



# Legacy & Leadership

**Mark Davis** is the former chairman of Davisco Foods International Inc., headquartered in Le Sueur Minnesota. A graduate of Minnesota State University in Mankato, Minnesota, Mark Davis represented the second generation of the Davis family in the business and worked his entire 48-year dairy career in his family's third generation food processing business.

Davisco Foods International Inc. was a 71-year-old company founded by Mark's father, Stanley Davis. What began as a small creamery, making butter from farm separated cream would become a five-factory cheese manufacturer and food ingredient processor, with manufacturing facilities in Minnesota (3), South Dakota (1) and Idaho (1). Davisco had sales offices in Eden Prairie, Minnesota, Geneva, Switzerland, Shanghai, China and Singapore.

Besides manufacturing cheese daily, Davisco produced and distributed dairy ingredients, derived from the by-products of its cheese production factories, worldwide; to the food, pharmaceutical, nutraceutical and cosmetic industry. The company also did toll processing for various food companies large and small. The Davis family sold Davisco Foods to Canadian dairy cooperative Agropur in 2014.

Mark Davis now is a partner in Davis Family Dairies and chairman of Davis Family Holdings.

Cheese Market News is pleased to introduce our newest segment, "Legacy & Leadership," a conversation with industry visionaries who have helped propel the industry forward.

What motivates and helps company leaders in growing their businesses? What habits were fostered throughout their careers? This new segment will explore the thinking of these executives so that aspiring dairy industry leaders may reflect and assess their own perspectives and capabilities as they build their own legacies.

**Q** *What is one characteristic that you believe every leader should possess?*

**A** Every leader has got to be incredibly curious. A simple proclamation, but so incredibly important in all areas of a business's day-to-day and long-term activities and plans.

A leader has to want to know what motivates his suppliers of raw material. Economics is the obvious one, but what else drives those producers to exert the time and energy to operate their business at a profit? Why have they chosen your company to supply?

In the case of the company's work force and management staff, what motivates those folks to give 100 percent of the time on the job to the perfection necessary to produce preferable and acceptable products that outcompete your competition and satisfy the customer?

And then there's the market itself. Is the company's product everything the market is demanding? Are there modifications of functionality or customer desires that could enhance the company's competitive position?

**Q** *What advice would you give someone going into a leadership position for the first time?*

**A** To make sure he is going to have motivated, well-informed and perfection-driven supervisory staff. Can those important people motivate the folks they are responsible to lead and supervise?

**Q** *What are the most important decisions you made/have made as a leader of your company?*

**A** I've been so fortunate to be surrounded by capable, dedicated associates and family members throughout our history and, most importantly, their dedication and adaptability as we grew our production and geographic footprint.

As to the decisions that were important, product development and the processing of byproducts is one area. Another was our decision to expand into geographic areas that had the ability to profitably support increased farm milk production. Both Idaho and South Dakota have continued to generate "new" milk volumes.

**Q** *How do you encourage creative thinking within your organization?*

**A** I have had the good fortune of employing self-motivated management staff that acquire an intimate knowledge of their areas of responsibility and use their initiative to make suggestions on how their departments, products and people might enhance overall performance and product values. No small part of that is containing or reducing production costs.

In addition, there was the imagination of family members to utilize dairy equipment for processing non-dairy ingredients and to do contract processing of other companies' liquid ingredients.

**Q** *What is the biggest challenge facing the dairy industry today?*

**A** There are probably two issues of equal importance.

There are the evolving structural changes in the industry, and these dynamics impact the industry from milk production to global competitiveness. In the United States, these include changes in the size of farms, environmental and geographic suitability for large-scale milk production sites, changes in regional manufacturing locations and sizes, and the resulting consolidation of political and organizational parochial interest. Producer, processor and regulatory will become, and have become, more attuned to each other.

The second challenge is rapidly evolving consumer attitudes about food. This includes nutrition, origin of product and environmental impact of production.

Dairy easily outpaces all others with its nutritional value. Properly operated dairies are incredibly sustainable as to animal welfare, efficient and economic use of feed sources and returning natural fertilizers to the land.

We have a challenge in that all segments of the dairy industry must unite and spread the message about dairy products being the prime source of the highest-quality nutrition in the world's food supply. Stop our historic segmentation of products derived from our milk with regulatory and price differences. Quality milk is quality milk.

**Q** *Please comment on the importance of accuracy, product quality and reputation to a business's longevity.*

**A** The dairy industry has a long history of producing consistent, high-quality and nutritious food ingredients.

With that history and a united voice, we must not only enhance our message and unite our efforts to spread that fact; we also must increase our emphasis on guaranteeing continued superiority of production technology and product innovation.

**Q** *What would you cite as an example of a time where your company showed innovation and leadership in the dairy marketplace?*

**A** Our introduction to processing whey byproducts was a most exciting time for our company.

The evolving process had many variations and many components. Most of that innovation and promotion in my experience initially came from European equipment suppliers and manufacturers. The industry in Europe in the 1960s and early 1970s was way ahead of us in dairy processing, in my opinion. Their economics of processing and strong commitment to utilizing all the components of milk drove them to innovate in many areas of milk processing.

In 1970, I was fortunate to take a trip to Europe, sponsored by three of Europe's, and dairy's, leading technology and processing equipment suppliers.

The experience was labeled: "Scandinavian Orientation visit for North American Dairy Industry." It was sponsored by Foss Electric, Hillerød, Denmark; A/S Niro Atomizers, Copenhagen, Denmark; and A/B Alfa-Laval, Tumba, Sweden.

These companies sponsored 157 American and Canadian dairy processors and equipment salesmen for a week's tour of plants, farms and processor facilities. Through that experience, I became acquainted with people from the entire North American and European dairy industry, people that I would engage with for the next 50 years in business.

**Q** *What has been your favorite thing about working in the cheese and dairy industry?*

**A** My favorite experiences of working in the cheese, whey and dairy industry involve the vast numbers of generally nice people I have met and interacted with.

Our entrance into export markets was a fascinating experience.

The energy created as milk components were differentiated and accepted as integral components of formulated foods.

The various regions of the world of food and food ingredients used in other cultures and markets opened up relationships with competitors, customers, equipment suppliers and regulators from many, many countries. Lifelong friendships, that are ongoing to this day, are most satisfying. CMN