

# Veterinary advice for entrepreneurial Dutch dairy farmers

## From curative practice to coach-consultant: what needs to be changed?

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Oorspronkelijk artikel

### SUMMARY

Dairy farms are tending to become larger, with a milk quota of more than 8 tons a year, and are managed by entrepreneurial dairy farmers with their own specific characteristics and farming style. Some Dutch veterinary practices appear unable to respond to this different style and often do not serve such farms or lose them as client. Moreover, the veterinary curriculum often focuses on traditional, family-run, smaller dairy operations and not on larger farms, which raises the question whether newly qualified veterinary practitioners are adequately trained to provide these entrepreneurial farmers with the services they require. This article addresses the characteristics of entrepreneurial dairy farmers and those of cattle practitioners, to determine whether cattle practitioners need to acquire other skills to better prepare them for their coaching-consultant tasks on larger dairy farms.

### SAMENVATTING

#### **Veterinair advies voor de ondernemende Nederlandse melkveehouders**

*De adviserende rol voor de melkveepracticus is de laatste jaren alleen maar belangrijker geworden. Voorbeelden waarin die rol tot uiting komt zijn de fertiliteitsbegeleiding en de veterinaire begeleiding van het melkveebedrijf. Ondanks het feit, dat deze adviestaken in het curriculum in theoretische en praktische zin worden onderwezen, blijkt dat in de dierenartsenpraktijk in diverse gevallen met name de grote, ondernemer-type melkvee-houders als klant weggelopen en hun adviezen van elders (soms vanuit het buitenland) betrekken. De eventueel bijzondere eisen*

*die ondernemer-melkveehouders zouden stellen aan hun practicus komen in het curriculum niet aan de orde.*

*In dit artikel wordt eerst nader ingegaan op de specifieke kenmerken van ondernemer-melkveehouders. Vervolgens wordt gezien, wat de sterke en de zwakke punten van de dierenarts zijn. Daarna wordt ter discussie gesteld wat en in welke mate de dierenarts zou moeten veranderen en welke kennis en kunde hij/zij zou moeten vergaren, om de specifieke adviesfuncties bij de ondernemer-melkveehouders te kunnen uitvoeren. De dierenarts zou met name moeten investeren in kennisgebieden, zoals marketing, business administration, management, ondernemerschap, gedragseconomie, communicatie. Daarnaast moet hij/zij natuurlijk een gedegen kennis hebben op het terrein van de diergeneeskunde en zootechniek. Investerings in deze gebieden zullen leiden tot een beter marktaandeel in de adviespraktijk.*

### INTRODUCTION

Various recent studies have shown that, in the future, successful dairy farmers will either run smaller, family-run dairy farms with about 80–100 cows and producing 4 to 8 tons of milk a year, or larger farms with more than 150 cows and producing over 8–10 tons of milk a year (1). These larger farms are run by entrepreneurial farmers whose attitude, strategy, and farming style are different from those of more traditional farmers (2, 3).

In veterinary curricula, population medicine tends to focus on family-run, smaller dairy farms with 60–100 cows, with relatively little attention being paid to larger dairy farms and their specific needs. Indeed, many entrepreneurial dairy farmers have moved away from traditional veterinary practices because they do not feel they are being offered the services they require. It could be questioned whether newly qualified veterinary practitioners have the skills and knowledge needed to provide these dairy entrepreneurs with the desired veterinary advice and services.

The aim of this study was to compare the characteristics of entrepreneurial dairy farmers and cattle practitioners, to determine whether there are incompatibilities and, if so, how they can be resolved so that cattle practitioners can retain entrepreneurial dairy farmers as client.

### MATERIALS AND METHODS

A literature search was performed to identify the main characteristics of entrepreneurial dairy farmers (3, 4, 6) and those of more traditional farmers with a smaller, family-run dairy farm (8, 11). Dairy farmers who were member of

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the European Dairy Farmers association were interviewed by experienced veterinary practitioners on location regarding their farming strategies, views, and demands both in general and with regard to veterinary services; the farm was also inspected. These farmers could be considered to be entrepreneurs on the basis of the literature search. Information about the characteristics of cattle practitioners was collected by surveys held among dairy farmers and nutritionists, and the two sets of characteristics were compared, to determine whether cattle practitioners had limitations with regard to their abilities and skills to act as farm consultant on entrepreneurial dairy farms.

