

Wyoming Authentic Products

2016 National FFA Convention

Marketing Plan CDE



Developed By:

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Wyoming

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i. Project Description

Founded in 2010 on cowboy traditions and located in scenic Cody, Wyoming, Wyoming Authentic Products (WAP) is working to market Wyoming beef. The Angus beef marketed by CEO David Fales is Wyoming born, raised and fed as well as all natural. In order to maintain consistency and high quality products all cattle sourced for the program are sent to and fed to market weight at Miller Cattle and Feedyards in Torrington, Wyoming. The beef is primarily distributed by Sysco Incorporated out of Salt Lake City, Utah. The value added products of the company (such as beef sticks, jerky, and angus strips) are produced at their USDA plant in Cody. Beef is also sold online at www.wyominggourmetbeef.com. All products packaged and sold can be sourced back to the original ranch producer.

As WAP grows as a food company, demand for more high quality beef cuts has created a need to market the carcass trim through value added products. GoCo Marketing Group was contacted by David Fales to create a marketing plan focused on beef stick sales in Wyoming and surrounding states through fundraising groups - particularly FFA, FBLA, 4H, band and choir programs, sports teams, and other youth organizations.

Wyoming Authentic Products LLC is a health-oriented company that embraces the following values and ideas:¹⁰

- Practice the Golden Rule – a sound principle for business as well as personal living
- Develop "win-win" relationships and enjoy an "abundance" mentality
- Live by the "Code of the West"

ii. Market Analysis

a) Current Status:

Wyoming Authentic Products has an already developed marketing plan for beef primals and value added products. Their plan focuses on national sales and does not focus on in-state sales specifically. CEO David Fales has expressed interest in a partnership with area FFA chapters and youth organizations to sell beef sticks. WAP is not currently involved in fundraising sales.²

b) Industry Trends:

Macro-Trends:

- Beef stick sales are a long time go-to fundraiser
- Increased interest in hometown values and supporting small business⁸
- State and local pride⁸
- Support of local producers-people want to know where food is from⁸
- Consumers tend to be driven to purchase a cheaper product

Micro-Trends:

- In 2014, health was an important snack selection factor of 50% of adults⁷
- The average number of snacks grew from 1.9 per person per day in 2010 to 2.8 in 2014⁷
- Health conscious consumers are becoming more aware of what they put in their bodies and are seeking a higher protein snack⁹
- Meat snack sales have grown 11.2% in the past year alone(sourced in 2014)⁹
- Half of adults eat 3 or more snacks per day⁷

c) Buyer Profile:

As a part of our primary research we found that the majority of group and school leaders would be interested in fundraising this product. Groups typically fundraise once per year. The health benefits, as well as the 100% return on investment profit margin is all that is needed to strike interest. The delicious product is an added benefit.

Traditional fundraisers prefer:

- A tried and true fundraiser
- An upstanding long term relationship with supplier
- Support of an established business

Progressive fundraisers prefer:

- A higher quality product
- Support of local business
- More return on investment

d) WAP SWOT Analysis

Strengths: • Wyoming product • Statewide support of the Wyoming ranching lifestyle and brand recognition • All natural Angus beef fed on grass and grains • No hormones or antibiotics • No nitrites and no MSG • No artificial ingredients, gluten free • No preservatives and 9 month shelf life • 100% profit return on investment • Small company allows for a more personal customer relationship and the customer feels valued • Free shipping within Wyoming and surrounding states with minimum order • Attractive packaging	Weaknesses: • No national marketing campaign • Not a nationally recognized brand • Only 3 flavors offered • One plant and one distributor • Fundraising groups/customers are sometimes unwilling to try a new product • All animals are slaughtered in Colorado as Wyoming has no USDA inspected plant • Meat must be transported to Cody, WY for processing-431 miles from slaughter plant.
Opportunities: • New markets in surrounding states • Expansion possibilities • Higher beef stick sales increases overall WAP production • Increase number of flavor options	Threats: • Increase of beef stick sales may be too fast for production to keep up • Competitors have nationally recognized brands and higher capacity



e) Competitor SWOT Analysis

Strengths: • Brand recognition • Advertising • Relationships with fundraising organizations¹ • Multiple flavors • Market penetration • Multiple manufacturers • Established distributor network • Swag factor/appealing to youth markets • Established business • Low prices	Weaknesses: • Unhealthy: high in sodium, fat, and artificial ingredients • Not gluten free (Country Meats)¹ • Big company makes customer feel distanced and not valuable • Only 40% profit return on investment (Jack Links)⁴ • Marketing targeted towards a more masculine audience⁹ • Meat product source cannot be traced
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Opportunities: • World-wide market • Higher production rates due to larger facilities • Expansion to target women	Threats: • Market shifting towards health conscious snack foods • Consumers want a healthy product • Consumers respond favorably to locally produced products • Consumers want to know where their food comes from
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f) Primary Research:

