North American Limousin Foundation
Strategic Plan 2010

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Introduction:

When I joined NALF in September 2009, I stated my desire to grow the Limousin breed sustainably by expanding its bull market. There were about 600,000 Limousin-influenced feeder cattle produced annually then, and it was my goal to increase that to 1 million head as rapidly as practical.

A new strategic plan was the first step. With input from the Board of Directors, staff members, attendees at the 2010 Annual Meeting and the inaugural class of the Emerging Leaders Academy, we included in the plan a set of core policies that define what NALF and the Limousin breed are all about. The discussions that led to the final plan were thoughtful, insightful and even lively at times. One thing is for sure: Everyone wants to see the Limousin breed succeed.

Early on, we identified the needs to serve the commercial segment of our industry and to unite in our thrust rather than pigeonhole ourselves as fullblood, purebred or Lim-Flex® breeders. One of the biggest areas of confusion was defining the “mainstream market” for Limousin-influenced calves from British-based cows; basically, that is 60 percent Choice, Yield Grade 2, with no Standard carcasses and no YG 4s. In the end, we all are serving customers who are in the beef business – whether they are supplying commodity or specialty markets.

The strategic plan includes vision and mission statements and core strategies with action items. With these well-thought-out policies, we all are going to roll up our sleeves and get pulling in the same direction down the proactive path of restoring breed popularity.

This plan will not be a one-shot deal but represents a new way of doing business for NALF. Each year in April, the Board will review the priorities and update the plan as necessary. The staff will generate a proposed budget based on those priorities and present it to the Board in August. That will help us keep on target and on budget. That type of continuity will help lead us to sustained performance in high-priority areas, which is something we must do if we are to build this breed by helping make our members economically viable.
– R.L. “Bob” Hough, Ph.D., executive vice president
Our Strategic Planning Team

Robert Millerberg, Past President
Robert Mitchell, Past Board Member
Lance Sennett, President
Richard Hefner, Treasurer
Dr. Robert Hough, Executive Vice-president
Michael Smith, Vice President
Wendell Geeslin, Past President
Harley Coleman, board member
Jack Glendenning, board member
Michael Hall, Secretary
Mathew Lewis, board member
Charles Linhart, At-large
Harris Mosher, board member
Brian Skaggs, board member
Jay Straight, board member
Tom Vaughn, board member
Jerry Wulf, board member
Kyle Haley, Limousin World
Dr. Lauren Hyde, Past Director of Performance Programs
Brad Parker, Past Director of Communications
Frank Padilla, Past Director of Member and Commercial Relations
Carol Johnson, Director of Programs Administration
Mary Zilk, Director of Operations and Accounting

We also want to thank Jim McKinlay, Partner at the Centre for Strategic Management Inc., and Brian Rhiness, Partner, Centre for Strategic Management Inc., for their assistance in guiding us through the steps of this Strategic Planning Process.
The Strategic Planning Process

Our strategic planning project followed a process that was developed by the Centre for Strategic Management. It has been applied to public sector projects throughout Canada and the USA since 1990 and there are many examples of its application within municipal government settings. This model is built upon the basic principles of the “Systems Thinking Approach”. The five key elements of this approach are:

A. **Outcomes** – Where do we want to be at some specific point in the future?
B. **Feedback Loop** – How do we know if we are on track or not?
C. **Inputs** – Where are we today, in the present state?
D. **Throughput Process** – What changes do we need to implement to close the gap between where we are today and where we want to be in the future?
E. **Environment** – What’s happening around us that will impact on our plan?

The ten-step Reinventing Strategic Planning Model below merely expands on each of these five steps and adds a bit more detail for each of these five factors.
Environmental Scanning

The first step in strategic planning is to scan the environment – to observe what trends and events are occurring around us - that are outside of our control – yet may well have a profound impact on the plan we are developing.

By using the acronym SKEPTIC, we examined seven distinct environmental factors that could have a dramatic impact on the North American Limousin Foundation in the years ahead.