#### MAJOR CHARACTERISTICS OF ENTREPRENEURIAL DAIRY FARMERS

Schumpeter (in 4) stated in 1949 that *“an entrepreneur is someone who has got ideas and is full of action; who has the qualities to inspire other people and who does not accept the ordinary borders of structured situations. He is a catalisator of changes, instrumental to detect new opportunities, which makes the entrepreneur function an unique one”*. Eight main characteristics of entrepreneurs can be distinguished, as outlined in Table 1 (modified after 4).

##### Main characteristics of an entrepreneur

- Is prepared to take risks, aware of his own abilities and skills
- Provides capital from either his own or external sources
- (Is market oriented)
- Is innovative and shows a high degree of organization; is very communicative
- Finds opportunities to make additional profit
- Is responsible for processes to create new values; has a strong economic focus
- But this is not his only drive, as is expressed by his attitude and behaviour
- Favours change but remains professionally skilled

Table 1. The eight main characteristics of entrepreneur-like dairy farmers.

Practitioners who aim to advise dairy entrepreneurs must have knowledge of the goals, attitude, social values, and behaviour of these farmers. Entrepreneurs typically combine professional qualities, managerial skills, and entrepreneurial abilities with specific personal (e.g., experience; acquired knowledge) and psychological characteristics (e.g. behaviour and risk attitude). As risk takers, entrepreneurial farmers evaluate the various options, making decisions on the basis of efficiency, self-efficacy, and perceived risk; they are able to find the right opportunities. They are able to create situations of trust and cooperation, being highly convincing and very skilled in social communication. These farmers can achieve multiple goals, are highly interested in deriving pleasure from their work, and are not necessarily driven by economic incentives alone (4). Some features of entrepreneur-like dairy farmers are discussed with reference to traditional farmers below.

#### PROFESSIONALISM AND BEYOND

Professional dairy farmers have appropriate knowledge of the technical aspects of farming, a thorough knowledge of their animals, and farm practice. They aim to achieve the

best-possible technical results, using herd and farm performance data to evaluate production. Although different categories of dairy entrepreneurs have been distinguished (3), this distinction is not relevant to this study. Dairy entrepreneurs have a broad view of their farm business and know what is going on; they are looking for stability on their farm, for example by optimizing the number of personnel versus costs and avoiding ‘farm blindness’. Moreover, they are knowledgeable about EU and national policy, use many information sources like Internet, and have a broad network of peers and advisors. They make short- and the long-term plans and try to predict change, such as milk quota or environmental issues. This enables them to adapt their management practices in time. These features differentiate these entrepreneurial farmers from their colleagues (5).

#### Commercial and market orientation

Entrepreneurial farmers are market oriented. They produce according to market requirements (e.g., quality demands set by retailers/consumers, dairy industry, or authorities) and try to meet societal demands with regard to animal welfare, the environment, etc, being ready to participate in discussions on these subjects. They are defensive but also rather prospective in nature (3, 4).

#### Organization

Successful entrepreneurial dairy farms are highly organized. This is partly due to the number of hired farm workers, either highly or low skilled depending on cost factors. These farmers have a clear ‘farm business plan’, even if it is not written down. A strategic plan for the farm promotes ‘peace of mind’ and often leads to better performance results. These plans are regularly evaluated and adjusted, as needed. All farms with more than 1000 cows and several farm workers should have such a plan covering the different business units, the goals per business unit, the routine activities, responsibilities and tasks to perform per person and per business unit, performance evaluation points per business unit, and corrective measures to be taken in case of deviations. Tasks and responsibilities are delegated to increase commitment to the enterprise and to improve performance. Although entrepreneurs are often individualists, they can appreciate the advantages of teamwork for achieving results.

