

Industry Perspective on Case Ready

Colby D. Horn

Case ready fresh meat is without question evolving. The reasons for this evolution are many and different depending on the respective customer's needs and wants. Some of the key reasons are: economic, growth-related, food safety, more consistent quality, labor, and individual product category management. Additionally, case ready means different things to different people. It could mean a centralized processing operation operated by a retailer/wholesaler, or a centralized processing facility operated by a meat processor that produces for a wholesaler/retailer. Moreover, as it relates to the package, it could mean pre-priced, non pre-priced, pre-dated, non pre-dated, or a combination of both. Whatever the packaging format or reasons, it is nonetheless evolving.

As we (wholesaler/retailer, meat processor, packaging industry, and academia) journey down this unpaved road of case ready, it is important to understand each others' business, strategies, wants, and needs to optimize our success. Many questions still need to be comprehensively answered and understood, such as meat enhancement properties, packaging concepts, shelf life, and costs. Only time, success, and failure will prove what format(s) of case ready fresh meat will be successful in the consumer's eye.

As we seek to answer these questions, it is crucial that we clearly understand the drivers in this journey: The Consumer, The Customer (Retailer/Wholesaler) and The Product.

The Consumer

The consumer is the ultimate reason for our existence in the meat industry. With regard to the consumer, we as an industry need to be able to answer three key questions: What does the consumer want? When does the consumer want it? How does the consumer want it, i.e. packaging format? By answering these three key questions, we as an industry will be in a better position to facilitate a pull-driven marketing system while creating increased demand for our

C.D. Horn
Farmland National Beef
12200 North Ambassador Drive
Kansas City, MO 64163

cdhorn@nationalbeef.com

Proceedings of the 55th Reciprocal Meat Conference (2002)

products. Let's analyze these three key questions in more detail.

- What does the consumer want? The consumer wants value. Webster defines value several different ways. My choice within the text is "relative worth, utility, importance or degree of excellence." The product has to meet or exceed the consumer's expectations. The package needs to be a leak proof format to help minimize/eliminate cross contamination. The consumer needs limited but informative information regarding their purchase (handling information, cooking instructions and perhaps a recipe). Don't bombard them with a lot of information – you will only confuse them. Finally, the consumer wants to purchase confidence (wholesomeness, label integrity, etc.).
- When does the consumer want it? The consumer wants it now. This question pertains to having the cut of fresh meat the consumer wants to purchase when they want to purchase it. One can certainly guide a consumer's purchasing decision, but you cannot make it for them. Too many times the consumer is presented with a less than adequate selection. Sell the consumer what they want to purchase, not what you have or want to sell them.
- How does the consumer want to buy it, i.e. what is the preferred packaging format? The consumer wants and deserves a leak-proof/eye-appealing package. The consumer also wants to purchase a package that focuses on the product and not solely on the package. The package should complement and reinforce the product. Don't get caught up in selling a brand, the brand will sell itself if the product is properly prepared and presented. Also, as time elapses the functionality, whether it is microwave and dishwasher safe, or recyclability of the package will become more important.

The Customer (Wholesaler/Retailer)

Regarding the customer, we as an industry must answer and fully understand four key questions.

What are the customer's expectations?

How do the customers view their business?

The direct marketing concept.

Does the customer understand how the case ready factory operates most efficiently?

These four questions are certainly not comprehensive or exhaustive; but they are fundamental in terms of case ready success for all parties involved.

- Clearly understanding what your customer expects of you will facilitate progress and the attainment of common goals and objectives. Does your customer simply want you to be a producer of case ready meat or do they want you to be a producer and marketer of case ready meat? If the latter persists, one will need to understand the objectives and measurement tools that will be used to determine success. Ultimately, this is a process in which the products will be managed through the front-end cash registers, if available. Furthermore, it is imperative to recognize that you are occupying very expensive real estate within the respective grocery store/fresh meat display counter. With this tremendous opportunity comes an even greater responsibility of assisting in the consumer exchange process. Also, one must fully understand the product specifications that are being produced for the customer. Is it a zero tolerance mentality regarding specifications or is there a margin of error mentality?
- Second, view the customer's business as they view it. That is to say, understand what the customer looks at and the reasons for doing so. Such examples would be threshold levels for sales, markdowns, throwaways, gross profit, net profit and product turns, by item. Additionally, one needs to understand item rationalization – should it be in the store or not, based on a set of financial metrics (markdowns, throwaways, sales rate, ROI, etc.). Furthermore, as case ready evolves more and more customers will seek assistance from their respective suppliers as it relates to item placement in the fresh meat display counter (meat case modular design).
- Third, one must understand the direct marketing concept. As it has been said many times, the middleman can be eliminated, but the function cannot. Fully understand that the processor is now the middleman who is processing case ready meat for the customer and ultimately the consumer. There are many dynamics involved in a direct marketing, pull system concept. One of the most important is how to manage a just-in-time ordering/inventory system. Equally important is the product and process scheduling of case ready meat. What items can be made most efficiently at the same time while maximize productivity and controlling product specifications?
- Additionally, it is important that the customer understands how the factory operates most efficiently. Specifically, the customer needs to fully understand that the factory is not a traditional backroom meat department. There are processes the factory can perform better and there are processes the backroom meat department can perform better. This is by no means a roadblock; however, it is a road that the customer and processor must travel down together.

The Product

The inherent qualities and attributes of the case ready products produced and marketed are paramount to success. It is our responsibility as an industry to develop, produce, and market the most optimum and efficient products that are scaled to the consumer's expectations and needs. "The Product" can be separated into four different categories. 1) Product enhancement properties, 2) Packaging concepts, 3) Shelf life, and 4) Product specifications.

- Currently, case ready fresh meat products are being enhanced with various solutions with fresh pork being the most established. There are many different thoughts regarding the enhancement of case ready, fresh meat products, depending on with whom you consult. This is an area in which more research needs to be conducted, especially as it relates to enhancing case ready fresh beef. The bottom line is, as an industry, we need to make the product better, not just the package or carrier.
- Packaging technologies have evolved and will continue to evolve. Many questions still abound. Should the product(s) be in a high oxygen or low oxygen format? Should the package be a plastic tray or a styrofoam tray? Does the package need to look analogous to what the consumer has always purchased? Remember, the consumer votes with their money, therefore, over time they will tell you what they want or don't want. We as an industry need to continue working very close with the customer and the packaging segment to arrive at the best solution(s).
- Shelf life is a very important component of case ready fresh meat. Different customers will require different shelf life requirements. Some customers will need more shelf life in the distribution channel while others will not. Some customers will need more shelf life in the display counter. Regardless of the requirements of the customer, there will obviously be a balance with distribution shelf life and display shelf life. We as an industry need to be diligent and prudent in establishing threshold shelf life parameters that yield sound, wholesome products.
- Concerning product specifications, we need to keep one thing in mind while producing case ready products, and that is the customer either sells it or they throw it away. Therefore, the products have to be correct when they leave the case ready factory. If not, everyone loses, especially the consumer. Build quality into the system/process. One cannot economically inspect every package.

In conclusion, our three key drivers: the Consumer, the Customer, and the Product are equally important. Case ready success depends on understanding the needs of the consumer, fulfilling the expectations of our customers and continually improving our products. That translates into Consumer Controlled Production. After all, who else is buying our products?