



**2000 SERVICE STRATEGY**

In an effort to keep the Dairy Business Analysis Project sustainable and increase the level of service to individual clients, it has been agreed by University of Florida administration and an advisory committee composed of clients to initiate a fee schedule for the analysis of 1999 fiscal year information. The purpose of this newsbrief is to detail the rate plan, outline the reasoning behind implementing a rate fee, and detail the 2000 service strategy that includes several new options for both current and prospective clients.

**STANDARD SERVICE RATE PLAN**

Enclosed in this mailing is the specific rate plan and services that are offered as part of the Dairy Business Analysis Project. The basic structure is that each client will pay an up-front enrollment fee before any data is collected. After payment, data will be collected either via an on-farm visit or you may submit the data yourself (via fax, mail-in, or other electronic method) and qualify for a discount.

- ✓ Florida Clients: A \$350 enrollment fee will be charged for standard services.
- ✓ Georgia Clients: A \$350 enrollment fee will be charged for standard services for those clients working with University of Georgia personnel. A \$50 surcharge to the enrollment fee will apply to those clients choosing to work with University of Florida personnel. Prospective Georgia clients should contact Lane Ely directly for enrollment information.
- ✓ Other states: A \$450 enrollment fee for those clients outside of Florida and Georgia. Mileage rate for travel will also apply unless alternative arrangements made with client.

These fees include all data collection, troubleshooting, processing, and reporting activities. If the information is submitted yourself (i.e. a farm visit is not required to collect the data), a \$100 discount will be applied to your account.

**PROFESSIONAL SERVICE RATE PLAN**

Project personnel will now be available for hire to work on special projects for your dairy business. Examples of this type of work could include financing proposals, pro forma financial statements, start-up projections, expansion plans, or other types of financial reports or analyses that you need or find valuable.

This is an exciting new venture for the project and one we hope can be of value for each client. Under this plan, a project can be as detailed as you see fit. These services may also look beyond financial performance and help you improve the overall management and subsequent profitability of your business.

Professional consulting services will be billed at \$50 per professional hour. This time may include on-site consultation as well as administrative time needed to complete the project. Clients located outside of Florida and Georgia may also be subject to mileage rate unless alternative transportation is arranged by the client. Written estimates will be provided prior to the start of any work.

**WHY THESE RATE PLANS?**

Why have we offered these services for free in the past and are now beginning to charge? The answer to this includes several factors:

- ✓ The Dairy Business Analysis Project was started in 1996 as a Florida Dairy Check-Off project. The initial purpose was to develop a system that effectively measured the cost of milk production in Florida. Since then, the project has evolved into a service that analyzes financial and managerial performance for its clients. While we still measure the cost of production, the project has grown beyond its initial purpose. Moreover, the project manager was hired to build this service and increase enrollment with the full intention of making this a self-sufficient program.
- ✓ The project has experienced dramatic growth the past few years, increasing the time commitment of both extension personnel and the project manager. To fund this growth and increase the level and timeliness of project services, it was determined to recover the most direct costs of the project (i.e. travel, project management salary, part-time office

support) from those clients that benefit from the services. This will also help allocate and focus our time on the clients, increasing the quality and level of services the project provides.

- ✓ This growth has also meant increased expenses for delivering these services. Travel expenses, although not out of control, need to be recovered.
- ✓ The growth has also meant several clients in Georgia and surrounding areas. In order to be equitable to Florida participants and grow the client base, a structure was needed to allocate time and resources.
- ✓ Clients have demanded services beyond the current scope of the 'standard' services. Since our time to work on these individual projects has been limited to date, a structure was needed that equitably allocated the time of project personnel and recovered a portion of the expense of that time.
- ✓ With impending structure changes in both the Department of Dairy and Poultry Sciences and the Cooperative Extension Service, it is important to have a strong operating structure in place. Without the structure, the sustainability of project activities is questionable.

It is the plan that these rate structures are equitable and sustainable. The only way that project activities are sustainable in the long-term is if sufficient resources are generated for support. Additionally, the enrollment fee was purposefully set at a nominal level because the information for educational and industry utilization is valuable.

I encourage any client to contact me with questions, comments, or concerns regarding this administrative shift in the project.

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## **SERVICE STRATEGY AND TIMELINE**

### **Data collection 'season': Now-30 April:**

- ✓ Expedited data collection and turnaround time for troubleshooting.
- ✓ Internal financial statements computed and returned to you for positive verification.
- ✓ Financial performance per cwt. milk sold, per cow, and percentage of revenues calculated for internal use.
- ✓ Ten (10) day turnaround time for processing in order to expedite troubleshooting and verification.

### **Reporting season: 1 May-30 June:**

- ✓ Improved analysis report delivered that includes multiple comparisons to project averages and comparisons to various sorts.
- ✓ Increase in graphical analysis
- ✓ On-site report delivery and consultation

### **Off-season:**

- ✓ Special services and projects take priority and expediency.
- ✓ Continue enrolling clients for data collection and reporting.

The moral of the story: let's get the data collected and verified in a speedy manner so we have time to analyze it, compute meaningful averages, and report it back to you so you can use it to make management decisions. We also want to have time to work with you on individual projects and other educational activities.

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## **HOW TO ENROLL FOR 2000**

A direct mailing to current clients will be made within the month detailing enrollment procedures. Upon enrollment, you will be contacted in order to set up a data collection appointment. Prospective clients may contact me or any of the contacts listed below in order to enroll. Forms will also be available for downloading on the project website (URL <http://dps.ufl.edu/DBAP/>).

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## **A NOTE OF THANKS**

Special thanks goes to Mary Sowerby, multi-county Extension agent located in Hillsborough county. She has taken a teaching position in Tennessee, and will formally move at the end of February. We appreciate the high quality and large quantity of contributions she has made to the project during her tenure. Thanks Mary!

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## **PROJECT CONTACTS**

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Pat Miller, Okeechobee County Extension 941-763-6469	Travis Seawright, Manatee County Extension 941-722-4524
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