#### Communication

Entrepreneurs are born communicators and mix easily with their peers and others. Communication (both verbal and non-verbal) with others brings them the incentives and stimuli for innovation. They are usually quite open about their production data if there is mutual trust and respect. However, their critical attitude means that they often do not immediately accept another person’s opinion or suggestions. Veterinary advisors need to explain what their reasoning, analysis, and inference procedures have been, so that entrepreneurial farmers can ascertain for themselves whether they came to the same conclusions as

the advisor. Entrepreneurs need to weigh the arguments and the suggested solutions before making decisions. Between entrepreneur and advisor there must be a 'chemistry of interaction'. Advisors must be able to provide the farmer with specific products and services, tailor-made to that farm in order to provide 'added value' to the farmer.

#### Farm economics

All farmers have to make economic decisions daily. Entrepreneurs are highly aware of production costs and like to save on direct and or indirect costs. They consider costs differently from investments. The costs of hired labour are kept around 17 euro per hour. Entrepreneurial farmers are willing to pay for advice, provided it is clear in advance what the benefit or profit will be. Increase of scale is a highly relevant area for entrepreneurial dairy farmers.

Simulation modelling (6) has shown that farm income becomes less negative when herd size increases (from 500 to 2000 cattle). Hence, one may conclude that increase of scale pays off in the Netherlands. The costs per 100 kg milk are lower on larger farms than on smaller farms (112 cows in the model), largely due to the fixed costs. Variable costs are relevant with regard to veterinary activities. However, it would be better if veterinary advisory activities were to be considered by farmers as fixed costs (i.e., investments) than as variable costs (e.g., animal treatments and medicinal drugs).

#### Awareness and attitude

Entrepreneurial dairy farmers are open to criticism and advice, especially if that advice originates from a reliable, trusted specialist and for free. However, farmers are also aware of their own time and related costs. They evaluate the feasibility of advice themselves; if the advice is not considered feasible, then the input of that advisor is strongly reduced. If a solution is absolutely needed, they will look to their network, even abroad, and even if the costs involved are higher. Advice from a veterinary practitioner is usually considered differently from advice given about a tractor because of the different perceptions of the farmer regarding variable costs and fixed costs: the tractor

is absolutely necessary. The farmer visits congresses and seminars, uses Internet, and has many contacts nationally and internationally. Many entrepreneurial farmers are on the board of a company or an institute.

#### Behavioural economics

Why is a dairy farmer willing to pay a veterinary practitioner to diagnose and treat clinical mastitis and accept the associated lower milk production but is not willing to invest in a subsequently offered udder health control programme to avoid new cases of clinical mastitis? This phenomenon reflects choice behaviour, with decision-making under uncertainty and with preferences. During the decision-making process, both rational and non-rational arguments come into the picture. The choice behaviour of people is influenced by the following six elements: perceptions, impressions, emotions, attitude, motives, and preferences (9, 10). People are more sensitive to how their current situation differs from a certain point of reference than to absolute features of that situation. People prefer a status quo rather than changes that may lead to material or economic loss, even if this loss is recouped in the long run (11, 12, 13). If veterinary practitioners desire to market their products and services to entrepreneurial dairy farmers, then they have to deal adequately with these six elements of choice behaviour in their discussions and negotiations with the farmer. Practitioners need to invest time in acquiring knowledge of farmers' behaviour.

These issues will not be discussed further here. We refer to the CD ROM issued by and available at Pfizer Animal Health, the Netherlands, (7) or at the first author, for further details.

#### THE CATTLE PRACTITIONER: STRENGTHS AND WEAKNESSES

The strengths and weaknesses of veterinary cattle practitioners have been identified in field surveys (e.g. by Joren, 2000, 18); a summary of these characteristics is given in Table 2.

