

# Ten years honored..

## At the New Jersey Conference

Over 200 industry leaders from all sectors of the food industry were represented at the 1988 Certified Angus Beef National Conference held at the Seaview Golf Club Resort in Absecon, N.J. Packers, fabricators, retailers, food service, and retail distributors were in attendance to exchange ideas, practices, and theories in past, present, and future trends of the food service and retail sectors of the beef industry and, in particular, Certified Angus Beef. The theme of the four-day conference was "Focus on Quality," and the individuals that attended the event were able to experience the closeness between the Certified Angus Beef "family" of participants the dedication and commitment to a program and product that focuses on quality and consistency.



A food service seminar, held at George Wells Meat Company, Philadelphia, Pa., focused on value-added products from theory to production. Tours of the highly efficient Wells plant highlighted the seminar activities. The retail sector convened in Newark, N.J., and toured a leading retail distributor, White Rose Meats Corporation, and Kings Super Market, a highly respected, quality, and consumer-oriented retailer that merchandises 100 percent Certified Angus Beef in its meat cases. The retail seminar focused on various merchandising techniques for value-added product.

Both groups, retail and food service, came together in Absecon, N.J., where the real work began. During the opening general session, the difference a quality product can make to the industry was discussed. Speakers such as Louis "Mick" Colvin, executive director, Certified Angus Beef, and Merle Ellis, "The Butcher," syndicated columnist responsible for a weekly television production, plus newspaper and magazine articles targeted at the beef industry, discussed changes in consumer demands regarding the quality of red meat.

Information flowed throughout the week with presentations from industry and program leaders, division meetings, combined meetings and, the most interesting,

according to the participants, roundtable discussions. This was the time when all program participants shared their views and opinions on existing and upcoming policies, marketing ideas, goals and objectives to further the development of the Certified Angus Beef program.

A trip back to the origin—an Angus cattle farm (Fox Hill Farm, Kennett Square, Pa. —created excitement as participants became acquainted with the beauty of a cattle ranch and the commitment that makes it work. The evening's grand finale was an Angus arts and crafts auction, with proceeds benefiting the National Junior Angus Foundation. The Certified Angus Beef program participants generously opened their wallets, and by the end of the evening, all of the arts and crafts had been pur-

**One of the anticipated high points of the annual Certified Angus Beef conference is the trip to an Angus farm or ranch. Here, jangled nerves and weary warfaring from the beef battle can be forgotten.**

**It's quite a treat to first-timers, and this year's excursion proved no exception as Fox Hill Farm, Kennett Square, Pa., hosted with a hayride and this steak dinner near Doe Run Bridge. An auction of Angus arts and crafts followed with proceeds going to the National Junior Angus Foundation.**

chased with the National Junior Angus Foundation receiving a donation of over \$6,000.

On the last day of the event, the group gathered for the concluding general session. At this meeting, topics ranged from the future of the beef market, discussed by Tommy Beall, Cattle-Fax, and value-based marketing as discussed by Dr. Darrell Wilkes, National Cattlemen's Association, to the "Quest to be the Best," by world-renowned merchandising expert, Murray Raphael, who provided motivation and inspiration to all who attended.

The moment that all conference participants were awaiting came during the 1988 Certified Angus Beef "Commitment to Excellence" Awards Banquet, held at Caesars Boardwalk Regency, Atlantic City. According to Louis "Mick" Colvin, Executive Director, Certified Angus Beef, "The awards banquet during our national conference is similar to the academy awards. Every member of our program is dedicated, hard-working, and deserving of the recognition received!" More than 40 awards are presented each year, recognizing various achievements for sales volume and merchandising of the Certified Angus Beef product.

## Some of the top placings, Awards Night



**Special Recognition Award:** in recognition of an individual's unsurpassed dedication and commitment. . . Fred Johnson, Summitcrest Farm, Summitville, Ohio. "Mick" Colvin, executive director of Certified Angus Beef, presenting.



**Pioneer Award:** In recognition and appreciation of marketing foresight and dedication . . . Vito Aviolla, Gristede Brothers & Red Apple Supermarkets, New York, N.Y.



**Packer Commitment to Excellence Award:** Shown exemplary commitment. . . Jim Mitchell with Ann Mitchell, Hyplains Dressed Beef, Dodge City, Kan.



**Largest Sales Volume Increase, Retail Distribution:** Paul Scibetta, Walter Clinton, and Lou Wnek, White Rose Meats Corp., Newark, N.J. Also placed first in 1988 Top Five Volume Retail Distributors category.



**Excellence in Retail Distribution:** Richard Bean of B&B Market, and Leonard Chyet, Jack Saltman, and Charles Robinson, all of Oxford Trading Company, Boston, Mass. Also placed second in 1988 Top Five Volume Retail Distributors category.



**Merchandising Excellence at Retail:** Outstanding marketing and merchandising retailer . . . Fred Nahak, vice president of meat procurement, National-Canal Villere, Harahan, La. Also won Cumulative Volume Award, Retail: for greatest volume of CAB since program's inception.



**Merchandising Excellence in Food Service Distribution:** Dole & Bailey Inc., Woburn, Mass. Shown from left are: Michael Dessereau, Al Richards, Bud Matheson, Nancy Matheson-Burns, Dick Sullivan, Eleanor Richards, Victoria Sullivan, Nancy Ann Sayre, Barbara Angelou, Phil Angelou, and in front, Joe Turbini. Also placed first in the 1988 Top Ten Volume Food Service Distributors.

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## Other winners in these categories:

1988 Top Volume Award-Export Division: Greatest Volume-during year . . . Ortiz International, So. San Francisco, Calif.

Merchandising Excellence in Export: Day-Lee Meats Inc, Los Angeles, Calif.

Procurement Proficiency Award-Packer Division: Highest CAB certification rate during the year . . . Caldwell Packing, Windom, Minn.

Largest Sales Volume Increase Food Service Division: S&S Meat Company, Kansas City, Mo.

Cumulative Volume Award—Food Service: Purchased the greatest volume since program's inception. . . Newport Meat Company, Huntington Beach, Calif.

Most Licensed Certified Angus Beef Restaurants in 1988: The Bruss Company, Chicago, Ill., and Detroit, Mich.

Food Service Distributor-Merchandising Proficiency: Utilizing the highest volume of CAB end meat during the year. . . S&S Meat Company.

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## What's been said...

**B.D. VanStavern, Ph.D.**  
The Ohio State University  
Columbus, Ohio

The product has found a place in today's beef industry.

I believe the data clearly shows that marbling contributes a great deal to the assurance of palatability.

In addition to the direct relationship, there is a long held theory that marbling serves as "insurance" such that steaks with high levels of marbling cooked to advanced degrees of doneness will still be juicy, tender and flavorful, while those with low levels will be dry and tough.

Given the many changes in the standards for USDA grades of beef that have occurred in recent years and the importance of marbling to the palatability of beef coupled with the ability of the Angus breed to develop marbling, it is quite evident why the Certified Angus Beef Concept has developed and grown. It fills a need!

