



CAB Corner on Quality
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It all adds up

By Amanda Barstow, CAB Brand Assurance Director

Cattle enrolled and harvested, carcass data, USDA certified figures, packer and distributor sales, source of commission, restaurant and retailer purchases...

Progress on the ranch involves more than a few numbers. The same is true for those who uphold the *Certified Angus Beef*[®] (CAB[®]) brand. If we only looked at a couple of statistics, we could put the brand at risk. It would be like single-trait selection for bulls.

That's why the Brand Assurance Division analyzes numbers in every area of Certified Angus Beef LLC and the overall industry.

Within our Feedlot Licensing Program, summary reports enable feedlot managers to help cow-calf customers improve individual cattle. Better breeding, management and coordination with the feeder makes more profit and CAB product potential.

Number crunching at CAB has many parallels on the ranch. Divisional performance (retail, foodservice, packing, etc.) is like enterprise analysis. When you know a key area is suffering, and which areas account for most of the growth, you can better judge allocation of resources.

We look at the company by product line, as you would the crop mix or sales from livestock enterprises. Besides the traditional CAB branded products, there are now CAB Prime and CAB Natural lines. If we are pouring resources into promotions for CAB Prime but it isn't growing, we need to change our strategy. At the same time, if a category is growing without extra effort, it's worth investigating why.

Of course, we look at the bottom line, as you do in a profit-and-loss statement. The difference is, CAB is not in business for profit, but to add to your bottom line. That's why we look at performance in generating and managing the commission revenues in your interest. We look at tonnage and revenue by month and year; if you want to set a goal, you have to know where you are.

If we only looked at total pounds sold, we couldn't predict commissions. As in selling calves, lighter items demand more and heavier items less commission per pound. We can't just focus on selling the lighter items such as tenderloins and strips, because the more of each certified carcass that sells as CAB product, the more value we can bring back to your ranch.

Part of the big picture is to consider how your customers—in our case, licensees—are getting along in their businesses. We know their tonnage and commissions pulled through by individual, corporate owner and region. We know who brings in the most commissions of all chain and single store locations. We can

break it down by those who focus on middle meats, end meats, specific cuts and product lines by company, region and season. You name it, and we can break it down.

That provides the foundation for expectations and goal setting, given a metro market such as Orlando, Fla., versus the state of Kansas, for example. The two are roughly equal in U.S. Census data, which gives us a basis to start with and build on actual CAB data, along with considerations for variables like restaurant check averages, population density and opportunities for institutional licensing such as hospitals and business cafeterias.

Just as you can see that we do a lot with numbers, you can see how these other columns of figures fit into the equation:

- Number of accounts buying and selling CAB product, with variations each month and year
- Numbers of, and the actual businesses using our trademarks—correctly and incorrectly
- Correspondence monitored as a “paper trail” should any issue escalate to a need for legal action
- Issues resolved, with timeliness and actions taken
- Trademark ownership and registrations throughout the world
- Point-of-sale material use and frequency of orders
- Design requests and completions – ads, menus, special gifts and other items
- Longevity of licensing - by account, and distributor licensing the restaurant

You can bet we slice and dice our data as many ways as possible, to help keep the company running efficiently for you. It allows a level of creativity and inspiration in laying a foundation for future decisions.

Knowing what you did last year is great, but you need to live in where you’re heading this year, and where you could go the next. That knowledge lies in the monitoring and analysis of numbers.

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