**Socio-demographic Factors**
- What trends do we see related to age and population shifts within our organization over the next 5 years?

**K ompetition Factors**
- Who are our competitors in the field of seedstock production and what are they providing that might cause our customers to consider doing business with a different organization?

**E conomics / E cological Factors**
- What are the economical trends and issues we are facing, as well as the ecological issues and concerns that we need to be addressing?

**P olitical Factors**
- What changes of a political nature might we anticipate – from either the federal or state level, such as regulatory changes or new legislation?

**T echnological Factors**
- What new approaches to technology or what new technical requirements are we facing, and can they help us deliver services better?

**I ndustry / Supplier Factors**
- What changes are impacting the whole field of seedstock production that we need to be aware of and what changes are occurring from our suppliers business perspective that will affect us?

**C ustomer / C lient / C itizen Factors**
- What trend changes do we detect in the expectations or requirements of our customers and clients?

A detailed summary of the primary and secondary elements for each of these seven factors, as perceived by the Planning Team, is contained in Appendix 1 on page 20.
North American Limousin Foundation – Vision Statement

A Vision Statement is an idealistic view or image of what we want our future to look like at a certain future point in time. It has dreamlike qualities, future hopes and aspirations, even if they are never fully attainable. It is an energizing and inspiring statement of where and what we want to be in the future.

Visioning is a process that enables us to put reason aside – temporarily – and look beyond the present to the future, as we would like it to be. “It can’t be done” is irrelevant. How to turn a vision into a reality is something that happens after the vision is created.

A Vision must be:
1. Leader initiated
2. Shared and supported
3. Comprehensive and detailed
4. Positive & inspiring – it is a reach, a challenge.

Limousin.

Valued by members, favored by commercial cow-calf producers, demanded industry wide, and preferred by consumers.
Driven by information, technology and sound science.
Our Mission Statement is more pragmatic than the Vision Statement. It is more realistic, more focused and more achievable – by design.

It describes our unique purpose and outlines the business we are in, without listing the activities that we carry out.

The Mission Statement provides answers for three specific questions:

- **Why do we exist?**
  What’s our reason for being?

- **What do we produce and provide?**
  – in benefit and outcome terms.

- **Who do we serve?**
  Who are our customers and clients?

The North American Limousin Foundation is in the business of customer service and genetic evaluation while providing tools to enhance members’ profitability and maintaining integrity of the herdbook.

Through programs and services, it is NALF’s goal to have members’ products be the Continental common denominator in progressive commercial beef producers’ crossbreeding programs for mainstream markets.
**North American Limousin Foundation – Core Values**

Core Values are the fundamental beliefs that we hold about how we should act while accomplishing our mission and conducting our business.

These form the principles that guide our daily behaviors. The way we apply our core values will contribute to our overall public image as an organization. This will help others to form their impressions of us, based on how they are treated by our staff.

Our core values describe what we believe in and how we will act at work – with our customers and clients, as well as with each other.

These values come as a complete set – we cannot pick and choose which ones we want to honor. We are expected to honor, practice and live each of these values – all the time.

- Be united in promotion of Limousin
- Be team players
- Have integrity in all we do
- Create and foster synergistic relationships with industry allies
- Collect quality data and use scientific-based technologies that will enhance the breed
- Provide superior customer service and educational opportunities
- Be passionate about why we exist and what we contribute to commercial cow-calf producers and the entire beef industry
- Continue to treat all members fairly and equitably
- Contribute to members’ ability to be profitable and sustainable
North American Limousin Foundation
Key Success Measures

Key Success Measures are the “performance indicators of success” that we will be using to track our progress towards the achievement of our Vision, Mission and Key Principles.

These measures will become our “corporate report card” or “scorecard” that we can use to verify that we are on target towards achieving our goals. If we begin to slip off track, these measures will point this out to us, so that we can make the necessary adjustments to get back on track.

