

# American Veterinary Distributor Association

Food Animal/Rural Veterinary  
Medicine

# Nebraska Veterinary Services

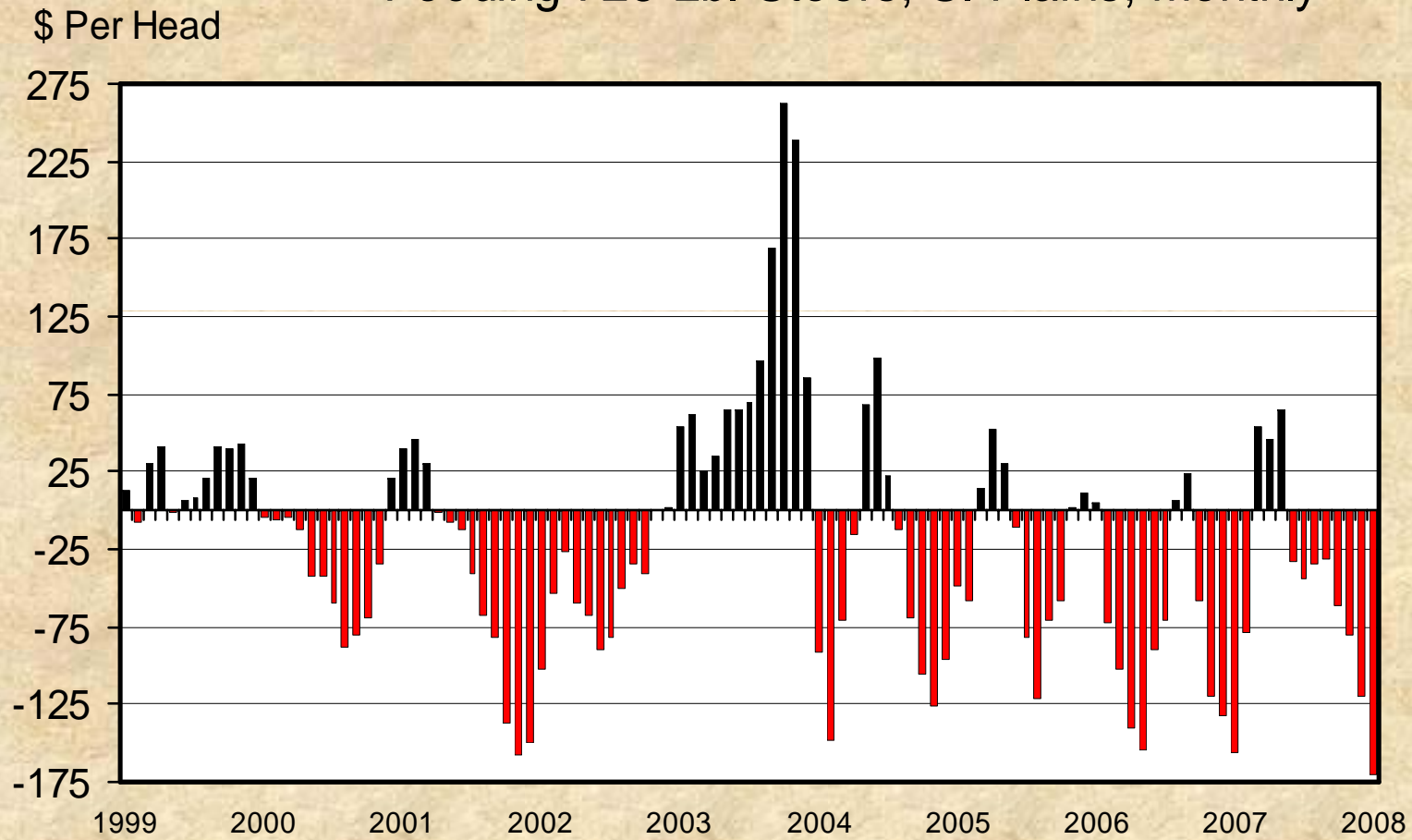
- 60% Cattle
- 20% Swine
- 20% Small Animal/Equine
- 3 locations
- 6 DVMs
- 25 Staff members

# Current Landscape

- DVM demographics
- Practice demographics
- Production animal concentrations
- Production unit consolidation
  - Poultry
  - Swine
  - Dairy
  - Beef
- Production unit profitability

# AVERAGE RETURNS TO CATTLE FEEDERS

Feeding 725 Lb. Steers, S. Plains, Monthly



# Revenue Streams

- General Service
- Consulting
- Management
- Research
- Product Sales
- Teaching and Training

# General Service

- Past 10 years
  - Economic value of animal exists.
  - Consolidation of systems.
  - Fewer DVMs available.
- Opportunities
  - Plenty of work

# Consulting

- Past 10 years
  - More sophisticated
  - Larger systems
  - Producer conditioning
- Opportunities
  - More of them
  - Moving from fixing to preventing

# Management

- Past 10 years
  - Consolidation
  - More absentee owners
  - More Co-ops
- Opportunities
  - Need is there and rising
  - Fits with other revenue streams

# Research

- Past 10 years
  - More emphasis on data driven decisions
  - Consolidation in Pharma
  - Consolidation in systems/vertical flows
  - GLP
- Opportunities
  - Demand for data is present and growing
  - If done well then opportunities available
  - Intramural vs. extramural funding

# Product Sales

- Past 10 years
  - You likely know better than I
  - Geographical differences
  - Consolidation of Pharma
  - Margins Shrinking
  - Increased Competition vs. Static livestock numbers
  - Input costs low for local businesses

# Product Sales

- Opportunities
  - Internal improvement
    - Inventory control
    - Purchasing decisions
    - Picking the right partners
    - Cost to serve
    - Business management
      - ROA, Inventory turnover, A/R turnover, ROCE.....
    - Producer relationships
    - Internal Marketing
  - External improvement
    - External Marketing
    - Service options

# Teaching and Training

- Producer
  - Overlap with Consulting
  - “Classes”
- Student
  - Universities need the help
- DVM
  - Niche opportunities

# Summary

- The only thing consistent is change.....
- Consolidation
  - Production systems
  - Pharma
    - Profit margin erosion vs CTS explosion
- Fewer FA DVMs
- “Economic cap on individual services”
- Static population

*Imagine what you would attempt if you knew  
you couldn't fail.....*

Unknown