**Richard L. Spader**  
American Angus Association  
St. Joseph, Missouri

Few, if any, programs in beef breed associations have been more timely or captured the eyes and ears of the industry like CAB. It's a program all of us from the smallest beef producer to the largest marketer can feel proud of in the dynamic industry of the beef business.

It's important to remember in the production end of our business that seedstock producers are the genetic engineers for the present and future. As an association, one goal is to help identify through accurate programs and means, the traits like weaning weight, yearling weight, and carcass traits that can be selected for

within a breed and improvements made in the seedstock and also the commercial cattle industry. It's a little like the saying with race horses—speed bred to speed to produce an even faster offspring. This is genetics at work and within the Angus breed, cattlemen can multiply positive traits such as growth, cutability, and quality grade to improve the performance of the offspring.

**Harold Graul, Jr.**  
President, Graul's Market, Inc.  
Ruxton, Maryland

Our sales results have been encouraging as we have been able to stabilize our beef sales in our market. Nationally, beef sales have actually decreased recently and CAB seems to be a way to stop that decline in beef sales. We have also had virtually no consumer complaints on the CAB beef versus continual complaints before beginning the CAB program. Customers perceive Angus Beef to be a "premium quality product". Customers also comment on the tenderness and palatability of CAB compared to beef bought in other stores.

I believe the CAB beef program can be a real asset to any supermarket or group of supermarkets that want to convey a quality image to their customers. In my opinion, no other beef has the consistency or palatability that CAB has.

**Nancy Ann Sayre**  
Dole & Bailey, Inc.  
Woburn, Massachusetts

Widely recognized as the highest quality beef available, Certified Angus Beef (CAB) is our specialty. We are proud to

be New England's exclusive distributor of CAB. In fact, the CAB logo (a registered trademark) is seen nearly everywhere our name appears. Why? It's a symbol of consistent quality. . . and we think that sums up our philosophy well.

CAB provides us with specs, facts and information, a professional image print material, etc. Certified Angus Beef enhances our image. It is our watermark of quality.

And, yes, Certified Angus Beef enhances our bottom line as well. I may love Angus and Dole & Bailey may love CAB . . . but we are not doing all this for Angus cattle breeders or the folks in Ohio. We sell Angus because it works for our bottom line. We're good at what we do, and CAB makes us better.

**Jack Schricker**  
McGinnis Sisters Special Food Stores  
Pittsburgh, Pennsylvania

At McGinnis, we need consistent quality and "taste".

There are many fine restaurants in the Pittsburgh area who are known for their fine steaks. I contacted several of these establishments and the name Certified Angus Beef kept coming up.

We explained to our customers that the CA Beef costs a little more, but the difference in quality is worth it!

After using the CA Beef for a few weeks, customers started telling us how great our ground beef tasted, using the trimmings from Certified Angus Beef, sales began to climb.

We have enjoyed up to a 30 percent increase in sales in the meat department since the switch to Certified Angus Beef.

# EXPERIENCE:

## From a Certified Angus Beef FABRICATOR... BEEF SPECIALTIES of IOWA

### Factsheet:

- BSI is a custom plant specializing in custom processing for the food service industry, namely it applies private labels on boxed beef cut to unique distributor specifications.

- BSI serves those clients ignored by the typical high volume beef mainstream. It can fill orders and supply amounts large packers normally consider too small to disrupt their production lines and product flow.

- BSI was the nation's first packer to inventory Certified Angus Beef. The company was awarded the CAB Pioneer Award in 1987 in recognition of its marketing foresight and dedication to the Certified Angus Beef program.

- BSI has developed and introduced a Certified Angus Beef grind program this past year.

- BSI has established a feeder cattle contract program with area farmer-feeders and is working with selected registered Angus seedstock producers on genetic evaluations.

- BSI's Steve Pearson is a spokesman for the packing-fabricating segment of the CAB program and is featured as one of the American Angus Association's advertising subjects.

- BSI has enjoyed a three-fold increase in its CAB volume since signing in July 1982.



"Angus has recognition . . . among the general population. That's probably the main difference between this program and other programs of this type. . . ."

"It's never behooved the packer to tell the world how the cattle performed. They've had the attitude: "Why tell them if their cattle were super-performing? They'll just use that against me the next time they have cattle to sell" . . . ."

"But, we've always paid a premium for black cattle. Every packer buyer out there is trying to buy cattle that are going to grade 90 percent Choice and with decent frame and muscling. . . . Cattle buyers aren't stupid. They know what cattle are going to grade and they always pay more for the cattle that grade."

"There was definitely a need for something after the Choice product was diluted in 1976. . . ."

"I think the movement of the cattle feeding industry out of the Midwest really aggravated the situation. We felt the product being produced in the High Plains and the Southwest was inferior to that produced by the farmer-feeder here in the upper Midwest. You had a certain amount of pent-up demand for a consistently better quality product during that time. . . ."

"We've tried to buy cattle directly from the commercial cow-calf guy rather than through the sale barns and traders. We're trying to identify a genetic base out there that will give us what we want. . . ."

### Advice to the Angus Community?

"Don't lose the quality orientation. That distinguishes Angus cattle from all the others. Angus have always had a good balance of traits. (M)aintain that balance and don't lose sight of quality. That's what really set Angus aside from the other breeds even before this CAB program came into existence."

### Unexpected rewards or satisfactions?

"(S)ome of the people I've met from the producer segment that I probably never would have had the opportunity otherwise-The Gardiners, Fred Johnson, and many others I've met from attending these conferences. That's more personal than business, but to me, those things are important, too."

Beef Specialties of Iowa at Hartley has not tried to be all things to all people in the beef industry. Certified Angus Beef arrives at its door in quarters. From there the beef is cut, cryovac-ed. and boxed according to some highly individual and specific instructions from distributors supplying primarily the HRI trade—hotel and restaurant industry.

BSI President Steve Pearson points out the firm has tried to make their niche distinctively different from the boxed beef commodity business. BSI lines run at the rate of 75 to 80 cattle an hour compared to high volume operations where beeves move along at a 250 to 300 per hour clip.

One customer, Newport Meat Co. of Huntington Beach, Calif., may order 30 cases of some items a week. "You take 30 cases and stick it in a plant running 300 cattle an hour, and I'm not sure they could keep track of it from the time it left the first trimmer on the table until it got to the end."

Steve fills a need for restaurants and hotels facing high labor costs. He thinks portion control, though, will still be jealously guarded by the local chef:

"A chef may have five restaurants in the same hotel, each one using the same raw material. For one, he may want his steaks cut at six ounces, but for the one on the top floor, he may want a 12-ounce cut. He's got to have some flexibility when dealing with the subprimal."