There are four key areas that we are concentrating on to achieve a balanced set of measures:

- Employee Satisfaction
- Stakeholder Satisfaction
- Financial Viability
- Process & Systems Improvements

Research shows that:

- satisfied employees lead to satisfied stakeholders,
- satisfied stakeholders help to create financial viability,
- financial viability provides the resources for systems improvements, and
- systems improvements make life better for staff, creating higher levels of employee satisfaction.

Our Key Success Measures

Member / Customer Satisfaction:
Memberships, Registration and Transfers (new and renewals)
Number of bulls transferred – between member and non-member accounts
- Indicators of acceptability in commercial cow-calf industry, as percentage of market share

Financial Viability:
Net income
Total assets

Systems and Breed Improvements:
LIMS – Number of cows enrolled
Increase and improve data submissions
Improvements in genetic trends

Employee Accountability:
Average Tenure of Staff
Feedback from Performance Review Process (including an annual Values Audit)

Board Member Accountability:
Board Evaluation (including an annual Values Audit)
Board Solidarity – on key Board decisions

Note: A comprehensive set of tracking mechanisms are in place to ensure that targets are set and met over the next 1-3 years. Annual reports on progress will be available – an external one for Stakeholder Satisfaction and Financial Viability and an internal one for Employee Satisfaction and Process and Systems Improvements.
North American Limousin Foundation – Current State Assessment

To complete Step # 4 in our Strategic Planning Process – the Current State Assessment – we conducted a series of assessment exercises:

1. We referred back to the summary notes from our initial Plan-to-Plan Session held on December 2-3, 2009, where we identified a comprehensive list of critical issues and concerns we are facing.

2. A summary of our organizations current financial state of health was presented to the Strategic Planning Team, so that everyone had a good understanding of the resource limitations and resource possibilities, as we moved forward and developed the Core Strategies and the 3-Year Business Plan for the North American Limousin Foundation.

3. With all of this information as a backdrop to our thinking, we then developed a set of Core Strategies and the related Strategic Action Items under each strategy. These are all listed in the next section of our Strategic Plan.

4. We completed a detailed review of registration patterns over the past fifteen years, as well as the implications.

5. We compared Limousin stats (for EPD) with the other major cattle breeds to develop a clearer understanding of why we are slipping down in the list of preferred breeds.

6. We conducted a detailed review of Membership statistics.
North American Limousin Foundation – Core Strategies

Core Strategies are the basic approaches we use to guide individual and organizational behavior towards the achievement of our organization’s vision and mission.

Strategies are also seen as the major way or method or group of activities that we use to guide us in “bridging the gap” over the life of our strategic plan – from our Current State Assessment (where we are today) to our Ideal Future State (where we want to be in the future).

By design, we have a limited number of core strategies to ensure that our staff have a focused approach to delivering the services expected by our stakeholders.

Since these are “core” strategies, the activities included under each strategy are core to our operations – and every department or business unit is expected to identify specific ways in which they can contribute to the achievement of each strategy. None of the core strategies are targeted at any single department – it is the collective contribution of the whole organization, working together, that enables us to successfully implement our Strategic Plan.

<table>
<thead>
<tr>
<th>Breed Improvement</th>
<th>We will provide tools based on research and sound science to enable members to breed animals that meet commercial acceptance for mainstream markets.</th>
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<tbody>
<tr>
<td>Membership Development</td>
<td>We will strengthen our members by providing educational opportunities that will help us hit our target markets, communicating common goals, and creating fellowship and pride.</td>
</tr>
<tr>
<td>Effective Operations</td>
<td>We will maximize staff, infrastructure and governance to provide membership with industry-leading programs and services.</td>
</tr>
<tr>
<td>Commercial Acceptance</td>
<td>Through programs and services, it is NALF’s goal to have members’ products be the Continental common denominator in progressive commercial beef producers’ crossbreeding programs for mainstream markets.</td>
</tr>
<tr>
<td>Financial Stability</td>
<td>We will ensure long-term financial stability for the North American Limousin Foundation.</td>
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Strategy # 1: Breed Improvement

Strategy Description: We will provide tools based on research and sound science to enable members to breed animals that meet commercial acceptance for mainstream markets.

