



Outside the Box

► by **Tom Field**, University of Nebraska–Lincoln

The standard

For generations, agriculture has been driven by a commodity mind-set resulting in thin margins, minimal to nil product differentiation and price-taking behavior. Most of the value creation and value capture occurred far beyond the farm gate. In the commodity game, winners balance cost management with higher per-unit production and effectively capture economies of size and scale. The market treats commodities as undifferentiated goods that lack clearly identifiable brand attributes, and thus lack expectations of strong buyer loyalty and associated robust pricing opportunities.

A revolution of excellence

While category-specific characteristics are in place (for example, No. 2 dent corn and feeder cattle are framed by a set of USDA descriptors to facilitate commodity marketing), they are set at levels easily attained by most producers.

In the commodity world, beef consumers are left to deal with an experience best described as “not bad.” Somehow, “not bad” just doesn’t seem worthy of a lifetime’s effort. Nonetheless, it’s what we’ve been willing to live with for a long time. Historically, attempts were certainly made to break out of the commodity paradigm, but challenges ranging from inconsistent supply, lack of expertise in brand development and execution, and incomplete commitment from partners undermined the success of these initiatives.

Then along came Mick Colvin and a band of visionary Angus breeders with the idea that consumers would clamor for a *great* eating experience. They coupled that vision with a savvy approach to business creation and development. Colvin understood that a brand founded on exacting standards was the best route to growing market share, and he had the conviction to launch the concept. As exciting as it must have been on that day in 1978 when Ella Whitt purchased the first *Certified Angus Beef*® (CAB®) product from Renzetti’s IGA in Columbus, Ohio, it is doubtful that anyone could have forecasted the effort, tenacity and host of challenges that would confront the brand.

I have wondered on many occasions if Certified Angus Beef LLC (CAB) leadership considered altering the brand standards to increase short-term volume during the early years. How many hours were spent debating a shift in direction to gain a short-term advantage to lessen pressure from critics who

thought the association was wasting valuable resources? How many gallons of coffee were consumed considering proposals from large retail or foodservice accounts who were willing to come on board, but only if the core constructs of the brand were altered to suit the needs of the potential outlet?

Despite these challenges, customer satisfaction with the brand was high, and the opportunity for people in the industry to apply their talents toward creating an extraordinary beef experience was magnetic in its allure. The standard of excellence upon which CAB was founded remained solidly in place for 35 years, and, in the process, transformed the beef business.

Perhaps the most valuable contribution of CAB was to radically shift expectations up and down the supply chain while providing a beef-eating experience around which creative minds could rally. CAB created excitement, optimism and a sense of ownership for industry participants. The success of the CAB brand originated from a deep commitment to a core set of business principles:

- ▶ Tenacity is required in the face of adversity.
- ▶ Sticking to high standards takes courage.
- ▶ Brand equity is built on superior consumer experiences.
- ▶ Execution of a strategy demands discipline and laser-like focus.
- ▶ Partnerships, partnerships, partnerships.

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The *Certified Angus Beef* brand, like most innovative ideas, wasn’t an overnight success. In the early days, critics and cynics were numerous, merchandising end meats and ground product proved to be agonizingly difficult, and building a dependable supply was difficult. Legend

has it that funding was nearly terminated on several occasions, building trust with suppliers and customers took enormous levels of energy and time, and competitors didn’t make life easy.

Protecting the integrity of the brand in both global and international markets was critical to sustaining the business model. Through it all, leadership remained steadfast in maintaining product standards. In an environment rife with distractions ranging from vacillating consumer trends to activists, the CAB team resolutely kept

their eye on the ball and focused intently on creating brand equity. They built relationships across the various segments of the industry, communicated a very clear and elegant message, and attracted talent to every single endeavor. The net result has been remarkable and worthy of genuine commendation.

However, the work has just begun. What would the future hold if every participant of the beef business applied three decades of consistent, unrelenting focus on a high standard of excellence? What might be the outcome if the shortcuts were ignored and the malaise of accepting “not too bad” were cast aside to be replaced by the diligent pursuit of exceptional? Mick Colvin started a revolution. . . . Are you willing to finish it?

EMAIL: tfield2@unl.edu

Editor’s Note: Tom Field is a rancher from Parlin, Colo., and the director of the Engler Agribusiness Entrepreneurship Program at the University of Nebraska–Lincoln.