Trace BSI's beginning with CAB back to the summer of 1982. Steve had been with Spencer Packing years before and was involved with a selected beef program designed largely for the Marriott chain. Enter Dr. Len Berkowitz. He was a Marriott consultant then and became one of the guiding lights of the Certified Angus Beef program through its inception, adoption, and fledgling entry into the rough and tumble world of beef marketing. Dr. Len considered food service as an avenue of getting the CAB product moving. . . somewhere Marketing CAB at retail was not exactly catching fire and additional outlets were needed to create demand.

"Retailers are followers, not leaders, and they tend to follow trends in food service," Steve observes.



Dr. Berkowitz approached Steve and BSI as the type of packer to get the ball rolling because of the firm's concern for high quality. Part of the core BSI customers at that time were the Newports, the Haineses, the DeBraggas & Spitzlers. According to Steve, some of these firms were playing on the field back in the Spencer-Marriott era. Everyone was taking a look at this relatively new program and considering getting involved. It was not automatic, but the old relationships, the potential, and the logic were all there.

"Yes, we were all skeptical," he admits, "but if you don't have an open mind in this industry, you're dead before you start."

Steve Pearson's witnessed the industry wallow through a number of changes, good and bad. Clinging to a commitment to high quality has helped him and his firm weather the hostile press, consumer unrest, and fickle public sentiment that surface and subside with the changes in beef grading and quality. For him—and he hopes his customers—CAB stands as the reliable alternative to the backlash developing from so-called lean beef and the Select grade.

**"I can understand why the push has always been there to build volume into the CAB program . . .**

**"But unless the margins stay large enough for the packer and distributor, where's the money coming from that's going to trickle down to the cow-calf guy, the feeder, or the purebred producer. . . ?**

**"You can say the volume approach is going to build demand for black cattle, and it will. It's a difference in philosophy. I happen to be more inclined toward the "exclusivity side," and some other people involved in the program are inclined more toward the volume approach. I don't know which is right, but that's my opinion."**

"One day last week, we discounted Select-type beef on the cutout up to \$15. Now, it doesn't sound to me like that's the product in demand. We're kidding ourselves if we think that's what the consumer wants."

He does predict a national interest and eventual insistence on beef safety and purity. He cautions beef producers to resist becoming smug when the USDA pronounces beef as lower in drug residues than competing meats.

Being able to boast zero residues is a noble and achievable goal in his view. He expects drug residues to continue to simmer as a public issue. Whether the residue question is reality or perception is not the focus, he thinks. "As far as I'm concerned, perception is reality. We've got to be able to assure the consuming public there isn't any."

# EXPERIENCE:

## from a Certified Angus Beef RESTAURATEUR... EDD HENDEE, TASTE OF TEXAS

### Factsheet:

- Houston's Taste of Texas is one of the largest volume single-unit Certified Angus Beef restaurants in the nation. For the month of July, 180 CAB carcasses would be needed to fill the Taste of Texas' rib order alone.
- Licensed to promote CAB in July 20, 1984. Demand for the product averages between 5,500 and 6,000 pounds, per month typically.
- Sales are considered phenomenal in the industry particularly in a depressed economy such as the State of Texas has experienced in recent years.
- Follows policy of not offering coupons but rather introduced the Taste of Texas Ambassador Pass conferred upon special customers who bring or send new customers to dine.
- Because of obscure, off-interstate location, has pursued an aggressive marketing and promotion program incorporating schoolkid tours, carriage rides, newsletters to customers, shopping mall tastings, the Ambassador Pass, and Certified Angus Beef logos and "Angus means Excellence" slogans prominently displayed.
- Challenges clientele to compare Taste of Texas beef with competition by offering a \$1,000 certificate of deposit for any customer finding a better steak elsewhere.
- Conducts an ongoing rib-eye challenge to discover those customers able to break records eating rib-eye beef at one sitting. Current top is 85.7 ounces held by Dale Peters; established on the restaurant's 10th anniversary.
- The menu complements excellent beef by offering site-prepared butters, cinnamon coffee, apple pies, breads and jalapeno cornbread, premium wines by the glass, and Gulf seafood gumbo.
- Proprietors Edd and Nina Hendee are members of the 'Texas Angus Assn., the Gulf Coast Angus Assn., the American Angus Assn., and even the Aberdeen-Angus Society of Scotland.



**Jim Bledsoe of the Taste of Texas staff considers his employment invaluable to his future. Edd searches out managerial candidates from his waiter and bartending staff, those displaying exceptional person-to-person skills.**

**There's no overall manager at Taste of Texas. Management consists of seven people who function as waiters some evenings, then become manager on duty one to three nights a week. "Tom is the manager tonight, but**

**Chuck and Jim are here to support him in a waiter role. They're still going to think as managers if a question comes up. You get a lot more coverage that way.**

**"(F)ull-time managers invariably work. . . excessive hours with no social life. They usually have no flexibility of schedule and it's hard to get a vacation. The deal just keeps on grinding."**

**Carriage driver Bruce Potter (former bartender) and Edd Hendee with one of the newer members of the crew, Bob of the Belgian team, Bob and Bill. They come from Indiana where they performed as Amish draft horses. Both stand 16.1 hands and weigh 1,600 pounds apiece.**

**The carriage ride largely replaces billboard messages in the total advertising-promotion budget. During the Christmas holidays, B&B are decked out in sleighbells and both are on duty then so customers won't have to wait long for their romantic trip through Town and Country Village.**

**One Taste of Texas promotion features rides for schoolkids. Last year a total of more than 400 children were also given a tour of the restaurant and hamburgers as an additional treat. The upshot? The kids brought their parents back a couple weeks later for Mothers' Day. Edd reports the restaurant did an estimated \$11,000 worth of business from some of the families who learned about Taste of Texas through the kid tour.**



**"The opportunities to present yourself to your public through a tour. . . are just remarkable," Edd notes. A junior high school visitation on career day produced at least six known sets of very regular customers.**



**Most employees of the firm have been with Taste of Texas two and a half to three years. Anyone on board less than a year is still considered a newcomer. A total of 63 employees comprise the work force.**

Taste of Texas owner Edd Hendee is in the middle of another phenomena. There have been a number sweeping across the restaurant trade in the past couple decades. This one should last.

He sees suppliers and end users trying to help each other through satisfying mutual goals. Long-term relationships are being established. Agreements are being honored. "Partnerships" are cherished.

"The American businessman is seeing you don't win by beating some other guy to death," he states. "(T)hrough the early 1980s, you tried to beat the deal by \$5 on every street corner you could. People were whoring themselves out for a nickel. So, there wasn't any loyalty."

