



**National Grain
and Feed Association**

Management, Merchandising and Operations: Intersection or Collision?





CHANGE MANAGEMENT



National Grain and Feed Association

- **Operations vs. Merchandising, what could go wrong!**
 - A story about 2 hard headed elevator managers, one is an operations manager, the other is the merchandising manager
 - Let me introduce you to them:



Randy

- Randy is a hard working guy, not afraid of getting a bit dirty.
- 20 plus years of service.
- Knows everything there is to know about the operations of a grain elevator from an operational viewpoint.
- Never missed a day of work for 10 years.
- Totally dedicated to keeping his elevator in tip-top shape and operating smoothly.
- Always looking at ways to make his operation more efficient, “never a project too big”!



Mitch

- Mitch is a younger, but fiery individual.
- 2 years in the industry, but believes he has been around longer. and thinks he has seen it all by now.
- Knowledgeable on all marketing type strategies and understands the value of the country elevator, customers love him.
- Sometimes over commits facility on sales vs plant capabilities.
- Follows elevator cost extremely close.
- Dedicated to the business.
- Loves his weekends.
- Also a handicap golfer!



Merchandisers response to Operations ?



Operations

- Labor needs - I need more help?
- Quality – Do You know we can only take so much wet corn per day?
- Transportation timing - when can we get rail cars and trucks, we are about full?
- Employee vacations, have you looked at the calendar?
 - You know it's deer season
- Capital projects, I need to fix it right now!
- Ground pile issues – I see rain in the forecast late tonight!

Merchandising

- We need to be open longer, figure it out!
- Are we drying 24 hours/7 days/week?
- I have a train booked for next month
- I got you a train/trucks, why are we not loading today?
 - It's harvest we have to work
- As long as it doesn't stop my customers from getting grain dumped, and the trains get loaded on time, no problem. But keep it under budget!
- OK, let me know when you get it covered up, I would hate to lose sleep worrying about it.



Operational response to Merchandiser ?

Operations

- Labor issues, tired staff, can we shut down on Sunday?
- I cannot store grain forever!
- Why is it always on the weekend!
 - Weekend loadings, your killing me!
- Employee vacations, not enough help, I can't tell them no, just because harvest is running late!
- You know we have a contractor already set up for this project!
- I thought we were not going to the ground this year, I need another week to prepare it for use!

Merchandising

- What are our hours this week?
- Why do we have damage grain!
- We have a train showing up this weekend for loading!
 - * If you need me, just call me, I will be at the country club!
- Why are we not loading today?
- Why are the truck dumps closed, it's harvest?
- We need to be taking grain to the ground pile tomorrow. Are you ready?



Management guidelines

- **Safety**
 - Both commercial and operation lead by example
 - Teamwork to keep staff on target
- **Compliance**
 - Environmental
 - Company policies
 - Permitting
- **Strategy**
 - Develop an annual business plan
 - Harvest plan, market environment
 - Checking the boxes, review both sides of concerns
- **Budgeting**
 - Expenses
 - Projects - economics
 - Staffing
 - Profitability
- **Communication**
 - Constant communication between operations and commercial business
 - Customer relations
 - Daily staff meetings with team
 - Review goals
 - Staff hours
 - Drying policy
 - Shrink policy
 - Mix and blend strategy



We have to Communicate!



Questions?