FROM ⇒ TO

- Too many Standard carcasses
- Docility problems
- Declining data submission
- No feed-efficiency data
- Late puberty
- Hard doers
- Poor understanding of crossbreeding + AN/RA genetics
- Undesirable phenotypes

- Ultrasound data; marbling EPD/trends; carcass data
- Encourage people to cull – continue docility EPD trend
- More data at each stage of production
- Feed efficiency EPD
- Heifer pregnancy EPD – emphasis on stayability EPD
- Implement maintenance energy EPD
- Improve Lim-Flex

Strategic Action Items:

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<tr>
<th>Strategic Action Item</th>
<th>Yr. 1</th>
<th>Yr. 2</th>
<th>Yr. 3</th>
<th>Lead Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Implement elements of Vision 2004-focus on moderate birth weight, growth, reproduction, marbling and docility</td>
<td>On-going Track 2 x year</td>
<td></td>
<td></td>
<td>Bob Hough</td>
</tr>
<tr>
<td>1.2 Promote and encourage participation in LIMS</td>
<td>On-going Track 2 x year</td>
<td></td>
<td></td>
<td>Bob Hough</td>
</tr>
<tr>
<td>1.3 Implement multi-breed carcass evaluation</td>
<td>On hold  – Maybe next year</td>
<td></td>
<td></td>
<td>Bob Weaber</td>
</tr>
<tr>
<td></td>
<td>Objective Description</td>
<td>Status</td>
<td>Responsible Party</td>
<td></td>
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<td>--------------------------------------------------------------------------------------</td>
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<td></td>
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<tr>
<td>1.4</td>
<td>Increase docility score data submission and culling of undesirable animals</td>
<td>Coming year</td>
<td>Jonathan Beitia</td>
<td></td>
</tr>
<tr>
<td>1.5</td>
<td>Improve collection of scan and carcass data</td>
<td>Coming year</td>
<td>Jonathan Beitia</td>
<td></td>
</tr>
<tr>
<td>1.6</td>
<td>Require weaning weight and docility score data for LIMS</td>
<td></td>
<td>Completed</td>
<td></td>
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<tr>
<td>1.7</td>
<td>Develop and implement Heifer Pregnancy EPD</td>
<td>Complete this year</td>
<td>Bob Hough</td>
<td></td>
</tr>
<tr>
<td>1.8</td>
<td>Collect Feed Efficiency data</td>
<td>This year (?)</td>
<td>Mary Zilk</td>
<td></td>
</tr>
<tr>
<td>1.9</td>
<td>Develop and implement mature cow maintenance Maintenance Energy EPD</td>
<td>This year</td>
<td>Bob Hough</td>
<td></td>
</tr>
<tr>
<td>1.10</td>
<td>Develop genomic enhanced EPDs for marbling/REAs/gain/docility/FE</td>
<td>Collect data</td>
<td>Mary Zilk</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Develop EPD</td>
<td>Bob Weaber develop</td>
<td></td>
</tr>
<tr>
<td>1.11</td>
<td>Develop and implement Feed Efficiency EPD <em>Gather data (3K)</em></td>
<td></td>
<td>Target for completion</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Farm out – Denny Crews possibility</td>
<td></td>
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Strategy # 2: Membership Development

Strategy Description: We will strengthen our members by providing educational opportunities that will help us hit our target markets, communicating common goals, and creating fellowship and pride.