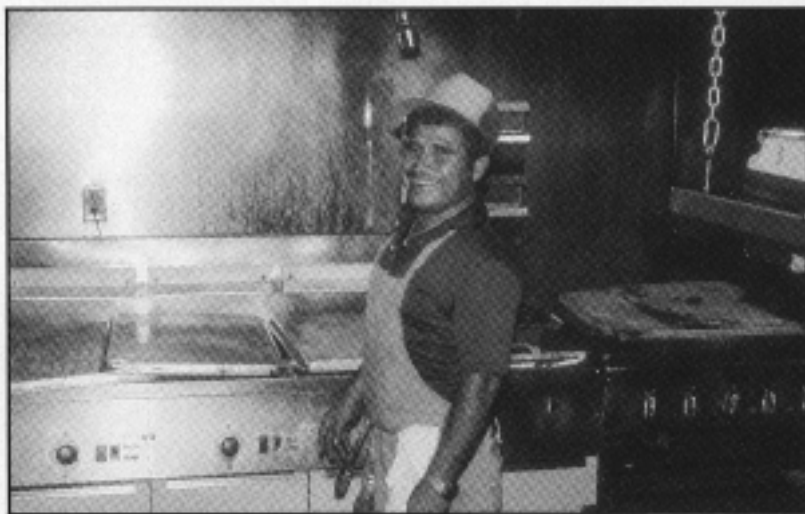
Edd has observed there's more interest in the marketplace today to match needs and wants, work together on supplies and delivery dates, and see the big picture together. He cites a panel discussion at the Certified Angus Beef National Conference as an example. Panelists and audience both expressed an interest, even an intention, to bring customers to future conference. Even when problems and grievances were being aired? Yes, even then.

"Folks said, 'Hey, we need to know more about your end of the business and how we can do more business with you'—kind of "put your wood in our fire," so to speak. It was tremendous."

Trading or being seen with the enemy may be part of the spirit engendered by Certified Angus Beef. Certainly, if dialogue is going to happen, the bonds between CAB supporters will tie all the beef industry facets together. Edd knows there's much to be gained by new approaches, putting new wine in new bottles. He had to. Survival was at stake.

Taste of Texas came by its name rather easily, a brainstorming session around the dinner table one night. Names suggested included "Old time Texas", "No Place But Texas".

He enlisted a patent attorney to run a check on "Taste of Texas" as it sounded so natural there was a good chance some-



one already had it claimed. The slogan, "Famous for Steaks" was added when Edd decided his enterprise was going to abandon the trendy lite menu and chicken fried steak and become a great beef house. It fit with a minimum of fuss. "Which was really good because at the time we couldn't afford to change the sign," he says.

As specializing and CAB took hold and Edd could see the potential, he began a hand-in-glove approach linking steaks, prime rib, and all the supporting elements of a good menu into providing a total dining experience for his guests.

If there's a Hendee motto, it might be: "Serve the customer consistently with a quality product and with a great deal of personal attention."

CAB's a pivotal part of the strategy. Fulfilling that creed would not be as easy (or even possible perhaps) without a reliable supply of high quality, predictable product. For Edd and other progressive restaurateurs, consumer expectations and Certified Angus Beef are spinning in the same orbit. If this harmony between public demand and a unique, trademarked product is new and refreshing to the trade, look for more of the same, he says.

It's his expectation that more independent operators will reclaim the upper priced dinner business. "The American consumer is speaking. . . . They realize they don't have a lot of money to spend or perhaps the time to spend it."

People, then, want to set their own tastes, live by their own styles, and not be told what is chic or accept what is current.

From his observations, Hendee expects the chain restaurants will revert to a fast food mentality. Perhaps not a drive-



**Adopting an idea from Colorado, Edd considers laying out the ingredients of the menu lends an authenticity to his restaurant.**



**Bread is baked on premises.**

through set-up but a mass operation with utility menus that can be run satisfactorily in all units. The opportunity, then, is ripe for an individual to stand out against what Edd calls the, "Have a nice day and visit any one of our 200 locations" ap-

proach. The "quality experience" market is there just as Taste of Texas proves, providing there's a personal touch serving a quality product every time

Edd Hende's learned and he isn't shy about revealing his mistakes. He admits to once offering a smorgasbord menu with nothing especially distinctive. The result was poor revenue and personal dissatisfaction.

Then, a series of events coalesced. The first spur was a timely seminar which challenged him to both specialize and describe what he and his operation did in 10 words or less. Failing that test, he decided wholesale changes were in order. One was displaying the wares in front of the public. Another developed when CAB entered his soul searching.

"We dealt with Fred Fawley mostly because he was honest and sincerely interested in our business. He said, 'Look, you're probably the most logical guy in town to try this product. No one else in Houston has it-why don't you take a stab at it?' Now Fred's an inner city guy. He doesn't look like he's even seen the outskirts of town, let alone a cattle ranch. Yet, here he is describing these cattle breeds and their characteristics."

The short of it was that Edd and a couple of his managers tried the sample strips the salesman left, and Edd immediately took it on. He did so by forfeiting the usual 40 percent food cost formula and pricing the new strip at \$16 rather than \$17.50. It worked. It covered his costs and then some and the public responded.

Since then, Edd has positioned his Taste of Texas to where it covers costs every day, a personal yardstick with him. "You cannot afford to not cover that overhead every day," he insists.

Nor does he think the tempo of today's business allows much slop or meditation. He likens it to a basketball game: "It's like playing the Lakers. Once the ball goes up in the air, you'd better be scoring baskets. The way they jam the hoop, you miss a couple and you're behind. There isn't time. . . to start a company and kind of get the lay of the land, test the water, feel your way through, and all those expressions. You have to hit the ground running."

The analogy blends with his heads-up,



**Edd pays little respect to the chicken fried steak, laid to rest in this plot near the entrance back in July 23, 1986. "Good riddance," he says of this part of the firm's history.**



out-front, be different, better, more personal credo. He might be in the same location five or 50 years from now selling reputation and steaks. Taste of Texas is becoming well-known in five states, he points out, and he might want to enjoy some momentum rather than climbing another scaffold.

"I don't have any 'nexts'," he says of the future "It's like a farmer finally getting his fields just like he wants them, and for people to come by and say, 'Well, now you're going to move aren'ty?'" I've just got this place set up, and maybe I want to grind out some numbers.

"It's been more fun than I've ever had before, and it's been more gratifying. It wasn't me making an impact on the Angus business. In all honesty, I think the Angus business wanted to stop and learn and I just happened to be there at the moment."



**Special customers and adopted grandparents, Jim Ording and Mary "Mama" Bird of Houston have a special table and bronze plaque marking it. Not every customer gets this treatment. Jim and Mama have earned it by dedicated loyalty over almost all the years since Taste of Texas took shape and went through its various transformations.**

The building has been overhauled three times, survived a fire, and is still handicapped by being away from the flow of normal traffic. "That's why the aggressive marketing," Edd points out. "We're behind the blasted eight-ball because of location." He concedes both interior square footage and parking spaces are problems, but better than empty tables-something no restaurateur can withstand.

Today's survival in the quality upscale dining business depends largely on what Edd Hende labels "out-earning the costs." The only way you do that is bringing more customers in.

"Mediocrity is on every corner. It's easy and reliable. When we were pulling into the restaurant last night, there was a lady and her child with a Taste of Texas takeout box. What she's saying is, 'I'd just as soon get one decent meal, take it home and split it, than go to some fast food place and get two crummy ones. I just don't have time to be disappointed.'"



