

Workshop Title:

Making the Most of your Machinery

Speaker:

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Executive Summary:

This workshop outlines the basics of determining machine expenses as well as purchasing and maintaining machinery.

Main Notes:

Deciding machinery requirements

- ◆ Market share/volume that can be sold determines required throughput or capacity.
- ◆ $\text{Market share} \div (\text{machinery} + \text{labour} + \text{other overhead expenses}) = \text{Cost per unit}$

Breakdown of machinery expense philosophies

- ◆ Approach 1: amortized w maintenance over a set period
 - Consulting or mentorship expenses
 - Initial purchase or lease
 - Repairs or upgrades
 - Maintenance plan
 - Reserve fund for emergency replacement
 - Resale value @ end of maintenance (warranty)
- ◆ Approach 2: educated guess of machinery expense
 - Initial purchase

- Repairs or upgrades
 - Service
 - Minimal maintenance
 - Reserve fund
 - Replacement or repairs
 - Resale or scrap value
- ◆ Approach 3: operate moment to moment being happy come what may; go away price so you don't have to deal with it

Strategies to get max value form machinery

- ◆ Dealers w full support
 - Risks with imports unless through reputable dealer
- ◆ Find helpful salespeople
 - Good salesperson will give you time w their service tech for concerns
- ◆ Regionally made machinery
 - Cheaper
 - Better support
 - Designed for geographic region
 - More custom options: color, size, style

Signs of positive and respected leadership and mentorship

- ◆ Feeling understood and respected when request made
- ◆ Feeling clear when a project is declined
- ◆ Ability to ask tough questions such as:
 - How long do you plan to keep this

- Other options

Strategies to make empowered decisions

- i. Utilize industry trade associations and conferences
- ii. Consider amortizing large capital purchases to create more cash flow
- iii. Learn how to look past a fresh paint job, or new tires when purchasing.
Just because it looks pretty doesn't mean it is good quality or works good
- iv. Join or start machinery co-op, or machinery pool
- v. Purchasing same equipment as your neighbours
 - Share spare parts
 - Gain purchase power
 - Swap out parts
- vi. Be careful w electronics.
- vii. With rare equipment, consider the replacement cost; contingency plan.

Commissioning or building custom machinery

- ◆ Determine throughput:
 - Expansion or increases in capacity will be accounted for
 - Adding into a line to reduce bottlenecks
 - Adding second processing line or new facility
 - Selling old machinery to purchase more new ones

Food of processing line considerations

- ◆ Proper design to eliminate contamination
- ◆ Elimination of crevices
- ◆ Human-machine-interface

- Designed for easy wash down
- Adjustability to eliminate repetitive stress from injuries
- ◆ Stainless steel typically expensive and slow to work with makes labour greater expense. Partner w manufacturer that likes and invests in your product for best result.

Organizational design attributes

- ◆ Succession planning for the ownership and management
- ◆ Record keeping system
- ◆ Budget for innovation
- ◆ Capacity list for machines and services
 - Educated decisions
 - Time advantages
 - Quality advantages
- ◆ Design philosophy
 - Common off the shelf materials; repurposed
- ◆ Partnering options
 - Payment based on production performance
 - Continual stake in success of clients
- ◆ “The more receptive we are, the more feedback is going to come”
- ◆ Worker attributes
 - Genuinely interested
 - Fulfilled by their work
 - Wages based on commitment and performance

- ◆ Workers with tangible stake in success of organisation
- ◆ Training plans for workers
- ◆ Channels for outside info
- ◆ Healthy competition in org
- ◆ Dealer service network

What you can do on farm

- ◆ Parts inventory system
 - How long to obtain wearable parts
 - Track what is used, stock materials
- ◆ Preventative maintenance programs
 - Keep consumables on hand for rainy days
 - Have conversations w other machine geeks
 - Genuine enthusiasm is infectious
 - Build mentoring relationships
 - Learn how to use specialty as template

Pre-start health and safety review comparison

- ◆ Many laws regulating machinery and food safety. Look to provinces with stricter regulation good way to inform what keeps us healthy
- ◆ More resilience when factoring safety into long-term investments: safety glasses, safety gloves, etc.

Most importantly, are you working to create safest environment for the people you care about.