<table>
<thead>
<tr>
<th>FROM</th>
<th>TO</th>
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<tbody>
<tr>
<td>- Differing goals</td>
<td>- Common goals</td>
</tr>
<tr>
<td>- Not accessing available tools, information</td>
<td>- Better understanding of industry wants</td>
</tr>
<tr>
<td>- Apathy</td>
<td>- Informed sellers (merchandising)</td>
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<tr>
<td>- Unmotivated</td>
<td>- “Ride for the Limousin brand”</td>
</tr>
<tr>
<td>- Inattentive</td>
<td>- Profitable members</td>
</tr>
<tr>
<td>- Low participation</td>
<td>- Better understanding of our (financial) role</td>
</tr>
<tr>
<td>- Uninformed</td>
<td>within NALF</td>
</tr>
<tr>
<td>- Self-serving</td>
<td></td>
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<tr>
<td>- Unprofitable product</td>
<td></td>
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Strategic Action Items:

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<tr>
<th>Strategic Action Item</th>
<th>Yr. 1</th>
<th>Yr. 2</th>
<th>Yr. 3</th>
<th>Lead Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Emerging Leaders’ Conference and follow-up</td>
<td>✓</td>
<td></td>
<td></td>
<td>Kasey Woolam</td>
</tr>
<tr>
<td>2.2 “How To” Brochures: on web site</td>
<td>P.R. brochure 1st year</td>
<td></td>
<td></td>
<td>Jonathan Beitia</td>
</tr>
<tr>
<td>* EPDs</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>* Crossbreeding</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>* LIMS data submission</td>
<td></td>
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<tr>
<td>2.3 Continue “Partners”</td>
<td>On-going</td>
<td></td>
<td></td>
<td>Jonathan Beitia</td>
</tr>
<tr>
<td>2.4 Visibility in the country – go to member events NALF and Limousin World</td>
<td>On-going prioritizing</td>
<td></td>
<td></td>
<td>Bob Hough</td>
</tr>
<tr>
<td>2.5 Stand-alone national convention</td>
<td>This year</td>
<td></td>
<td></td>
<td>Mike Hall &amp; Jonathan Beitia</td>
</tr>
<tr>
<td>2.6 Initiatives for strengthening regional/state association</td>
<td>This year</td>
<td></td>
<td></td>
<td>Kasey Woolam &amp; Jonathan Beitia</td>
</tr>
<tr>
<td></td>
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<tr>
<td>2.7</td>
<td>Ensure all messages to commercial sector get to all members</td>
<td>On-going</td>
<td>Mike Horvath</td>
<td></td>
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<tr>
<td>2.8</td>
<td>Online forums – emphasize positive testimonials</td>
<td>This year</td>
<td>Jonathan Beitia</td>
<td></td>
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<tr>
<td>2.9</td>
<td>Resurrect “Breeder’s Edge” with more “How To”</td>
<td>Put under 2.2</td>
<td>Jonathan Beitia</td>
<td></td>
</tr>
<tr>
<td>2.10</td>
<td>Slogan/Tag Line photo contest</td>
<td>This year</td>
<td>Kasey Woolam</td>
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</table>
Strategy # 3: Effective Operations

Strategy Description: We will maximize staff, infrastructure and governance to provide membership with industry-leading programs and services.

<table>
<thead>
<tr>
<th>FROM</th>
<th>TO</th>
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<tbody>
<tr>
<td>- Outdated Members Manual and bylaws</td>
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<tr>
<td>- Automation</td>
<td></td>
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<tr>
<td>- New computer system in progress</td>
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<td>- Qualified staff</td>
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<td>- Quality programs in place</td>
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<td>- Board development</td>
<td></td>
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<tr>
<td>- Building</td>
<td></td>
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<td>- Updated Members Manual and bylaws</td>
<td></td>
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<tr>
<td>- Personal service contact</td>
<td></td>
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<tr>
<td>- New computer system operational, plus regular upgrades</td>
<td></td>
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<tr>
<td>- Continue staff development</td>
<td></td>
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<td>- Increase awareness and utilization</td>
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<td>- Board self-evaluation and accountability</td>
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<tr>
<td>- Priority Club</td>
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Strategic Action Items:

