selected aggressively enough.

And as we breed forward so too does our quality on auction improve year on year.

We also try to include magnificent breeding bull specimens, (that often represent unrelated lines to those generally available in the market) so that we also appeal to a broader spectrum of breeders not only the big breeders. Often smaller breeders, in order to make a big and quick impact on their herds, will seek out top bulls.

This year the approach Nyumbu has taken is just that ...it is no different despite the fact that this year the market is possibly not as robust as previous years.

This approach is not necessarily one that all breeders should adopt in most instances breeders will not sell among their very best they would rather hold onto them. That having been said, it does not mean they are wrong and Nyumbu is correct. No one is right or wrong I am just using it as an example to highlight that you have get clear on what is the choice of approach you feel is best for you.

Only once you are clear on your total offering, having understood the needs of the market then do you consider your communication strategy for your target market or target markets.

And when it comes to marketing communication you need to consider the efficiency (the cost per point of contact) as well as the effectiveness thereof. And there are numerous methods of communication that can be employed.

So the notion that good marketing skill allows some people to sell a hollow Easter egg is absolute nonsense and that good marketing is about spin That is naive and unsustainable People are not stupid – they can sift the chaff from the wheat.

Unfortunately there are not short cuts and it's often about what you do not what you say that matters.

4. Animal selection, evaluation and planning

This is another relevant and important capability which will enable you to, among others:

- (a) Select the right animals to breed
- (b) Select the right animals for sale that will deliver value to buyer (which in turn will encourage him to return)
- (c) Make informed decisions regarding breeding plan and identify winning combinations and also ultimately
 - Achieve ambitious breeding outcomes, which produce a disproportionate percentage of magnificent specimens, which in turn will strengthen your top line growth and your brand.

and

- Reduce your time to achieve these outcomes.

This capability is as much about practice as science.

Fundamentally there is no substitute for spending time in the veld evaluating and assessing your animals and knowing your animals and their background and what to look for by species and keeping meticulous records

- (i) The better you know your animals, the more accomplished and capable you will become aided by tools like

..... Photo records of animals at regular intervals

..... Analytics and comparison of growth versus averages at different ages are also important. Know your stats well. (to measure is to manage)

..... Knowledge of influential bloodlines by species and existing bulls in industry.

..... genetic information and tests.

The beautiful and attractive thing about breeding is that there are no fixed success formulas and nobody knows all the answers. There are many successful breeders with completely different philosophies and approaches.

But the important thing is one must always have a plan. Mindless breeding approaches will never get you there.

Some of the learnings that influenced my approach are:

- Breed ultimately for genetic diversity I believe, if you do line - breed do so to fix certain traits and then move to an outbred approach so as to avoid later complications.
- Breeding plans should comprise either complimentary breeding or corrective breeding preferably the sooner one can just operate on complimentary breeding the better.
- Your breeding plan should reflect clear choices either combining unrelated animals for hybrid vigor from the get-go or line - breeding to secure certain traits and then to outbreed with unrelated lines (which themselves could be line bred) or combinations of both.

At the same time you need to be upgrading your herds based as Phenotype. And traits like fertility. The probability that a good looking animal will breed a good looking animal is high.

Sometimes however, individual females who themselves are less impressive can be producers of outstanding animals and you need to identify them early.

Other females combine well with certain bulls to produce outstanding animals. So when identifying and selecting cows for breeding plan, sometimes it is not just about pheno-type but breeding performance and matches that may also need to be factored in.

But again, in order to do this, you need to know your animals, their history and lineage and preferably their genetic makeup and how they breed.

- Know your animals well in order to breed well. That is the essence of breeding forward.
- Just like any successful business, always benchmark compare against yourself as well as against the leading industry players to ensure that you are staying ahead, moving forward and breeding forward.

Compare stats between herds, between sires, with other breeders and learn and adapt. There is a fair amount of trial and error. You however want to position yourself to be a quick learner.

5. Capability to build capability and Skills Development

One of the biggest challenges for any business is to measure the potential of your staff and get them to be best they can be and deliver value to achieve your business model and strategy.

One of our 6 values that we strive to achieve at Nyumbu is that “People are our enduring advantage”

But this can only be true if each staff member is delivering continuous added value no matter what level they operate at.

And so individually and collectively your business should aim to achieve all of these capabilities in combination to ensure long term success and competitive advantage.

However one of the biggest mistakes might be to try to master all of these capabilities at the same time and it may be more wise to sequence your approach to this but without the right leadership approach and orientation you will never get this right so start there.

Conclusion

Thank you

Remarkable industry
Remarkable people
Sense of possibility for future