# EXPERIENCE:

## from a RETAIL DISTRIBUTOR... OXFORD TRADING COMPANY

### Factsheet:

- Located in the heart of Boston's (Mass.) food market and purveyor row, first licensed Certified Angus Beef distributor, October, 1979 and was the distributor for the first licensed restaurant in the country.
- CAB accounts for more than 90 percent of firm's total sales.
- Won the award "Excellence in Retail Distribution" at the 1988 CAB National Conference.
- Jack Saltman, president and owner, was chairman of this year's CAB Retail Advisory Council.
- Oxford Trading Co. was the second largest CAB distributor in the nation with product sales exceeding 3 million pounds.
- Experienced a 115 percent increase in growth in 1988 over 1977.
- Hosted elegant CAB seminar to introduce more than 50 retailers to the program.
- Has produced its own in-store videos; five tapes featuring CAB at a cost of approximately \$12,000 apiece
- Presently services more than 90 retailers with certified Angus Beef throughout New York State and New England area.
- Oxford was instrumental in decision to affix CAB label on each subprimal as an assurance of integrity.
- Helped establish some early CAB quality control programs for the packer segment.

"I couldn't tell an Angus from a Brahman unless I was eating it," says Charlie Sage, third generation proprietor of Edwin Sage and Co. -fine foods since 1898. . . We've got a lot in store for you.

Charlie remembers chicken wizard Frank Perdue talking to all the upscale and small chain stores such as his. When Perdue got big, it was Sage's observation, the small guy was forgotten. Would it be the same with CAB? he asked.

"It's worked well. It really is a good program. Jack and his staff are very conscientious and that's the key. A program is only as good as its supervision and cooperation.

"We do make deliveries-not as often as it used to be. Now, we serve a lot of people who work in the area, and they stop in after work wanting the convenience of self-service which we give.

"People want things priced fairly. They don't mind paying for quality as long as they don't feel they're being gouged.



"Thirty years ago this was what a supermarket looked like, basically the same amount of space when my grandfather built the store 55 years ago." Sage operates four full-line grocery stores and four convenience stores.



Oxford activity revolves around Charlie Robinson, general manager, vital line between supplier and retailer.

"We don't tell people, 'Well, if you don't want this, we have this for you.' That's not our operation. We're there to sell Angus in no uncertain terms."

Brian Sutherland oversees the meat and CAB area. Charlie Sage recalls one customer phoning the store and describing her CAB purchase of that afternoon as the "best steak my husband's ever had." That makes us feel like it's worth the little more work involved.

"People want consistency, quality, and they expect to pay a little more for it. But it's harder and harder, like Jack says, to merchandise a roast. They want a small roast; they're not going to buy a four or five pound item."



"I had a brand new house. brand new mortgage, brand new daughter, and my wife wound up in the hospital. All that on top of a new business.

"So I figured there was no where to go but up. So that's where we started." Quoting Jack Saltman, owner and president of Oxford Trading Company.

"Going up," then, became the by-word for Oxford.

This Boston-based business was started by Jack and his parents in November, 1968, so it's not an ancient firm clad in brick and ivy one might expect in this town that preserves tradition. Jack is a chemist by profession.

When his employer faltered, Jack needed a new career and entered a world where reactions, like chemistry, can be volcanic, where formulas don't always perform as predicted, and the periodic tables can be turned—the meat business.

It's "get it while you can and don't give an inch." Jack will vouch a parallel could be drawn using the Boston Bruins.

"It's like Wall Street in a sense," Jack says, "except things here are not only price perishable, they're product-perishable as well.

"The meat business is wild and woolly, literally," says Jack. He remembers "Mick" Colvin trying to buck the jaundiced, hard-shelled, seen-it-all-before attitude among Jack's prospects. "Mick would say, 'You don't know who you're dealing with. We're the American Angus Assn. We're extremely ethical.'"

"Angus didn't mean anything to me," grocer Charlie Sage would counter.

Jack recites things he knows: wrong weights, incorrect labeling, miscuts. "Today, miscuts are called 'merchandising'!"

And, he understands why the small grocer or local chain—not to mention the consumer—is suspicious. He sees the cynical, value-seeking consumer as the expected norm for the long term.

"If the consumers are giving the food producers and suppliers a hard time, the retailer is right in the middle of the controversy. If you're going to worry about what you eat, you're better off not eating," he concludes, listing a litany of recent on-again, off-again public pronouncements. Chicken is healthy. Fish is healthy. Waters are polluted. Fish may not be healthy. Well, it depends on how they're handled. Chicken is loaded with antibiotics.

"So, as a result, people are saying to heck with it. Slowly, people are coming to the conclusion we all did: You need a balanced diet. Something of everything on a regular basis."

Jack's confident Certified Angus Beef contains the seeds of its own preservation



**"In our first video, we were a bit grandiose. After about four days, the store personnel knew every word by heart, word for word, and they were turning it off.**

**"Our next two, we decided to make the meat the star and listed recipes. It was nice but boring.**

**"The next we tried to make it visual with fewer words. We were trying to capture people's impulse buying and awaken their appetites.**

**"We approached our retailers with the CAB story—they said, 'You're ridiculous, you're a fad.' Now (with the videos), we're coming with point-of-purchase materials and it cost them nothing. . . nothing to lose and everything to gain."**

during these public tidal changes—this food's "in", that is out, A is healthful, B is harmful. Namely, CAB possesses the qualities necessary for adaptation and survival and can offer a positive image to the public. It doesn't matter in the broad sense which way the industry shuffles in terms of technology or consumer preference. "The standard identity for quality will be called Certified Angus Beef."

He's sampled other programs, "this or that—always there was a reason it fell on its face." Personnel, follow-up, lowering standards to meet demand or shore up supply, "They'll get away with lowering their standards for a while, then comes the end."

Jack considers putting the onus on USDA to make the judgments is the key.

Sales representative, computer jock, and part-time Honduran Ambassador Mario Matute with Lenny Chyet, national sales manager.

"If you can't do three things at once," says Lenny, "you're not cut out to work here.

"This is a very unique situation. We are big enough to handle anyone's needs yet we're small enough to get involved in things that a large corporation can't handle.

"Did you ever try to get a decision out of a large corporation? We can make a decision here in a heartbeat, but in a large corporation—I know, I've been there—no one can make a decision. If you don't make a decision, you'll never be wrong.

"We're family—that's what has contributed to Oxford's success in the last couple of years. We may yell and scream at each other, then it's 'All right, where we going for dinner tonight?'"

"But remember. . . if I'm out on the road and I don't get the support in here, forget it. If Jack doesn't buy this stuff right or enough of it, it doesn't matter what I sell."



It's what distinguishes CAB from the also-rans and the other programs he's seen coming down the pike

USDA is a disinterested third party. "You can go from plant to plant with the USDA selecting and get some consistency."

Such gives a distributor confidence in his suppliers. The Oxford team can rely on striploins from Kenosha, Dubuque, National, or Champion to be essentially identical.

