

A Group Effort

At its annual conference, CAB spotlights the team effort needed to keep the brand at the head of the pack.

by Eileen Keller

Bringing the *Certified Angus Beef*[®] (CAB[®]) brand to the marketplace takes the diligent effort of all segments of the industry pulling together to reward the final customer. At its annual conference in San Antonio, Texas, Sept. 9-11, Certified Angus Beef LLC (CAB) recognized the success of its partners and helped them to continue building their businesses with the brand.

Jim Riemann, CAB president, opened the conference by addressing the special challenges this year has presented for the brand and the beef industry. He highlighted how the brand's continued success in the current difficult market is possible by following key principles of true brand building.

"We have faced challenges we never dreamed of," said Riemann, noting bovine spongiform encephalopathy (BSE), closing of international borders, shortage of cattle qualifying for the brand, and high cattle and beef prices.

"In light of the challenges we faced this past year, our [keys to successful branding] have held true and contributed in major ways to impressive successes for some of our brand partners. It's about product, people and integrity," he said.

Riemann detailed the success some partners enjoyed by using creativity as the

market tightened. Innovative methods included using a greater variety of cuts, inventing new recipes and taking advantage of the quality of CAB ground beef. He also noted that commitment to the brand must take place at all levels — from executives to storefront employees.

Foodservice

In breakout sessions geared to specific industry segments, partners learned the how-to of developing improved action plans. Starting on Sept. 10, foodservice attendees looked at new and existing programs for foodservice distributors and restaurants.

Examples included Lankford-SYSCO Food Services LLC teaming up with CAB brand representatives at food shows and hosting an invitation-only seminar led by CAB experts, including Riemann. Existing programs included the use of ORBIT™, the brand's computer-based educational seminar for foodservice sales representatives. The CAB distributors that used ORBIT enjoyed a combined sales increase of 11.6%. The brand distributors that have not used the seminar had more modest gains, a combined 5% increase.

"At our conference, and throughout the year, CAB's foodservice division acts as a

conduit for ideas and plans that will help distributors and restaurants become more successful, using the brand as part of their business foundation," said Mark Polzer, foodservice director for CAB.

Other foodservice sessions concentrated on brand power. Discussions focused on how CAB products have been used to expand menu options in various types of restaurant operations and strategies recommended by CAB partner distributors.

Chef John Doherty, executive chef for the Waldorf-Astoria®, New York, N.Y.; Chris Ferrell, executive chef for Lucille's Smokehouse Bar-B-Que in California and Nevada; and Victor Son, vice president and CFO of Dingbats & Abate Restaurants Corp. in Pennsylvania, were panel members for a category explosion session.

Doherty outlined how switching to CAB brand Prime grew sales in the extremely competitive New York City market. Dingbats switched to classic CAB brand cuts, growing sales in the beef category 10% and total sales 17%. This back-to-basics chain is an example of how upgrading from commodity beef to CAB quality pays off with an increase in satisfied customers choosing a restaurant more often. Ferrell explained how Lucille's employed a less glamorous cut, CAB brisket,

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Key elements of branding

At Certified Angus Beef LLC's (CAB's) annual conference, company president Jim Riemann shared the fundamentals for successful branding.

"There are three elements to CAB's success — product, people and integrity," he said. "But it can be broken down into more components. The study of brands is a relatively new area, and a lot of individuals have written about what has and hasn't worked. From those reports and from CAB's successes, I have gleaned these key elements:"

- ▶ A brand is much more than a product.
- ▶ A successful brand includes people engaged with the brand.
- ▶ A successful brand delivers positive experiences to consumers.
- ▶ A brand must stand for something, or it stands for nothing.
- ▶ Protecting a brand's value is more important than market share.
- ▶ For successful branding, everything is important.

"In my lifetime I have seen some brands sacrifice quality to grow supply and try to gain market share," Riemann said. "They ended up not only losing market share, but also their brand."

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and transformed it into a gourmet dining experience.

Retail

Retail sessions included how to transition store employees from shelf-stockers to salespeople. A recent survey conducted by the American Society for Training & Development (ASTD) found that organizations that invest \$680 or more in training per employee improved their stockholder returns by 6% the following year (1996-1998).

Companies that invested an average of \$1,595 per employee experienced 24% higher profit margins. Training also affected staff morale and customer service. Panelists Alan Warren, director of meat and seafood for Krop's Super Markets; Lew Taylor, director of meat operations for K-VA-T Food Stores Inc.; and Doug Lange, merchandising supervisor for Wakefern Food Corp., shared their training success stories.

