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**TRANSLATION**

**RETAILING, MERCHANDISING  
AND SALES PROMOTION**

**BUSINESS MANAGEMENT**



general agreement among corporate management experts that the field of internal business structure still offers an impressive potential which can be mobilized to great advantage.

In order to live up to the requirements posed by situations of sweeping structural change, a company's organizational forms and structures must be reorganized and rejuvenated with a determined sense of purpose. To accomplish these goals, two important sets of instruments are available: lean management and corporate identity (CI).

At this point many a reader will pause asking the question: why corporate identity? and what role does CI have to play in a business's organizational structure? The answer to this twofold question comes easy if the generally accepted definition of CI is a known factor. According to the

ophy specifically geared to meat processing companies' special needs and requirements makes the changeover to more a more effective organizational structuring possible. In addition, appropriate corporate identity concepts can go a long way in eliminating or at least alleviating worker motivation problems which, for some part, may otherwise rise to acute levels. In all their deliberations, executives should always remember that a successful CI solution will never be one that's ready-made and can simply be taken from the drawer, but must rather be footed on concepts individually elaborated according to a business organization's individual needs. In the same vein, corporate identity cannot be accomplished by sleight-of-hand, as a one-shot assignment so to speak, but rather, it represents an ongoing process to which a com-

when not for the segmentation building block.

German companies in particular have shown a noticeable inclination to adopt segmentation strategies in an effort to regain recently lost competitive ground. Factors they need to offset include existing disadvantages of Germany as an industrial base, such as relatively short effective working times coupled with high labor cost, unsatisfactory operating plant and supplies utilization times, or the relatively high tax burden companies operating out of Germany must shoulder by international comparison.

The segmentation concept is one of tradition. Market segmentation and strategic business units (SBU's) rank high among the segmentation classics. Market segmentation in the sense of subdividing a total market into homogeneous buyer groups or

the meat industry to also enter into the picture. In fact, the marketing management of Schwandorf-based meat processor Wolf, a medium sized meat processing company, must be credited with being the industry's first to think one step ahead and introduce kids' sausage, the Winnies brand, to the market. Wolf aims at selling 10 tons of Winnies per day nationwide. In this connection, it must come as a surprise that the Germany-wide famous Fruchtzwerg ("fruit dwarfs") advertising tagline "so wertvoll wie ein kleines Steak" ("as valuable as a little steak") could go around being a thorn in meat industry's flesh for such a long time without at least a few companies rising up to the concept earlier and initiating correspondingly successful marketing measures of their own.

a demonstrated willingness to embrace it, are Abbelen; Herta; Niederreuther; Hütthaler; the Zimmermann group (Zimbo); and NFZ. For those wanting to gain instant and accurate insight into new trends and developments taking place on the food sector in the future, resorting to the LP Neue Produkte data base would certainly be a good idea. The service is available from the German publisher Lebensmittel Praxis Verlag on diskette storage. Developers of new products in this field should also think about the innovation potential offered by combining meat and other food materials into innovative new product offerings. Companies fighting for a competitive edge will soon discover that process technology assumes a decisive role in their effort. But in any case, it is time for the German meat industry to cross its limiting lines of traditional production-category thinking and find new positioning orientation in the market as it exists today. Hardly a better example of how this can be accomplished in practice could be cited than that provided by Stockmeyer AG. No other company in the German meat industry has chosen for itself so broad a diversification base, and as this strategy worked out, marketing

terms of customer benefit that sets us apart from the competitors?"

A meaningful answer to this question can only evolve from thoroughly analyzing the competitive field. For marketers of red meat products it only stands to reason that intelligence efforts must first be focused on the direct, same-category competitors, analyzing them and their offerings most scrutinously. Superficial knowledge about chief competitors is by no means sufficient. How important an element systematic competition analysis is in the context of modern marketing principles, has apparently not yet been fully recognized by the German meat industry, because, without this default on the part of Germany's meat companies, it would be hard to explain why foreign meat exporters should have operated with such extreme success not only on the German market but also in the marketing region of the newly independent states (NIS). This also comes in the face of the obvious and generally understood fact that a company's capability to satisfy its customers problem-solving needs with solutions superior to those the competitors has to offer, is an all-decisive factor in its marketing success. But it is only natural that no

that this aspect is not always heeded in corporate acquisition strategies.