Consistency and reliability have been freshets of relief to retailers in the area when they discover Oxford can cure a host of headaches. Oxford didn't have to mus-

cle in on routine channels. They had a program out of the mainstream and a commitment to fill the pipeline.

"The only thing that matters," declares General Manager Charles Robinson, "is how much meat goes out that front door."

The Oxford folks are aware, daily, how their formula works. They're the subscript between the Fabricator and the Retailer, the catalyst that rejuvenates itself on the strength of APRs—CAB's program for Area of Primary Responsibility.

Jack suggests the Oxford approach to servicing their market compares with the 100,000 capacity feedlot versus the 1,000 head feeder. One may enjoy economies of scale, but LITTLE can offer some delivery, service, custom tailoring that BIG won't consider.

And in the complex, undulating market where they're located, Oxford's been able to ferret out those niches where they can drive a wedge. Results are evident on the Factsheet above.

There's a parallel too with the shopper's profile Oxford clients report more male shoppers are seen in the aisles, reflecting dual income families, single parent households, and generally a shopper who resents his leisure time being consumed by the tedium of necessities.

The popularity of convenience stores and the return of small scale, personalized full-time grocery stores and delis loom as continuing trends. Shoppers are beginning to find small but thoroughly stocked grocery stores like Edwin Sage (see captions) to be a relief from mega-scale markets. Jack Saltman's watched both trends—small to large and back to small.

"Things expand and contract. One on hand we have stores that measure 100,000 square feet or more. It's the ultimate in one-stop shopping. They offer everything but pets.

"You go through the warehouse thing for a while, then people get tired of meandering through a big open barn. They can't find anything, there's no help, and their feet are sore by the time they're done. Especially seniors."

CAB's positioned itself so it avoids that kind of institutional or impersonal trap, thinks Jack. A branded product does take some salesmanship and creativity, and that's one of its built-in secrets of success. Personality.

A sales force like Oxford's knew they had to present the product in all its aspects, not just dole it out in a take-it-or-leave-it fashion. Service after the sale was a big selling point with retailers hungry for support. The attitude prevailed all the



**Just part of the Faneuil Hall Market complex that welcomed more than 12 million visitors to Boston in recent years.**

**"Beantown's" fascination with exciting cuisine ranges beyond the expected Boston Baked Beans and seafood. Ethnic offerings range widely and Certified Angus Beef is creating new interest in its healthfulness and flavor.**

**Food-related fairs and celebrations are frequent. Faneuil Hall houses hundreds of shops, pushcarts, and restaurants where nearly anything can be found, including a great bowl of clam chowder and the traditional baked beans.**

**The Marketplace was developed in the 1970s from the old Quincy Market, South Market, and North Market. As a national tourist attraction, it's estimated to rank an impressive third behind Disneyland and Walt Disney World.**

**Meat on the hook, hams, sausages, and all kinds of period butcher shoppery used to be housed in this building, just part of the total complex.**

**Faneuil Hall (not shown) and Boston share the title "Cradle of Liberty" as several important pre-Revolutionary meetings were held with its walls.**

way up the chain. Packers—fabricators—distributors recognized this as the only way to sell the product and succeed.

"Mick found a distribution team that included winners. He found 85-90 percent of the best," Jack notes. These were firms used to being in the front lines. They liked what they heard from CAB.

"And Mick listened in return. And when people saw he would listen, then they would go out and break their backs for him if they had protection. He created APRs and it cost huge amounts of money."

Jack reports rapport with his suppliers to be excellent. "The worst I've had to say to my customers is that it will be on the next truck."

Jack cautions the consumer of today will not be the consumer of five years hence. Just as the consumer of the early 1980s has changed, the shifts will be gradual, not overwhelming but significant and important if the beef industry is going to anticipate those vital if subtle differences.

"If the meal can't be made in 45 minutes, they're going to go out. And, if



**Jack with Mike Morrissey, warehouse foreman. "My advice to Angus breeders? Each farmer and breeder needs to be responsible to upgrade the genetics of the whole herd. Because, if the supply and price spread become too dear, we only hurt ourselves."**



**Boston's celebrated neighborhoods include Back Bay, Louisburg Square, Beacon Hill (both cobblestoned) plus the famous Boston Commons, Freedom Trail, the Celtics' Boston Garden, and Charles River. They're located within short distance of each other, if you can find a parking place.**

**The city is home to more than 20 colleges and universities, the Boston "Pops," and a number of world-renowned hospitals and medical centers.**

**Television's "Cheers," its flag displayed here, takes its setting from Boston's Bullfinch Pub underneath the canopy.**

they're going to spend 45 minutes preparing a meal, they want something that's consistently good. And teenagers. Today's fifteen-year-olds are not aware of our history as a beef-eating nation. They're more accustomed to us having a varied diet."

Again, Certified Angus Beef provides the nutrient density, variety, and consistency tomorrow's retailers will need to supply. Oxford Trading expects to be a partner in that process.

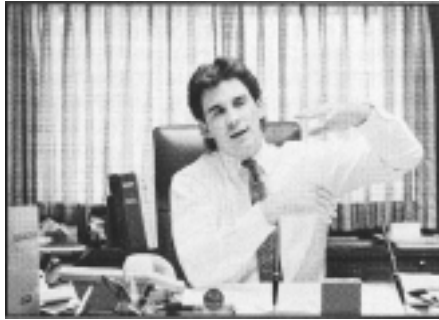
"Unexpected rewards would include recognition. I'm one who goes back with Mick all the way. His insults were my insults. His successes I like to believe I can share. We learned a lot from each other."

# EXPERIENCE:

## from a Certified Angus Beef RETAILER and FOOD SERVICE DISTRIBUTOR... **ROCKE'S MEATING HAUS**

### Factsheet:

- A third generation business begun in 1937 at Morton, Ill.
- Began its food service distribution concurrently with its licensing as a Certified Angus Beef distributor in December, 1985.
- Consequently, Roche's was the first 100 percent Certified Angus Beef purveyor in the nation.
- Mid-summer volume in 1988 included purchase of 1,100 tenderloins alone. Require at least 550 head of qualified CAB carcasses to meet this demand. Also purchased 855 pieces of CAB ribs (427 head) and 350 pieces of both rounds and striploins (180 head).
- CAB logos appear on all envelopes, stationery, statements, shopping bags, and prominently advertised as lead and only beef item in specialty and gift catalogs.
- Recently opened a new, 2,000 square-foot store in Peoria, Ill., featuring European-style meat cases.
- Roche's has boosted purchases from CAB fabricators nearly 100 percent since beginning distribution in 1986.
- Sold more than 23,000 pounds in August to 65 hotel, restaurant, or club accounts. Includes 25 accounts licensed to identify and promote Certified Angus Beef.
- Often combines public information efforts with Weaver Angus Farm, Peoria, to explain the CAB concept and breeders' purpose in the chain.
- Roche's purchased the champion Angus carcass at the Illinois State Fair "Land of Illini" carcass show, a CAB qualifier from Annette Nordman, Oregon, Ill.
- Won American Cured Meats Grand Champion Award for hams in 1976 and 1980.
- Was once well-known for "Roche's Angus Steer Beef" and sold only USDA Prime steers.
- Ceased slaughter operation in 1984 because of high union labor costs and turned to IBP swinging beef.