"The goal is gaining the customer's confidence in the sales associate," explained Al Kober, retail director for CAB. "If we can give the associates the basic information they need to answer customers' questions, they gain confidence and can intelligently help customers make the right choice."

"It's also important for companies to put aside money for training," he continued. CAB provides free training about the brand, but the cost of employees' time must be provided for. "Unless training is planned for in the budget, it meets resistance at the store level due to costs."

Producers

On Sept. 11, Henry Gardiner, co-owner of Gardiner Angus Ranch, Ashland, Kan., and winner of CAB's Seedstock Commitment to Excellence Award, spoke about cattle producers focusing on premium quality. Gardiner and his family have developed a science-based approach to raising Angus cattle. Now they are reaping "quality in quantity," he said.

A complete list of award winners is available at www.certifiedangusbeef.com.



Brand News

► News and highlights from Certified Angus Beef LLC*

Generosity abounds

The 2005 Colvin Scholarship will continue to assist college students entering the beef industry, thanks to the generous support of attendees at the brand's annual conference. The event was Sept. 9-11 at the Westin La Cantera Resort in San Antonio, Texas. A golf contest and silent auction resulted in donations totaling more than \$12,000.

A framed Angus print, "In Apple Blossom Time," by Frank Champion Murphy was purchased for \$2,200 by Holten Meat Inc., Sauget, Ill. Company president James Holten announced that he will purchase a second print for \$2,200 and donate the print to CAB employee Diane Merrill. Merrill and her husband, Craig, were critically injured in a motorcycle accident in June.

Additional buyers at the silent auction included:

- Buckhead Beef Co., Atlanta, Ga. — CAB golf bag
- Bob Norton, chairman, CAB Board of Directors — Case of Gallo of Sonoma wine
- Tyson Fresh Meats Inc., Dakota Dunes, S.D. — Round of golf for two at the Palmer Course
- Dan's Prize Inc., Gainesville, Ga. — Texas gift basket

Fund-raising efforts for the Colvin Scholarship also included a golf contest. The glow-in-the-dark festivities carried on throughout the night

and raised more than \$6,000. Nearly all attendees at the annual conference contributed in some way to the scholarship fund.

Allison Meyer, an animal science major at Michigan State University (MSU), was the 2004 scholarship winner. The 2005 scholarship will award \$2,500 to an individual selected based on activities and leadership within the beef industry, essay and communication skills, scholastic achievements, and letters of reference. Deadline for entries is Dec. 1. Visit www.certifiedangusbeef.com and click on "Newsroom" for more information.

Congratulations!

Certified Angus Beef LLC (CAB) Board Member Dave Smith was recently inducted into the Indiana Livestock Breeders Association (ILBA) Hall of Fame. This prestigious honor is awarded to an outstanding leader in the Indiana livestock industry. The award, presented at the Indiana State Fair, is the highest award in the ILBA.

Smith's portrait will be hung at Purdue University's Lilly Hall and displayed at www.ansc.purdue.edu/ilba/2000s/index.htm to commemorate the honor.

Monthly feedlot awards

McPherson County Feeders Inc. (MCF), Marquette, Kan., is the CAB Feedlot of the Month for August 2004. The 9,000-head feedlot has been a



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To order CAB merchandise, call 1-800-725-0070 or fax (330) 345-0803.

For a source for recipe ideas, storage and handling tips, restaurant listings, retail store locations, and cooking information, visit www.certifiedangusbeef.com

*Certified Angus Beef LLC is a wholly owned subsidiary of the American Angus Association.

licensed partner since May 1999. “The people at MCF have taken their role seriously as licensed CAB partners,” says Gary Fike, CAB feedlot specialist. “Manager Allan Sents and Quality Assurance (QA) Officer Kendall Stubby have been conscientious in enrolling cattle and data capture.”

MCF has been designated a “Premier Partner” since the term for top partners was coined in July 2002 and currently ranks 11th out of 82 licensed feedlots in enrollments. The feedlot’s CAB-acceptance rate for 2004, at 17.9%, is above the national average of 15.6%, while the percentage of “out” cattle (8%) is half of that of the CAB Feedlot-Licensing Program (FLP) average.