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<tr>
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<th>Yr. 2</th>
<th>Yr. 3</th>
<th>Lead Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Update Members’ Manual, Bylaws and Rules, Sale Guarantee</td>
<td></td>
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<tr>
<td>3.2 Board Orientation for new members and <em>Limousin World</em> staff</td>
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<tr>
<td>3.3 Web redesign</td>
<td></td>
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<tr>
<td>3.4 Revisit and explain existing programs through “Partners” and “<em>Limousin World</em>”</td>
<td></td>
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<tr>
<td>3.5 Develop evaluation procedure for Board of Directors</td>
<td></td>
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</table>
Strategy # 4: Commercial Acceptance

Strategy Description: Through programs and services, it is NALF’s goal to have members’ products be the Continental common denominator in progressive commercial beef producers’ crossbreeding programs for mainstream markets.

FROM ⇒ TO

- Local demand
- Negative perception among feeders, packers, sale barns, academics, cow-calf and order buyers
- Outliers – Standard carcasses, postweaning gain, poor dispositions, fertility
- Lost identity
- Limited visibility
- Limited in maternal and convenience traits
- Don’t advertise good things (e.g., grazing ability, salvage value, dressing percentage)

- National demand
- Acceptance / positive perception – positive connotation to breed name - image
- Get out of population
- Need to positively distinguish (i.e., pride and identity)
- Industry participation and visibility (BIF, bull tests, etc.)
- Improve convenience and maternal traits
- Do better in promoting positives

Strategic Action Items:

<table>
<thead>
<tr>
<th>Strategic Action Item</th>
<th>Yr. 1</th>
<th>Yr. 2</th>
<th>Yr. 3</th>
<th>Lead Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Promote improved docility</td>
<td></td>
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<tr>
<td>4.2 Gather carcass data on as many large-scale commercial cattle groups as possible</td>
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<tr>
<td>4.3 Develop databases of Limousin testimonials</td>
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<tr>
<td>4.4 Target non-users in the mainstream market who have the most influence – then go get them (including advertising)</td>
<td></td>
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<tr>
<td>4.5 Strengthen Feeder Calf Classifieds (web site) and other feeder cattle marketing opportunities</td>
<td></td>
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<tr>
<td>4.6 Promote F1 Limousin females</td>
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<tr>
<td>4.7</td>
<td>UltraMate</td>
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<td>4.8</td>
<td>Ramp up number/re-evaluate special feeder calf sales</td>
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<td>4.9</td>
<td>Work with universities and bull tests to compile data</td>
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<td>4.10</td>
<td>Change/modify (re-evaluate) LimMark program</td>
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</table>
**Strategy # 5: Financial Stability**

**Strategy Description:** We will ensure long-term financial stability for the North American Limousin Foundation.

<table>
<thead>
<tr>
<th>FROM</th>
<th>TO</th>
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</table>
| - Chronic deficits  
- Decreasing revenue  
- Decreasing / stable registrations and transfers  
- Profit sharing with few industry allies (MMI/Igenity Strauss / Laura’s Lean Beef)  
- No baseline for knowing return on investments in our programs (e.g., LimMark tags) | - Building reserves  
- Stabilize or increase revenue  
- Increase registrations and transfers  
- Profit sharing with more industry allies  
- Evaluation of return on investments in our programs |

**Strategic Action Items:**

<table>
<thead>
<tr>
<th>Strategic Action Item</th>
<th>Yr. 1</th>
<th>Yr. 2</th>
<th>Yr. 3</th>
<th>Lead Role</th>
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</thead>
<tbody>
<tr>
<td>5.1 Analyze return-on-investment in major programs</td>
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<tr>
<td>5.2 Approve only positive or break-even budgets</td>
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<td>5.3 Review investments</td>
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<tr>
<td>5.4 Feedback/Input on proposed cost analysis prior to board action</td>
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<tr>
<td>5.5 Comprehensive cost analysis on NALF price structure</td>
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<tr>
<td>5.6 Investigate alternative revenue generating opportunities (e.g. – Superior Livestock/Pfizer/Meyer/Natural Angus/Tyson/Ag Info Link)</td>
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</table>
North American Limousin Foundation
Our 3-Year Business Plan
2010 - 2012

Building on the Core Strategies outlined on pages 12-18, a detailed 3-Year business Plan has been developed. This Business Plan identifies which Strategic Action Items are to be initiated in each of the next three years. This Business Plan also identifies whether these initiatives are new ones or continuing, regular services. Budget implications – both Capital Budget and Operating Budget – are identified for each of these Strategic Action Initiatives.