How to manage growth has been the happy challenge facing Jon Roche, pictured, and his father Wayne since joining the Certified Angus Beef network. A new lease on existence, literally, was in order and CAB was the lifeline.

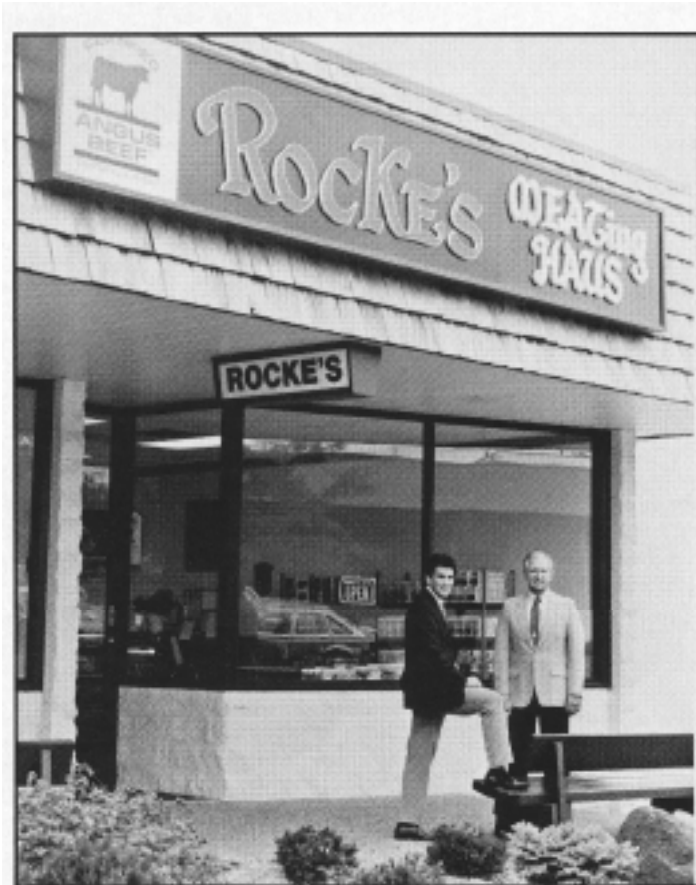
"We are a brand new, fifty-year-old company. What we did in our business five years

ago, we hardly do anymore. We don't recognize our-selves.

"(CAB) is the first to demonstrate this is a cooperative effort and we're all in this together. The best customer is the one who understands I'm not there to take his profit.

"It does get difficult in the summer when supplies get tight, the CAB acceptancy goes down, prices get worse, and demand's up here somewhere. The price of no-rolls goes down because there's more of those, and here I am raising my prices while they're lowering theirs (the competition). So I REALLY look bad. It's a double shot.

"But we find the best way is to be honest and try to educate the customer. The best customer is the educated customer. . . We have to convince them, there are issues greater than price."



"CAB has re-established the future for us, and it is a bright future, says Wayne Roche, on right. He and son Jon are shown outside their new 2,000 square foot retail outlet and deli in the "Center of the Center," Peoria, Ill. Yes, Certified Angus Beef "plays very well in Peoria."

One of the first benefits of joining the ranks of Certified Angus Beef was a reunion for Wayne Rocke and his son Jon. It allowed them to come home again. Back to Angus.

ROCKE'S MEATing HAUS has always been known in Morton, Ill., and its surroundings as offering fine corn-fed Angus steer beef. But, storm clouds threatened on three different fronts: the economy—heavily dependent on farming and Caterpillar—went mushy, union labor costs became unbearable, and the demand for custom slaughtering and services declined dramatically. By 1984, the bottom was bouncing off “Depression” and soon to settle in. Not good. Not very happy times for a firm that had been a local hallmark for high quality goods.

The firm had always selected Angus over the years because of its marbling, cutability, and customer satisfaction. When Rocke's closed down the slaughtering end of their operation, they went to Choice commodity beef. They tried to stick to swinging beef, hoping to retain some quality control. They'd heard enough horror stories concerning boxed beef miscuts and mismatches.

Problems continued. Customers mounted more gripes than ever. “We never had complaints from our retail store,” said Jon Rocke “Now, all of a sudden, that's all we seemed to get.”

Wayne always held a fondness for Angus based on his experience “ribbing down” the carcasses. Thinner rinded, thinner boned, more marbles. “We had a buyer who used to say: ‘Hereford on the range, Shorthorn in the feedlot, but Angus on the table.’”

Federal grading was a plus for the company and after it was no longer available, Wayne and his foreman went back to an old in-house system they had employed with success. But, it was a time of change and uncertainty. Grades had been shifted, new technologies were challenging old traditions and loyalties, boxed beef was the rage. As the big suppliers took over, “there was a void as far as our business was concerned.”

There was an era at Rocke's when “everything walked in”—hogs or beef. Even Jon Rocke remembers choosing stock off the truck and up the chute. Then the decision was made in light of the times to receive carcass cattle. “We spent big money for that, and three years later, we tore it all out,” Wayne says. “Oh, man, I couldn't believe it. It was painful, but we did it.”

The partnership between ROCKE'S MEATing HAUS and CAB almost didn't come to be. Rocke's found CAB by accident during the period when the firm was about finished killing cattle on-site. Wayne was in Florida and Jon recalls he was in his father's office where he stumbled on to a letter from Ken Coulter, father-in-law of Angus executive v.p. Dick Spader, describing this new idea in beef merchandising, Certified Angus Beef.

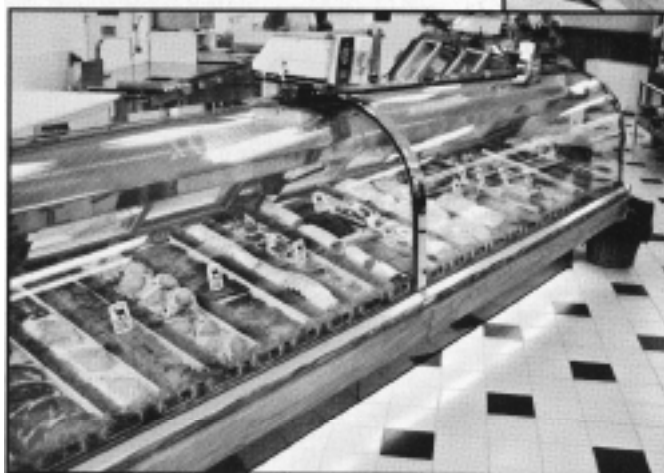
Wayne thought an outfit had to be a slaughterer to participate, and that phase of the operation was about defunct for Rocke's. “And that's why I didn't respond. I thought, ‘Well, that's history for us.’”



