Organizational Focus – Planning for Food Safety

July/August 2012
Ray Hansen, ISU Value Added Ag Program Director
Five Critical Business Components for Entrepreneurs as they apply to Food Safety

1) Economic Feasibility
2) Technical Feasibility
3) Management Capability
4) Financial Feasibility
5) Market Knowledge
Economic Feasibility

• Do the goals and objectives make sense?
  – Scope of project realistic
  – Site location and resources adequate
  – Appropriate utilities available
  – Trainable work force
Technical Feasibility

• Is the safety plan focused on a fair “Risk Assessment”? 
  – Are technical constraints and limitations and ‘real’ potential risks identified?
  – Appropriate permits, licenses, certifications and insurance in place?
  – Are all resources in place to address the risk? – human, equipment, recording tools etc.
Management

• Are leadership and accountability identified?
• Are critical issues clearly identified and shared?
• Are benchmarks and milestones consistent?
• Are staff needs and responsibilities clearly identified?
Financials

• Is the project’s ‘safety’ component funded?
• Are operating and development costs realistic?
• Are reliable financial projections used?
Market Knowledge

• Is the identified market sustainable?
• Is the market area clearly identified?
• Has the competition been clearly identified?
• Are market claims supported by evidence?
Review

• Safety should be integrated into all five areas of business development.
• It must make strong economic, business and financial sense; management must be committed and necessary technical resources must be provided to be successful in the marketplace.
• Start with thorough market research
Understanding the Market

Marketing Is:
The process of **planning** and **executing** the conception, **pricing**, **promotion**, and **distribution** of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives.

Target Market
Identifying your **TARGET MARKET**

• Who is your customer (consumer/buyer)?
  – Demographics (Age, income, etc.)
  – Geographic (Where are they located?)
    • Segment customers by regions, zip codes, census tracts
  – Psychographics (What drives them to buy?)
    • Lifestyle characteristics
    • Behavioral patterns
    • Beliefs/values
    • Attitudes
  – Product Use
Marketing Channels

• Direct to Consumers
  • On farm sales, CSA, farmers market, agritourism
• Retail Locations
  • Chefs, restaurants, grocery stores
• Wholesale
  • Brokers, produce auctions, processors
• Institutional
  • Schools, colleges, nursing homes, hospitals

• All will have different safety expectations
• Segment Your Customers and Develop Customer Profiles
• Begin to Develop Your “Professional” Marketing Image
• Start by Developing Your Business Marketing Plan
Using MarketMaker to Identify a Target Market