Jerry Jackson, Irsik & Doll Feedyard, Garden City, Kan., is QA Officer of the Month for August 2004. “Since taking over that position this year, Jerry has worked hard to enroll cattle and to make sure that the lines of communication run both ways with the CAB Supply Development office in Manhattan,” Fike says. “He regularly updates the office with finalized counts and other follow-up, and has shown great interest in the National Angus Carcass Challenge (NACC) for Irsik & Doll customers.”

One notch closer to the target

Trent and Jenny Hutchison, the husband and wife team at 4+ Cattle Feeders, Lexington, Neb., have always tried to feed high-quality Angus cattle as CAB-licensed feedlot partners. The lots harvested in August proved their success.

Six lots from 4+ reached 30.06 or honorable mention status. These six groups ranged from 21 to 90 head and averaged 45.5% CAB and 5.8% Prime. All of the cattle were CAB eligible, and 51.6% reached Yield Grade (YG) 1 or 2.

Trent says the 50 heifers that made 30.06 show that producers can get detailed carcass data — and proof of excellent cattle — even if they do not want to retain ownership at the feedlot.

“I know the guy that raised those cattle real well and bought them for another customer I have,” he says. “The producer wanted to get data back on his cattle, but other buyers never followed through. Now he gets the data he wants and can stop in to see them when he wants.”

Summary of 30.06 qualifiers and honorable mentions from August harvest reports^a

Licensed CAB® Feedyard	Head	Sex ^b	%YG 1&2	%CAB	%Prime
4+ Cattle Feeders**	50*	H	58.0	60.0	6.0
McGinley-Schilz Feedyard Ltd.	28	S	60.7	50.0	7.1
GG Genetics	26*	S	7.7	46.2	11.5
Ashland Feeders	41*	H	24.4	41.5	0.0
Darnall Feedlot	36	H	66.6	39.3	2.8
Irsik & Doll Feedyard	20	H	70.0	37.5	10.0
GG Genetics	43*	S	14.0	37.2	2.3
Gregory Feedlots Inc.	39	M	66.7	37.1	2.6
Decatur County Feed Yard LLC	13	H	30.8	30.8	0.0

Honorable Mentions	Sex ^b	%YG 1&2	%CAB	%Prime	
4+ Cattle Feeders	47*	H	25.5	44.7	8.5
4+ Cattle Feeders	90*	H	53.3	44.4	4.4
4+ Cattle Feeders	21*	H	57.1	42.9	14.3
4+ Cattle Feeders	24*	H	79.2	41.7	0.0
Irsik & Doll Feedyard	30	H	46.7	37.9	0.0
Boise Valley Feeders	24*	S	41.7	37.5	4.2
Thomas County Feeders Inc.	96	H	34.4	37.3	0.0
4+ Cattle Feeders	45*	H	51.1	36.6	4.4
Samson Inc.	119*	S	47.9	35.3	1.7
Beller Feedlots	88*	S	12.5	35.2	12.5
North Platte Feeders Inc.	93	H	34.4	35.0	1.1
Ashland Feeders	27*	H	11.1	33.3	22.2
Beller Feedlots	40*	S	5.0	32.5	2.5
Gregory Feedlots Inc.	30	M	26.7	31.0	10.0
Irsik & Doll Feedyard	40	H	45.0	30.8	0.0

*Indicates 100% CAB eligible. All acceptance rates figured on eligible portions.

**See story.

^aIn the On-Target “30-06” program, the FLP honors partners that harvest qualifying groups of cattle with at least a 30% Prime or CAB-acceptance rate with an allowance for 3% YG 4s and 3% carcasses weighing more than 975 lb. There is no minimum group size because sorting is encouraged to bring out the best in each animal. Honorable mention groups stood out for CAB acceptance, but contained discount cattle for one reason or another.

^bH=heifers; M=mixed; S=steers.

Call (785) 539-0123 or visit www.cabfeedlots.com for a complete and current list of feedlot licensees.

The relationship has worked out so well that each producer is working out a deal where they can partner on feeding the cattle next year. For the Hutchisons, the relationship could mean another group of high-quality Angus calves next August.

Brand in Japan

Daisuke “Shimo” Shimojima, the brand’s executive account manager in Japan, was recently interviewed by the meat and cooking journal *Bee-Po* in Tokyo. Shimo articulated the finer points of the CAB FLP

program, as well as the brand’s specifications and benefits.

Bee-Po is published every six weeks for restaurant and retail consumers and offers national media exposure as the brand prepares for the reopening of Japan’s beef import market. Currently, negotiations are gaining momentum, and pressure is building from both sides to come to an agreement on the details holding up U.S. beef access to the Japanese market.