GoCo Marketing distributed and collected 62 surveys to Wyoming area group leaders, coaches and FFA advisors that currently fundraise; they represent 3,224 members. Each of the respondents were offered the opportunity to sample all three flavors of beef sticks. Survey results showed that:³

- Average size of fundraising groups surveyed was 52 members
- 92% of respondents stated that all natural and gluten free product claims would positively affect group sales
- 100% of respondents stated that the fact that the products are made in Wyoming would positively affect group sales
- Respondents estimate that 45.9% of sales would be made up of Cowboy Original beef sticks, 33.3% of sales would be made up of Jalapeno beef sticks, and 20.8% would be made up of Ginger and Garlic beef sticks
- WAP beef sticks rated 4.75 (on a scale of 1-5) when compared to profitability of other fundraising products
- Respondents estimated that their members would sell 25.6 beef sticks each
- 95.2% of respondents stated locally sourced product is a major incentive for buyers to purchase the product
- Based on results recorded from input of our respondents, the average group of 52 members would sell 25.63 beef sticks each, this would result in 1,333 beef sticks sold per group

These results are overwhelmingly positive as we have determined that: health benefits the product exhibits would have a positive effect on sales a vast majority of the time, 100% profit on initial product investment rates among the highest of profitability compared to that of other fundraisers, and that one major incentive for buyers to purchase WAP products is that they are locally sourced. This information was further utilized in the identification of our goals, key planning assumptions, and promotional activities formed around them.

iii. Business Proposition

a) Mission Statement:

The success of Wyoming Authentic Products hinges upon the sale of carcass trim. WAP will partner with fundraising organizations to sell trim through the sale of beef sticks.

b) Key Planning Assumptions:

- Consumers generally seek fresh, natural, minimally processed foods⁶
- WAP beef sticks would be well received as a fundraising option for local groups³
- Locally sourced, healthy food products are desirable in the fundraising arena³

c) Measurable and Attainable Goals:

- Year 1: Complete at least 40 fundraisers within Wyoming, selling at least 53,320 beef sticks (based upon average sales per group of 1,333 sticks)
- Year 2: Complete at least 120 fundraisers within Wyoming, selling at least 159,960 beef sticks (based upon average sales per group of 1,333 sticks)

- Year 3: Complete at least 300 fundraisers within Wyoming and neighboring states, selling at least 399,900 beef sticks (based upon average sales per group of 1,333 sticks)
- Increase public awareness of WAP and fundraising opportunities within

d) Target Market:

- Fundraising organizations (ex: FFA, FBLA, 4H, band and choir programs, sports teams, etc.) often youth organizations. Targeting groups within the state of Wyoming the first two years and expanding to surrounding states in the third target year
- Local communities targeted by youth organization sales

iv. Strategies and Action Plan

a) Product:

Beef sticks produced by WAP carry the following traits:

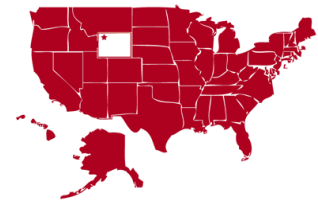
- All natural Angus beef
- No hormones added, no antibiotics, no nitrates, no MSG, no artificial ingredients
- Gluten free
- 1 oz. sticks
- Vary in 3 flavors (Cowboy Original, Jalapeno, Ginger and Garlic)
- Come in a 3.75"x 3.25"x 9.5" display carton containing 24 sticks

b) Price:

Sticks are sold to fundraising groups for the company set price of \$1 per piece and are given a recommended resale price of \$2. This would result in a 100% return on investment. One of our competitors (Jack Links) sells for \$1.50 per stick with a \$.60 profit to specific fundraising groups. Minimum wholesale orders are \$200. Shipping is free in Wyoming and surrounding states.⁵

c) Place:

Currently, Wyoming Authentic Products is operated in Park County, Wyoming out of the town of Cody. All cattle are sourced from Wyoming ranches (historically 32 total). Some of these ranches include Nuckolls Ranch Inc. in Hulett, Wagonhound Land and Livestock Inc. in Douglas, Frank Ranches Inc. in Lander, and Corbett Ranch Inc. in Lander. All cattle are taken to and fed to market weight at Miller Cattle and Feedyards in Torrington. Slaughter is completed at Double J Meat Packing in Colorado. Trim is taken to Cody for processing into beef sticks and other value-added products at the company's own USDA production plant (the only USDA plant in Wyoming).



d) Promotion:

- Create high quality (colored, professionally printed and formatted) brochures and order forms to distribute to fundraising groups
- Create a database of fundraising organizations to mail promotional brochures and product samples to (ex: all 53 FFA chapters in Wyoming)
- Create an email database of potential fundraising groups to distribute information to, including product specifics as well as fundraising details (ex: county 4H agents)
- Add a link to the existing WAP website (www.wyominggourmetbeef.com) containing fundraising opportunities and information
- Periodically post promotional information regarding fundraising opportunities on WAP's existing Facebook page as well as develop and utilize other popular social media accounts (Twitter, Instagram, Snapchat, etc.)

