

# Growth by Acquisition Can Lead to an Identity Crisis

Miller St. Nazianz, Inc. | [www.millerstn.com](http://www.millerstn.com)

**M**iller St. Nazianz refocuses on a single guiding principal “Your Productivity is Our Business”

2009 marks the 110th anniversary of Miller St. Nazianz, Inc., based in St. Nazianz, Wisconsin. And with those 110 years comes a lot of change.

Miller started out as a hardware and farm supply store, serving local farmers in the St. Nazianz area. For many years, the focus of the business was retailing farm supplies and distribution of farm machinery through a McCormick-Deering equipment dealership, being the first company to sell a horseless tractor in Wisconsin. Generations later, by the 1980s, Miller turned to manufacturing, and one of the most complex and challenging periods of change and growth for the company began.

In the 1980s, the company began building a line of hay and forage products under the Miller Pro brand, and the focus of the company migrated away from retail to manufacturing. The Miller Pro hay and forage products included forage boxes, forage blowers, rotary rakes, and pull-type sprayers. Additionally, the following brands were added to the Miller stable through development or acquisition over the next two decades:

- Miller acquires the Badger line of hay and forage farmstead products.
- Miller develops the Miller Nitro high clearance self propelled sprayers.
- Miller offers a line of hay and forage products through John Deere dealers under the private label Victor.
- Miller acquires the Silver Wheels brand of floater applicator.
- Miller introduces a line of hay mergers.
- Miller acquires the Mertz brand of CenterRide applicator chassis.
- Miller acquires Ag-Bag silage baggers.
- Miller acquires Weddle Manufacturing and the Raptor mechanical drive self propelled sprayer, re-launched in 2007 as Condor.
- Miller acquires Spray-Air Technologies Ltd. patented air delivery spray technology.

By 2007, Miller was facing an identity crisis. In an attempt to be everything to every customer, growth by acquisition overshadowed the need to grow strategically and organically. With the overwhelming number of product brands, logos, colors, and dealers, customers were starting to ask the question “Who is Miller?”

Frequently, customers searching for product information would visit the original Miller website [www.millerstn.com](http://www.millerstn.com), which often proved a fruitless endeavor. The web site grew haphazardly, with each new product simply being tacked onto the site, or original product websites were simply linked to Millers’ without proper integration. All products retained their original brand, logo, color scheme, and even promotional materials and vernacular. There was no unifying “This is a Miller Product” statement. Rather, the products were loosely knit in either one of two generic product groupings: Hay and Forage, or Miller Application Technologies. The Miller Pro brands were hay and forage products, except for the Miller Pro pull-type sprayers (which belonged to the Application Technologies group) – confused yet?

Miller had Miller Pro dealers. Victor dealers. Badger dealers. Ag-Bag dealers. Nitro dealers. With every product acquisition came a new batch of dealers, and overlaps in distribution to manage. By early 2007, Miller also had Raptor dealers and Spray-Air dealers added to the mix.

The sales department was challenged to keep all the products, price lists, dealer order programs, as well as retail incentive programs straight.

The marketing department was challenged to attempt to maintain clarity and unique brand awareness across all of the brands. There were no standards for product messaging, advertising and product literature layout and color schemes, use of logos, or product images.

The engineering department was challenged to set R & D project priorities with such a wide ranging and diverse line of mutually exclusive products (many of which were originally designed by other companies and needed to be integrated into Miller's systems).

The manufacturing department was challenged to allocate manufacturing space and resources to efficiently produce and assemble the wide range of products in time to meet the prime selling seasons, which often overlap from one product to the next. The paint booths alone had to manage over 20 different paint colors, presenting a logistical nightmare all on its' own.

The accounting department was challenged to efficiently manage a wide range of different product-specific dealer accounts, as well as product-specific order programs and price lists.

The parts department was challenged to manage inventory availability, effective turns on inventory, and maintain satisfactory fill rates with a very wide range of diverse products.

Something had to change.

"You can't be in business for well over 100 years and not be doing something right. We have skilled and dedicated staff, great products, and excellent dealers" explains John W. Miller, the 5<sup>th</sup> Generation Miller at the helm of the company as President and CEO. "We are very proud of our high standard of integrity and reputation for quality. But how can you trade on that reputation if no one knows who you are, if you get lost amongst all of your product brands?"

To best serve the interests of the company, the dealers, and the end users of the products, John W. Miller had to implement change that would streamline efficiency, improve quality, strengthen the brand, and achieve organic growth through increases in market share. To achieve these results, a departure from the status quo was in order. "We recognized that our stable of products was confusing to customers and dealers alike. With the addition of two more products to our company through acquisition, we felt it was an ideal opportunity to make wholesales changes and seek outside help in achieving our goal of rebranding our company."