Comparison of the information gained from the literature search and the interviews, as summarized in Table 1,

#### Strengths of practitioners

Relation with farmer based on mutual trust  
This relationship is hard to break  
Has knowledge of health and disease  
Has knowledge and skills in reproduction  
Has knowledge of herd fertility  
Prevents large proportion of disease losses  
Has good veterinary technical skills  
Veterinary training is highly esteemed  
Is a protected, professional association  
Can play a protective role for farmers  
Can always be reached; is always available  
Is able to work in a team  
Is open for discussions on voluntary disease control programmes  
Is interested in farmer's family life

#### Weaknesses of practitioners

Too dominant attitude in profession  
Talks too much; listens too little  
Rather poor communicative skills  
Does not follow structured protocols  
Does not provide clear work instructions  
Limited knowledge of cow nutrition  
Limited knowledge of management  
Limited knowledge of farm economics  
Poor knowledge of entrepreneurship  
Knows little about farm organization  
Tells little about his fields of expertise  
Does not show what he contributes to farm  
Is not proactive; waits too long before taking action  
Does not offer on-site training  
Too many changes in personnel in practice  
Maybe not willing to invest in discussion

Table 2. Summary of strengths and weaknesses of Dutch cattle practitioners.

### Seven steps to follow

- Optimize internal communication in the practice, and when needed under external coaching. Communication implies techniques to raise the proper questions by following the AIDA procedure, conflict handling, discussion techniques, coaching
- Conduct market analysis among client groups about demands; formulate specific, tailor-made products and services (e.g., herd health programmes, biosecurity plans)
- Design a Plan of Actions for the shorter and longer term (targets; methods; responsibilities; tactics; time-table); develop Plan in a SMART way; develop new demands among clients through discussion and time investment on the farm
- Invest in training regarding the proper methodology for asking questions the right way, to listen actively and with empathy, to summarize discussions, to control the discussion process
- Teach yourself to suppress the (dominant) expression of your veterinary skills and knowledge when discussing with others
- Invest more in developing social-communicative skills and marketing qualities e.g. through courses. Adopt the behavioural economic issues
- Optimize external communication through analysis of client's demands; develop public relations skills. Increase the number of on-farm contact hours; learn to raise guided questions in order to make the farmer detect deficiencies himself

Table 3. Seven steps to follow when aiming to maximize the success of a veterinary practice business plan (19, 20).

AIDA= Attention–Interest–Desire–Action

SMART= Specific–Measurable–Acceptable–Realistic–Time-related

with the information summarized in Table 2 reveals the deficiencies and, hence, the points of improvement, for cattle practitioners who want to be or become an accepted advisor-consultant for entrepreneurial farmers.

### POINTS OF IMPROVEMENT FOR CATTLE PRACTITIONERS

As stated before, the trend in the dairy sector is towards up-scaling. What should a cattle practitioner do to be able to market his knowledge, skills, and expertise at a herd and farm level, in particular to dairy entrepreneurs? First of all, it is important to retain the strong points given in Table 2. Next, it would be very helpful to develop a general veterinary practice business plan for the short term (1 year) and the long term (e.g. 3 to 5 years). This will provide all practice workers with clarity about the direction and the strategy to be followed. All have to commit themselves to this strategy. Questions to be answered include what are the targets; what are the methodologies to achieve those targets; when should all take place; who is responsible for which task; and which tactics would be best.

The development of a practice business plan is a good exercise for determining how enterprises, such as a veterinary practice or a dairy farm, work in the real world. Such a business plan comprises marketing, business administration, structure, organization, communication, planning. The success of this business plan can be maximized by following the seven steps mentioned in Table 3, steps which originate in the marketing sciences and which have been adapted for use in veterinary practice (19, 20). Pre-conditions to consider when starting advisory programmes include, for example, the strict separation of operational matters, such as the dehorning of calves and

claw trimming, from advisory activities. The farmer must know which role the practitioner is playing. Practical tips include turning off the mobile phone when arriving at the farm because the farmer considers it denigrating that the person on the telephone is apparently more important than he is.

Marketing in veterinary practice implies communication, analysis of client demands, evaluation of appropriate and inappropriate products and services, development of new demands: so-called account management (19, 20). This exercise also helps veterinary practitioners understand how entrepreneurial dairy farmers think and act. It is helpful to evaluate the current products and services in each practice and for each practitioner. An example of internal communication and practice strategy development can be found in Figure 1 (after 14).

Figure 1 represents the position of some services offered by a hypothetical practice or practitioner. In this example, a sleeper is the treatment of subclinical mastitis; a winner is veterinary advice on herd fertility; a loser is the treatment of urgent clinical cases; a shortcoming is general veterinary drugs. Every practice or practitioner will have different characteristics: what is a loser in one practice could be a winner in another practice. This exercise creates awareness in the practice and is useful in preparing a practice strategy.