- Create a portable display outlining fundraising opportunities to be used at events and personal presentations (ex: Wyoming State Fair, state and national FFA conventions, state 4-H leader conferences, state and national FBLA conferences, as well as state sporting events)
- Offer personal visits to interested groups that will highlight the product and fundraising opportunity
- Create an incentive program for high-selling participants within each individual fundraiser (ex: free products, t-shirts, hats). Focus on awards that will also advertise the company
- Word of mouth; encourage previous fundraiser participants, company employees, and company shareholders to share information about fundraising opportunities

e) Position:

Due to the target market for the plan being fundraising groups along with the general public that will be purchasing product from these groups, Wyoming Authentic Products will be positioned as the unique supplier of a wholesome, healthy, all natural product. WAP is set apart from companies like Jack Links and Country Meats due to the fact that they are a locally sourced company with licensed use of the original Wyoming Bucking Horse logo. The core values of the company provide a trustworthy stance and home-state originality that is incomparable.



v. Projected Budget

a) What will the strategies cost?

- Brochures and order forms - \$20 per fundraising group
- Create an organization mailing and emailing database- no additional cost beyond current employee salaries
- Add a website link- no additional cost beyond current employee salaries
- Periodic social media interaction- no additional cost beyond current employee salaries
- Portable display- approximate onetime cost of \$600
- Personal visits - no cost beyond current employee salaries
- Incentive program- \$35 total per fundraiser to cover 2 hats and 2 t-shirts given to each
- Word of mouth- free

b) Pro Forma Income Statement:

	Year 1	Year 2	Year 3	3 yr. Total
Income:				
Sale of Beef Sticks	\$53,320	\$159,960	\$399,900	\$613,180
Expenses:				
Display(year 1 only)	\$600			\$600
Incentive Program	\$1,400	\$4,200	\$10,500	\$16,100
Brochures	\$800	\$2,400	\$6,000	\$9,200
Production of Sticks*	\$39,990	\$119,970	\$299,925	\$459,885
Net Profit:	\$10,620	\$33,390	\$83,475	\$127,485
ROI:	20%	21%	21%	21%

*assumes all inclusive production cost (including freight, manufacturing, handling, employee wages etc.) of \$.75 per WAP business model.⁵ Chart assumes visits to trade shows and personal visits etc. with display booth, are already part of current employee salary.

c) Financial Return:

Financial return on investment for our 3 year plan is 21%. WAP will also receive great benefit in their other business ventures because beef stick sales drive increased cattle slaughter numbers; 48% of every beef carcass goes into trim product that is used to make beef sticks. Increased stick sales allows WAP the opportunity to increase total volume of beef sold. WAP's cattle slaughter numbers are currently limited by their ability to sell the trim.

vi. Evaluation

a) Benchmarks to Reach:

- Year 1: 40 fundraisers/ 53,320 sticks
- Year 2: 120 fundraisers/ 159,960 sticks
- Year 3: 300 fundraisers/ 399,900 sticks
- Increase public awareness of WAP and fundraising opportunities within

b) Tools to measure Benchmarks:

Our first three benchmarks are easy to calculate by figuring number of fundraisers along with total amounts of sticks sold. Our fourth benchmark to increase public awareness can be measured by creating and disseminating surveys to the public.

c) Alternative Strategies:

- Assumptions made based on our primary research on number of members and number of beef sticks sold by each member of fundraising groups may prove to be incorrect in actuality. In this case, we will adjust goals accordingly. Other changes to the strategies and action plan will be based on experience in the market.
- Another alternative strategy would be to hire one part-time employee to focus specifically on fundraising sales. This employee would be responsible for hosting informational events, samplings, and in-person presentations to leaders of groups. They would divide Wyoming and the surrounding states into four regions and dedicate 25 hours per region, per quarter. This would result in approximately 400 hours per year, with wages and travel expenses this would be an approximate \$10,000 expense annually to the budget.

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<http://www.huffingtonpost.com/2014/10/14/meat-snacks-growth_n_5966866.html>.
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Wyoming Authentic Products Research Survey

After trying our three flavors of beef sticks please respond to the following questions

1. How many members are in your fundraising group?

2. What percentage of your members would be willing to take part in selling our products?

_____ %

3. Do you believe that being all natural and gluten free would have a positive effect on the sale of beef sticks?

yes no

4. Does the fact that these products are made in Wyoming have an effect on the amount of products sold?

yes no

5. After trying the three beef stick flavors, how many of each flavor would be sold, out of 100 sticks?

- Cowboy Original _____

- Jalapeno _____

- Ginger and Garlic _____

6. Our beef sticks are sold at a wholesale cost of 1\$ per stick, with a resale price of 2\$ per stick, resulting in 100% profit. Please rate 1-5 (1 being least and 5 being best) how this compares to the profitability of other fundraisers you have done.

7. How many beef sticks total would you expect your group to sell?

8. Is the fact that WAP beef sticks are locally sourced an incentive for consumers to purchase our product?

yes no