Miller contracted the assistance of a leading industrial design company based in Wisconsin, with extensive experience in design and branding in the agricultural industry. The goal was to re-brand Miller, and in so doing, the company had difficult decisions to make. "We had real legacy products we were emotionally attached to, particularly the Miller Pro brand, but in reality, there was a vast inequity of contribution to the bottom line amongst all our products. When we looked closely at the actual net

contribution of each of our products, it became abundantly clear that we needed to focus on our core strengths, and at the same time, some products had to go.” said Miller.

John Miller also said the need to meet the demands of a global marketplace was a factor that drove decisions that would change the face of Miller. “When we looked at our hay and forage business, the closer to home we were, the stronger our business was. You could draw concentric rings on a map around Manitowoc County and generally speaking, the further out you went, the fewer sales we had. By contrast, almost every Nitro 4000 sprayer we build is sold outside of Manitowoc County. In fact, 60 percent of our sprayers end up on farms throughout America, 10 percent go to Canada, and another 30 percent go to Ukraine, Russia, New Zealand, and Australia, where our largest dealer is located.”

John goes on to explain the diversification strategy of the company. “There are a few ways to look at diversification, which to us is very important. One is to have diverse product lines, while the other is to have diverse markets. It became clear the strategy that made the most sense for us as a manufacturer, capitalizing on our strengths, is to be extremely good at designing, manufacturing, and supporting a narrower offering of products, but marketing them in a much more diverse global marketplace.”

After more than two decades of being a leader in the hay and forage business, the decision was made to divest of the Miller Pro products. While the Miller Pro line had earned a reputation for being a quality, sought after product line, the limited growth potential, especially in Miller’s international markets, meant it stood in the way of the company’s overall growth objectives. In late 2007, Miller finalized a deal to sell the Miller Pro hay and forage products to another manufacturer.

Throughout 2008, Miller adhered to the same strategy of divesting of products that stood in the way of strategic growth in the company’s core markets: Self propelled spraying equipment and silage baggers. The Miller Pro pull-type sprayers were sold to another sprayer manufacturer, and the Badger Farmstead products were sold to yet another equipment manufacturer.

While the exercise to divest of products that were no longer within the scope of the company’s core market occurred rather quickly, every effort was made to protect the interests of the dealers who carried the products and the customers who owned them and relied on Miller for parts and support during the transition periods.

The divestment of non-core products has freed up valuable manufacturing space and saw improved production efficiency. Miller utilizes engineering resources more efficiently, and maximizes its’ purchasing power. Quality standards are extremely important to Miller, and with fewer products to focus on, it has become much easier to implement greater quality control at all levels of the business.

Heading into 2009, Miller’s 110<sup>th</sup> year, the company has come through two years of challenging upheaval. There is a new look about the company, stated simply “Miller Since 1899”. There are now only four core products including the award-winning Nitro Series, the Condor Series, the Atlas, and Ag-Bag silage baggers, all unified under the Miller brand. The newly launched website is simple and easy to navigate. The latest product literature has won a prestigious “best practices” marketing award. So the job’s done. Mission complete. Right?

Not quite.

“You can’t erase 20 years of manufacturing history in one fell swoop” said John. “We have an entire system of processes and procedures to work on. The entire methodology of how we approach manufacturing, research and development, quality control, production and purchasing efficiencies, as well as the customer experience is being overhauled.” Building on the inherent strengths the company has: great people, innovative products, excellent dealers, Miller is focused on one simple but powerful guiding principal. “Your Productivity is Our Business.”

“We want to make sure an investment in a piece of Miller equipment is a real investment in the customer’s productivity” said John. “Whether it’s the Ag-Bag X1114 silage bagger, the largest, highest capacity silage bagger in the industry, or the Condor A40 mechanical drive sprayer with simply outstanding fuel efficiency, we need to ensure the customer is able to maximize his productivity with that equipment.”

The Nitro 4000 Series sprayers are an excellent example of that mantra. With 5 size ranges to choose from, engine horse power choices ranging from 215, through 240, 275, 315, and 365hp, and tank sizes to match from 1,000, to 1,200, 1,400, and a massive 1,600 gallons, the Nitro 4000 can be tailored to virtually any advanced farm operation. “Our new Nitro 4000 Series sprayers are a direct result of setting the bar higher and striving to not only meet our customers’ expectations, but to exceed them” said John. “ We revolutionized the Nitro series by building on its’ unique high clearance front mounted boom design and adding features to enhance the overall productivity of the machine such as the award-winning HydraLink™ suspension, more horse power, larger tanks and booms, and a more robust chassis.”

Today, Miller is truly an innovative leader in silage bagging and application equipment technology, and the comprehensive line of specialized application equipment is the proof. Miller’s products feature the broadest range of technology and performance in the industry.