This 3-Year Business Plan forms the backdrop for the development of the North American Limousin Foundation Annual operating Budget, as well as its Long-Term Capital Budget each year.

Each of our Departments has developed its own Departmental Plan and Budget, based upon this 3-Year Business Plan, to ensure that we are operating across all departments in an integrated and coordinated way.

This 3-Year Business Plan has been produced as a complementary document to this Strategic Plan and it will be used to conduct our regular Plan Review Sessions as well as our Annual Plan Update Session. In this way, we will continue to have an up-to-date Business Plan each year, which addresses our planned activities for the current year and the next two years. This “rolling three-year planning framework” will help us to deal with current issues while always looking forward to potential impacts on future activities.

North American Limousin Foundation
Operational Plan – 2010

Our Annual Operating Plan and Budget is prepared and has been presented for approval as part of our annual budget approval cycle. This plan will guide the way resources are allocated throughout the year. Adjustments that may be needed in response to emerging issues will be considered from month to month and appropriate amendments will be made to the Operational Plan following each of the regular plan review sessions to be conducted throughout the year.
Appendix – Environmental Scan – 2010
North American Limousin Foundation
Environmental Scan – 2010

This Environmental Scan was conducted during the December 2-3, 2009, session of the Strategic Planning Team. We used the SKEPTIC Model to examine these seven different elements.

Socio-demographic:

A) Primary Elements:
   Age of members
   HSUS / PETA / Beef’s perception in society
   Eating habits / Natural markets / Disposable income (buying decisions) / Time constraints (convenience)

B) Secondary Elements:
   Brand names (Angus, cow-calf)
   Vertical integration – Industry concentration
   Ag disconnect / lack of ag literacy
   Land use (losing farmland) Land cost / loss of land through urban sprawl
   Liberals

Kompetition:

A) Primary Elements:
   Angus / “Choice beef” (find ways to complement)
   Charolais / Simmental – adversaries – building our brand
   Within-breed issues – internal attitudes

B) Secondary Elements:
   Other protein sources, such as chicken and pork
   Foreign markets / opportunities in Europe (access and production, e.g., Brazil, Australia, South America)
   Competition for land / “urban sprawl”
   Loss of young talented people in the beef industry
   Political adversaries
   Shrinking cow herds
   Vegetarians
Economics / Ecology:

A) Primary Elements: Economics
- Increased input costs (feed-fuel-labor) and decreased margins
- Parasitic industry – dollar lost in order to make a dollar within industry
- Competition between industry segments
- Consolidation among sponsors / partners (e.g., animal health)
- Dues and other income streams (+)

B) Secondary Elements: Economics
- Bad economy (less disposable income)
- Feedlot losses
- Fewer people making a living in the cow-calf business
- U.S. dollar value to foreign markets  U.S. dollar strength
- Larger role of “middle man”

A) Primary Elements: Ecology
- Members more active in action groups – EPA regulations – Cap & Trade
- Animal waste disposal
- Implants and Beta-Agonists – Natural beef – Antibiotic regulations

B) Secondary Elements: Ecology
- Animal rights
- Taxes – Methane Gas tax
- Public lands regulations and costs
- Good land stewards
- Brand
- More efficient animals “Green Breed”

Political and Regulatory:

A) Primary Elements:
- Source and age of cattle (export/import)
- NCBA – beef association and member activity
- Lack of unity in industry – opportunity to work together

B) Secondary Elements:
- Changing role / focus of land-grant universities
- Less influence from rural states
- Lending rules
- Educating the public
B) Secondary Elements: (cont.)