New products and services can also be developed in a practice, such as:

- design of farm-specific hygiene protocols (e.g., for colostrum management; the milking process)
- design of farm-specific protocols in the area of udder health, claw health, calf rearing, infectious diseases (15), which commonly comprise guidelines of good agricultural practice (16)
- design, implementation, and support of a farm-specific, veterinary quality risk management programme including SWOT (strengths-weaknesses, opportunities, threats) assessments available at [www.vacqa-international.com](http://www.vacqa-international.com) (2), HACCP (hazard analysis critical control points)-like approaches and working instructions (2).
- on-site training programmes of short duration for farm workers with limited knowledge/skills in certain areas.

Client–practitioner communication frequently requires improvement on the part of the practitioner; see also Eelkman-Rooda (17). In this context, one should bear in mind that a human being is sensitive to one or more particular

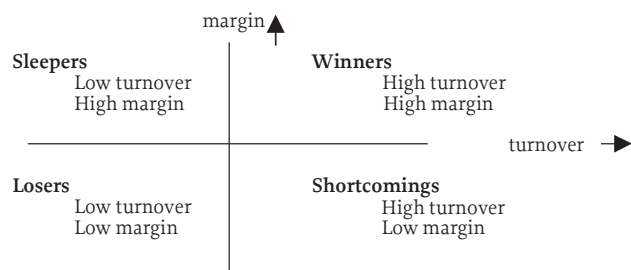


Figure 1. Position of veterinary services and products in an example veterinary practice.

needs, such as looking for security; togetherness; ease and comfort; progress; innovation; delight; exclusiveness; getting advantage. Communications between farmer and cattle practitioner always directly or indirectly address one or more of these needs. It would be very helpful if the practitioner knows, in advance, which needs the farmer has a preference for, because it facilitates discussion. It may provide the proper psychological foundation for sound discussion and negotiation about veterinary products and services, and the costs involved.

#### CONCLUSIONS AND RECOMMENDATIONS

In reviewing the characteristics of entrepreneurial dairy farmers, as well as the strengths and weaknesses of cattle practitioners, we can deduce the wishes and expectations of dairy entrepreneurs with regard to the veterinary services provided. We have suggested points of improvement (see Figure 2). Filling the current gap between the entrepreneurial farmer and the veterinary practitioner is the responsibility of the practitioner if he wants to gain (or regain) a substantial advisory role on the farms of entrepreneurial farmers. The most relevant incentive is the knowledge that veterinary practitioners no longer work in a supply-driven market but in a demand-driven market. A proper price–quality ratio of the services provided by the veterinary practitioner to the entrepreneurial farmers

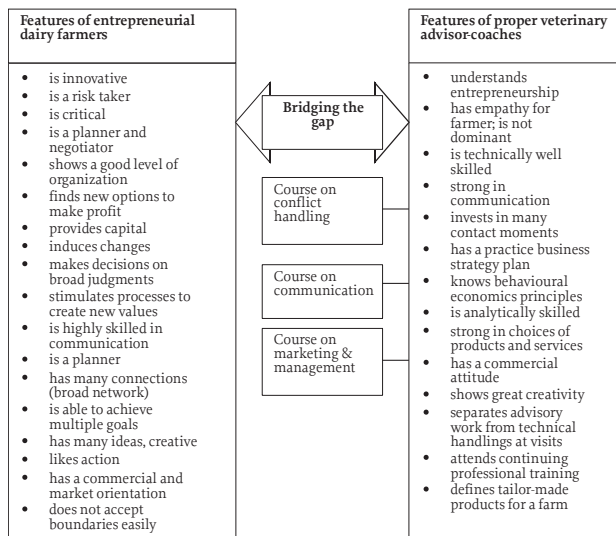


Figure 2. Summarizing the features of entrepreneur-like dairy farmers and the proper veterinary advisor-coaches, and a few examples of courses to fill the gap.

will contribute to the overall success and sustainability of veterinary practices.

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Artikel ingediend: 20 juli 2007

Artikel geaccepteerd: 12 november 2007