### **Miller Nitro 4000 Series Sprayers**

When one climbs into the newly designed Deluxe 90 Series cab on the Miller Nitro 4000 Series sprayers and checks out the most productive and robust front-boom sprayer in the business, it becomes clear the All-New Miller Nitro 4000 Series sprayers are a dramatic combination of styling, technology, and award winning innovation, creating the most advanced high-clearance sprayers available today.

With true high clearance machine and a front mount boom, operators can spray late into the season in tall corn with a Miller Nitro 4000 Series sprayer without ever looking back. Choose from one of 5 models ranging from 215 horse power all the way up to 365 horse power, with tank size options of 1000, 1200, 1400, and a massive 1600 gallons! And with a choice of booms from 60 feet to 120 feet wide, customers will find a Miller Nitro 4000 Series sprayer specifically suited to their operation’s needs.

Ride, Traction, and Comfort: The Miller Nitro 4000 Series sprayers feature the industry leading and award winning HydraLink™ all-wheel suspension, ensuring 4-wheel traction and the smoothest ride for reduced operator fatigue and minimal machine stress, resulting in more acres covered per day. Combine the superior ride with a deluxe air-ride cab suspension, air ride operator seat, and fingertip controls, and operators will be able to stay comfortable and in control all day long.

## **Miller Condor Series Mechanical Drive Sprayers**

Looking for straight forward rugged reliability? Then farmers need to make sure the technologically advanced Miller Condor Series Mechanical Drive sprayers are on their must-see list. Featuring a simple, rugged mechanical drive train, customers will find that simplicity is the defining characteristic of the Condor sprayers.

Power from either a 240 or a 275 horse power Cummins QSB 6.7 Liter engine is transferred directly to the ground through a mechanical drive system providing torque and traction when it's needed most. The Condor Series features a heavy duty Allison automatic transmission and a rugged rear differential, with a choice of either heavy duty drop box or angle drive planetary final drives. Operators benefit from better performance, higher productivity, improved fuel efficiency, less downtime, and lower operating costs.

A ruggedly reliable drive train and heavy duty frame and robust axles are complimented by the deluxe cab, with easy to use operator controls and enhanced visibility. Ease of operation and operator comfort are a top priority, which is why customers find the cab to be quiet & comfortable, with a very smooth ride thanks to the full air-bag suspension. The Miller Condor's ease of use makes long spraying days seem shorter.

Choose from three tank sizes, 800, 1000, and 1200 gallons and customers have a size to match their productivity. Farmers can customize the Condor as they see fit with a broad range of boom options. The mono-beam style boom offers simple, unique ruggedness, while the truss style boom provides outstanding strength for large 120 foot boom sizes in the toughest conditions.

For a superior return on investment, farmers equip their Condor A75 with **Miller's Spray-Air air boom system**, and enjoy unsurpassed plant canopy penetration and coverage with the most efficient application rates possible. With Miller's Spray-Air technology, operators have fingertip control over their droplet sizes, enabling them to dial-in the optimum spray pattern for a wide range of application types and changing environmental conditions on the fly.

## **Miller Atlas Floater Chassis**

Miller, one of the most respected names in commercial application, is proud to offer the toughest off-road floater chassis available. The Miller Atlas boasts top-of-the-line components and leading edge designs. This rock-solid powerhouse can handle the most rigorous field conditions imaginable. Mount a 9 or 12 ton dry spinner box. The chassis is rated for up to 2,000 gallon liquid application system for true versatility and year round productivity.

## **Miller Ag-Bag – the First Name in Silage Quality**

Miller Ag-Bag provides lower cost feed storage solutions for every size of farm. Dairy operators will benefit from lower feed storage costs and less feed loss.

Ag-Bag provides a way to reduce costly shrinkage and to give cows the kind of nutritious and palatable silage they prefer. The Ag-Bag system is proven to be the ideal environment for preserving high quality, highly digestible feed that raises production and herd health levels.

Miller Ag-Bag continues to lead the industry with innovation and modern manufacturing methods. Our commitment is evident with introduction of the new X1114 Professional Ag-Bagger, the largest - highest capacity - most productive silage bagger available today.

Look to Ag-Bag for the economics of lower cost storage, significantly reduced storage losses, a convenient way to segregate feed types, and industry-leading resale value.

After 110 years and 5 generations, the business of Miller continues to change. Early on, experience taught Miller that in order to be a true partner to the professional farmer, the company would need to remain committed to a single, powerful principle: Miller must be driven by your productivity, your profitability. Today, the company's new, streamlined look – simply Miller – continues to represent the simplicity of the company's mission: "Your Productivity is Our Business."

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