Cow tax
Trade agreements
Non-hormone-treated cattle
Political leaders who do not understand the industry
PETA / HSUS
Mechanical grading
USDA Farm Program future
Regulatory issues – Feedyard regulations, etc.
Land use
Shrinking ag community – “Votes”
Bad science (e.g., “global warming”)

Technical:

A) Primary Elements:

Whole-herd reporting (data-driven breed to survive)
Service opportunities (general)
Feed-efficiency evaluation
Genomic-enhanced EPDs
Lack of technical skills – data structure / Web applications
Genetic defects
Decision-making tools (indexes, etc.)
Communications media / social media and members / methods

B) Secondary Elements:

ET – increases ♀ value
Product uniformity
New beef products
DNA standardize
Electronic identification – data flow
Economically relevant traits
Lack of desire to implement current technological advances
AI / highly propagated genetics
Information availability (overload?)
Industry / Suppliers:

A) **Primary Elements:**
- Feedlot acceptance
- Packer acceptance
- Order Buyer acceptance
- Commercial cow-calf producer acceptance
- Crossbreeding
- Breed’s industry perception
- Consolidation – look for opportunities to work with other breeds
- Showring – value of time we spend

B) **Secondary Elements:**
- Other breed competition
- Niche marketing – organic, natural, commodity
- Aggressive marketing
- Reputation / Image
- Universities
- Premium-Choice beef
- Shrinking industry
- Foreign competition
- Disposition problem
- Competition among industry segments
- Herd size (overall national and individual)

Customer / Clients / Citizens:

A) **Primary Elements:**
- Demand for Choice beef / Premium-Choice
- Communication with members
- Country-of-origin labeling – communication
- Price of protein – Health-driven purchases – Organic/Natural

B) **Secondary Elements:**
- Poor eating experience
- Acceptance / satisfaction
- Membership apathy and ignorance
- Consumer diet
- “Better product” defined by customers not breeders
- Anti-ag / “Factory” farming / vegetarians / animal rights
- Imports / Exports
- Product uniformity
- Public lacks knowledge of how beef is produced
- Selling (telling) the story
Appendix # 2 – Identification of Key Stakeholders
Identification of Key Stakeholders

A **Stakeholder** - is one who “holds an interest or a stake” in what you do.

A **Customer** - is one who chooses to make use of your products or services.

**A customer is always a stakeholder, but a stakeholder is not always a customer.**

Therefore, it is always important to clarify which role an individual is playing when dealing with his or her inquiry or request – so that she or he can be served in the most appropriate manner.

We will be using a “Parallel Involvement Process” with our Key Stakeholders to obtain input on the Strategic Plan – as it is being developed. This is designed to expand the collective ownership for the final plan document – which increases

**Key Stakeholder Groups – North American Limousin Foundation:**

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Methods for Engaging Them</th>
</tr>
</thead>
<tbody>
<tr>
<td>NALF Membership</td>
<td>through presentations and feedback notes collected at the AGM on January 11</td>
</tr>
<tr>
<td>NALF Board and NALF Staff</td>
<td>through their active participation on the Planning Team</td>
</tr>
<tr>
<td>Young Breeders Group</td>
<td>Through presentations and feedback notes collected at a session in Kansas City on February 3</td>
</tr>
</tbody>
</table>
Appendix # 3 – SWOT Analysis

(Strengths / Weaknesses / Opportunities / Threats)
Step # 4 - Current State Assessment – SWOT Analysis

(Completed on __Date__)

**Strengths:**

Our primary strengths – are:

- 

Additional strengths we possess are:

- 

**Weaknesses:**

Our primary weaknesses – are:

- 

Additional weaknesses we need to address are:

- 

**Opportunities:**

Our primary opportunities – as a municipal corporation – are:

- 

Additional opportunities we could pursue are:

- 

**Threats:**

Our primary threats – are:

- 

Additional threats we need to be prepared to address are:

- 

Approved Document – August 2010