### Consumer insecurity

To those in the meat products industry who still lead and manage their companies by production-oriented approaches, the recommendation to reorient themselves to a market-focused approach philosophy cannot be pronounced urgently enough. It is the consumer who is at centerstage. Orientation by target groups is but one element of greater customer orientation. "Customer Service" is the order of the day. Customer loyalty achieved through customer satisfaction is the motto followed by successful companies and should also be the operating maxim of businesses in the meat industry. To counteract consumer insecurity, it is best to bank on intensified customer information carried out in the form of relevant public relations work. It is particularly in this area that weakness demonstrated by silence can often be uncovered – and not only in the meat industry. The truth, however, is that the meat industry's image as perceived by the public today bears little resemblance to what is reality in many respects. True, re-

that modern public relations belongs in experts' hands and can by no means be regarded as an "also-running task" to be handled on the side.

### Cost pressure

In the face of an intensified competitive environment, technology-oriented businesses are among the first who feel the need to subject their production areas to thorough, detailed probing for possible efficiency-building rationalization potential as a first step to initiate future-oriented measures aimed at improving the competitive stance. Various press releases, for instance those from CG Nordfleisch AG or Moksel AG, have shown that the German meat industry has meanwhile come under compelling pressure to identify potential for rationalization and efficiency increase in order to reduce the cost burden of the manufacturing process. In recent years, companies in the United States have used benchmarking as a highly successful instrument for maintaining or increasing their respective competitive positions. By definition, benchmarking can be explained as a systematic process of comparing a company's own characteristic performance data with

constitute a good starting base on which to build a more far-going benchmarking system. While in many other fields of industry, benchmarking has meanwhile spread to the most remote corporate corners, hardly a syllable of it is heard in German meat industry circles. Why could this be? Could the reason possibly lie in the fact that engaging into such an activity would be tantamount to

everybody else had foreseen early enough (what was meant was the need to manufacture smaller, more fuel-efficient automobiles)." To explain, Noll argues that while a manager's interest may be in agreement with his company's interest, the stress mark is on the word may, as this must not be necessarily so. In Chrysler's top management at the time there were simply no execu-

visible working results and working successes which can again be measured in real terms.

Ideas of rigid structures and hierarchies must be laid to rest in the meat industry as well. Rather than following the precept of precisely defining how tasks and competencies are to be distributed, business leaders must in future proceed to mobilize the ideas potential all people employed bring

world's most reputed scientific research institutes, and some of these nations can also boast of the world's largest natural resources in oil, gold, timber and minerals. Presently, more than 300 million people live in the NIS region. As such, a market is developing in our immediate neighborhood which may, at one point in the future, very well reach American proportions. Marketers are cur-

they all furnish ample proof that entering those markets early will, as a rule, be a paying proposition. As such, it is also obvious, that companies starting their marketing activities in 1995 or even later will find entering these markets substantially more difficult.

### Time pressure

One argument propounded by many managers against change taking place in their own companies is the factor of time. Sure enough, companies spending most of their daily time just coming to grips with routine tasks can hardly find the time necessary to acquire sufficient information about current trends and devel-

lished. Turning to the meat industry, many companies now feel the backlash of the fact that strategic planning only exists in initial approaches, or that it is only based on obsolete instruments as that of prognostication for instance. In times of undaunted growth, when the word change was nearly unheard of in the corporate world, the consequences of neglected business planning weren't nearly as devastating as today. As large parts of the German meat industry still orient their course by what has happened in the past, one reason for the dilemma currently facing many businesses becomes readily apparent. Add to that the fact that business enterprises today must cope with externally im-

pensable in all these areas in a way that decisions can be made which are good and viable for the company's presence and its survival into the future. If, as has already been described, the corporate community takes on a more complex, multifaceted shape, what this amounts to in the final analysis is that the task of information procurement has also become more complex and more multifaceted. In their business information procurement and channeling functions, companies must change direction and seek out new roads to travel. Information management is the keyword describing the new road signs best. Without the introduction of a well thought-

consumers burdened with increased insecurity building customer loyalty through customer satisfaction);

- ▶ benchmarking and expanded controlling as well as aggressive pricing, and personnel management by human resource principles to counter cost pressure;
- ▶ opening up new markets (for instance those of the newly independent states, NIS) to secure growth even though western markets are saturated.

Part two of this article, to be published in the following issue of 'Die Fleischerei', will provide more detailed information about building a viable, self-contained information management system