**Cal Skold's been with the firm through all its changes and remembers when the Prime market was THE market back in 1971. After the grade change in 1976, his job grew tougher. Customers got ornery.**

**“There was no consistency to it,” he says of early experiments with boxed Choice. “You'd get a good one, then you'd get a lean one. Then there'd be a terrible fat one. It's hard to display it in a retail case and make it look good. It varied from ribeye to ribeye. Certified Angus Beef has given us the consistency we've been looking for. It's been an excellent program.**

**“People seem real interested in the beef and what the term certified means and what it offers.”**



Jon got excited, seeing both retail and food service potential in the program. Wayne had to be sold.

“Here was old Dad who had seen this thing crumble right before his eyes, a company that my father had started in 1937, where I had put my entire life in. And here comes Jon back out of college, fresh young kid with all these ideas. When I came back from Florida, he had numbers. He'd worked up some nice spreadsheets.”

Jon could see the food service potential in adopting the program though others—the staff, the few food service accounts Rocke's had on board, and Wayne had to be convinced.

Jon describes the Rocke food service arm as a modest one at that time, mostly acquired by accident. They took what came their way, never went after it.





"(T)here's not an abundance of white tablecloth restaurants. Most of our chefs are glorified fry cooks."

So there was some selling to do, especially when presenting a new product at a higher price in economically battered area. Who's kidding whom? "Yes, he had to do a selling job on me." Wayne promised a new lift truck and other upgrades when Jon brought in some sales.

"And he did, he went out and got some sales in the food service area. So, then he'd come to me and say, 'O.K. I got this many sales. Now put your money where your mouth is.'"

"It's been a very challenging and enjoyable time."

through a number of dramatic and fundamental changes over the years. A gourmet line of groceries has been switched toward a more convenience selection to satisfy shoppers on their way home from work. CAB is prominently displayed in both self-service coolers and at the custom counter. A cedar-barrel wine cellar has given way to an in-store bakery leased to some local ladies with a reputation of their own.

Out back, a tour from Jon or Wayne is punctuated with phrase— "This used to be our \_\_\_\_\_." Or, "Here's where we used to do this or that." The whole operation has endured more than just a facelift; it's undergone quadruple

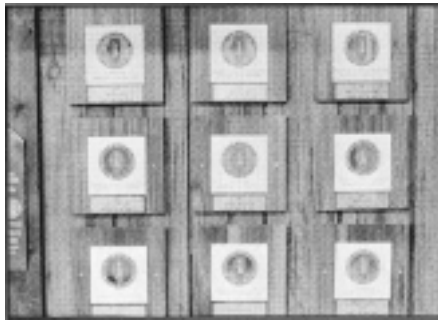
who want beef to be user-friendly. People will pay for value, he thinks, if they know where to get it. That's why he hopes more Certified Angus Beef advertising will appear between the covers of such magazines as *Family Circle* or *Good Housekeeping*. "*Bon Appetit* or *Gourmet* may segment us too much," he suggests. "I'll bet the majority of those folks who subscribe to those magazines know about CAB already."

"I think we've got to hit that bottom level and create demand."

Though Rocke's has never dealt in cut-rate approaches, Jon's sensitive to the image so visible when Certified Angus Beef attracts attention. He's not really comfor-



Darell Harper (near door) has been with Rocke's for eight years and is glad to leave the good ol' days behind. "I'm glad we're out of it," he says of the slaughter plant. "We can gear our operation more to the food service industry and that's where we want to be. Our main supplier is Kenosha. We've been real happy with them. They've been our main supplier for two and a half years."



The smokehouse responsible for many of these industry and national awards is still functioning. It was built by J.S. Rocke back in the beginnings, long before MEATing HAUS and Certified Angus Beef were conceived.

Refinements today include controlled temperature and humidity. Rocke's is still respected for its cured meats, hams, sausages, bacons, hickory smoked "The Old World" way. The results are popular gift box items.



Jon Rocke still pulls duty behind the counter, especially on a Friday afternoon when the meat shop cleans up and slows down after a week of 10-hour days.

Now, it was back to quality control. Win new clients and restore ex-customers with a product they could re-introduce like an old friend. Rocke's was once again "Angusized."

"But, let me tell you," says Wayne Rocke, "it is so comforting and strengthening and gratifying after you make this change when you see success coming. Especially to do it with Jon here—every father wants his son in business with him. And that's doubly gratifying to see how it's worked out."

Now the family business is back to stressing quality and customer satisfaction without hesitation. The Morton ROCKE'S MEATING HAUS has gone

bypass with a few transplants thrown in just to be certain.

All in keeping with the times. Jon tries to read his local consumers in light of what he's learned from Certified Angus Beef as it's practiced elsewhere. There are still local options. He agrees most two-income time-poor families will likely grow impatient with defrosting. Nor will they spend much effort towards cuts they aren't used to. "Many housewives today really don't know what a chuck roast is, let alone how to cook it. They want it fresh. They want something they can cook easily and they want it now."

His concerns lie in developing grassroot demand from these modern households

table with the concept, "gourmet." "We've had that stigma ourselves—highbrow in all that we do. We often have to fight against that. Yet, we don't want to be the same as everybody else."

"Peoria, Ill., is not the highbrow center of the world. I think CAB can work here, but I have to keep that in mind. If we put CAB in the gourmet section, then it would become trendy. Trendy changes. Gourmet tastes change. I'm not sitting in New York or L.A. where there are so many white tablecloth restaurants it doesn't matter. I've got the Doc's" (Doc's Mt. Hawley restaurant) and the Myers Homestead to look out for. CAB better not become a





**Award-winning chef and Roche customer John Pawula at Peoria's famed "Stephanie's" applies French culinary accents to CAB.**

**Says Darrell Harper, Roche Meat Supervisor: "CAB has created a whole new set of clientele and a whole new set of careers. It's done wonders for us.**

**"We trim it and tailor it up the way the customers want it," he says of the food service angle. Dave Scifres checks the self-service meat case featuring CAB.**



**Wayne Roche, on left, with Mark "Doc" Kupfert of Doc's Mt. Hawley Restaurant is a friendly, informal, family eatery featuring Certified Angus Beef as its badge of distinction.**

gourmet or white tablecloth item. If we push it that way, Doc's out.

"We're gearing ourselves up for too much capacity to still be elite. Once you put it in the supermarket, you've gone beyond elite. It's still above mediocrity by far, and I think that's where we want to be.

"There's always going to be Bonanza people and chicken is chicken. For us, the key word is value. It's not so much what cost, is the value worth it?"



**"People might be afraid to try CAB because of its cost. They don't look past that. But it's part of your marketing when you spell it right out on your menu about the quality and USDA grading.**

**"I've had people come in and try to cut against Certified Angus Beef but there's no budging yet. We do some serious meat business here."**

**Says Jon Roche of the type of trade "Doc" represents: "We're growing right along with Doc. The guy who offers cut rate prices offers no support system later."**