

CHB Sales Growth Priority Turns to New Expertise



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Ronald Reagan once said, "Surround yourself with the best people you can find, delegate authority, and don't interfere as long as the policy you've decided upon is being carried out."

Certified Hereford Beef (CHB) LLC is working on both ends of that quote: it's attempting to put into place a new group of people with beef industry sales qualities that can bring about a major shift in the dynamics and demand for Hereford beef sales, and the CHB board is working with these people to clearly develop a strategy that will give the program the best chance to grow demand during difficult economic times.

This year has been a trying year for everyone in the food business. The restaurant industry survey company Technomics reported that this year was the worst year for the restaurant industry since 1972 due to contraction of the economy, slowdown in consumer spending and accelerated job losses.

Full service restaurants that typically serve steaks are down 7.5% in sales compared to a year ago. CHB® has experienced a slight reduction in volume compared to same store sales a year ago; however, these trying times have also allowed the program to grow in some areas that may not have been available to it before the economic recession.

Foodservice growth into new markets has been remarkably strong for CHB during the past six months. Mick Welch, CHB LLC food service director, has licensed four major restaurant distributors. This increase should eventually allow the CHB program to reach the menus of restaurants in many different regions.

Several divisions of Sysco, the largest foodservice distributor in the nation, have recently been licensed in Baraboo, Wis., Nashville, Tenn., and Boston. In addition, Merchants Distribution, based in Hattiesburg, Miss., will provide a delivery reach into 12 states in the Southeast.

In May, Welch along with American Hereford Association Board member John Woolfolk and National Beef Packing Co. LLC CHB Brand Manager Mike Louderback participated in a foodservice sales training program involving 120 Sysco sales people in the Nashville area.

Getting product into these markets is one thing, but convincing the local sales staff to promote the program is an entirely different issue. Each of these markets offers major growth potential for the CHB program. Although we do not anticipate rapid growth in any of these markets in the near term, considering the economic

signs of the times, these new relationships are sure to provide a launching pad for new opportunities to sell Hereford beef.

If you frequent a restaurant establishment in any of these areas, you can help us by letting the restaurant owner or chef know that he can purchase Hereford beef from his local Sysco or Merchants Distribution representative.

In April the CHB board endorsed the hiring of a new management leader — Tom LeBeau. His first assignment was to evaluate the program and staff and to develop a business plan to support an aggressive growth strategy.

Thus far, Tom has hit the ground running, identifying several key areas that target volume growth opportunities. Tom has spent 28 years in the meat industry, starting as a meat market manager for Cub Foods in Minnesota and then moving on to Monfort/ConAgra, Swift and Co. and recently American Food Groups.

He brings vast experience in developing value-added programs, establishing broker relationships to assist in product marketing and fostering key retail relationships in the Northeast.

Understanding that current customers must be taken care of first, Tom has supported the staff in servicing existing clients and new growth that staff has been developing the past 12 months while developing a strategy for new retail and foodservice chain business for the future. **HW**