

The Country PubCo

A case study

7 Stages of Business Development - Case Study 1

The Briefing

Subject: Post-COVID Business Development Strategy for The Country PubCo.

Brewing up a storm since 1873

Overview

The company operates across three distinct but interrelated sectors:

1. **Pub Estate Division** (managed and tenanted pubs).
2. **Brewing and Distilling Arm** (producing craft beers and spirits).
3. **Hospitality Sector** (hotels and restaurants).

Post-COVID, significant challenges have emerged, particularly in the pub estate division. These challenges include shifts in consumer behaviour, supply chain disruptions, staffing shortages, and rising operational costs. The goal is to explore business development opportunities that could stabilise and grow the business.

Case Study Objectives

You will undertake the following tasks:

1. Review and validate “Conventional” business development ideas
2. Consider a “Blue Sky” strategy
3. Compare and contrast the two approaches
4. Make a recommendation based on quantifiable data and using the 10 determinates of success clearly showing why your recommendation has the best chance of success.

Conventional Approach

The idea centres on leveraging the company's unique assets to integrate operations and increase revenue streams. Specifically, the proposal may include:

- **Vertical Integration:** Expanding the brewing and distilling arm to supply craft beverages exclusively across the pub estate and hospitality properties.
- **Experiential Offerings:** Introducing brewery tours, tastings, and local tourism events to attract new customers.
- **Tenant Partnerships:** Offering tenants improved financial structures, like revenue sharing or shared marketing initiatives, to ensure profitability.
- **Diversified Use of Pubs:** Using underperforming pubs as co-working spaces or community hubs during non-peak hours.

Blue Sky Thinking

Summary of the Idea: Village Pub Street Food Offering

The concept involves introducing a **street food service** at village pubs, leveraging their local presence to create a dynamic food experience. This strategy aims to drive foot traffic to underutilised village pubs while capitalising on the growing popularity of street food. The approach integrates the company's culinary expertise, efficient logistics, and local partnerships to deliver high-quality, seasonal offerings. The street food service could be branded as a distinct identity within the PubCo portfolio, offering both onsite and digital interfaces for ordering and collection.

Key aspects include:

- **Customer Engagement:** Attracting local patrons and enhancing the pub experience.
- **Collaboration:** Empowering tenants and managers to participate in the service model.
- **Culinary Innovation:** Company chefs designing adaptable, trendy street food menus.
- **Operational Efficiency:** Preparing food centrally and distributing it to food trucks or pub outlets.
- **Brand Differentiation:** Unique branding opportunities aligned with the company's values.
- **Legal & Compliance issues:** Food trucks will need to comply to all local and National EHO requirements
- **Revenue Recognition:** All food truck revenue will need to be based on cashless transactions how will that be handled.
- **Food Waste:** Consider a minimal food waste strategy and how that could potentially benefit the community or commercial goals of the operation.
- **Digital Integration:** Using technology to streamline ordering, payment, and pickup. (delivery?)

Tasks Aligned with the 10 Determinants of Success

Both the conventional and blue-sky approach need to be flushed out in terms of business modelling.

You will need to break the analysis and reporting down according to the workflows defined in the training course. This will include

Ideation : The process of articulating the ideas that you propose in each section. Assume that the “Blue-Sky” idea came out of a brainstorm meeting and was proposed by a junior admin assistant just returned from a vacation in Malaysia!

You will need to contrive a branding identity and strap line for each idea proposed.

Below is a task breakdown in line with the determinants of success framework:

1. Market Understanding

- Conduct market research on local demographics and food preferences.
 - Analyse trends in the street food and takeaway sectors.
 - Identify successful regional competitors and differentiate offerings.
 - Identify a criteria for success to include location / style / services / lighting / parking / food offerings that do not compete with the pub
 - Develop methods of attracting customers to the street food truck and onward to the pub.
-

2. Value Proposition

- Define the unique value of the service: convenience, quality, and local appeal.
 - Develop branding that reflects the company ethos while appealing to street food enthusiasts.
 - Develop an internal communications strategy that ensure the support of the key stakeholders from the board to the naysayers.
-

3. Competitive Positioning

- Benchmark the offering against competitors’ street food and takeaway services.
- Highlight the local support angle and the integration with village pubs as a unique selling point.
- Review and validate popular food types and complexity of production and distribution

4. Resource Management

- Allocate budget for R&D in menu design and branding.
- Assess infrastructure needs for central kitchens and food trucks.
- Recruit or use skilled staff for menu development and logistics management.

5. Operational Excellence

- Design workflows for food preparation, packaging, and distribution.
- Develop a training / engagement program for pub tenants and managers.
- Implement a quality assurance process to ensure consistency.
- Consider revenue split models with tenants and managers.
- Consider staffing and if this could be done by servers employed in the pubs
- Consider food safety training and digital record keeping (compliance / safety / finance)

6. Customer Relationships

- Build local loyalty through seasonal offerings and promotions.
- Create a digital ordering app or platform for easy interaction.
- Collect feedback to refine and innovate the offerings regularly.

7. Financial Viability

- Create financial models for central kitchen operations and revenue-sharing with tenants.
- Develop pricing strategies to ensure competitive margins.
- Assess initial investment against projected ROI over 12-18 months.

8. Risk Management

- Identify potential risks such as supply chain disruptions or low adoption rates.
- Create contingency plans for seasonal downturns and operational bottlenecks.
- Ensure compliance with food safety regulations and local business laws.

9. Innovation and Agility

- Experiment with pop-up food events to test the concept.
- Introduce special events or collaborations with local businesses or chefs.
- Use data analytics to track trends and adapt offerings rapidly.
- Consider mobile apps for collection & delivery
- Consider noise nuisance aspects for close neighbours

10. Execution Roadmap

- **Phase 1:** Research and pilot the concept at a select number of pubs.
- **Phase 2:** Roll out central kitchen operations and finalize logistics.
- **Phase 3:** Launch full-scale service, integrating digital tools and marketing campaigns.
- **Phase 4:** Evaluate performance and iterate based on customer and tenant feedback.

This structured approach ensures the idea is not only implemented effectively but also aligned with strategic objectives to maximize its potential success.

Quantify Risks and Opportunities

Assess market trends post-COVID (e.g., consumer preference for local, sustainable products).

Evaluate the financial and operational risks associated with the pub estate, including tenant viability.

Identify opportunities to enhance revenue through innovation in service delivery.

Develop a Business Plan

Formulate a clear business plan incorporating the proposed idea.

Include forecasts for revenue growth, costs, and ROI.

Validate and Quantify the Proposal

Use historical data and market research to validate the feasibility of the proposed actions.

Quantify the expected benefits, such as cost savings from vertical integration or revenue uplift from experiential offerings.

Risk Management

Identify internal and external risks (e.g., inflation, staffing issues, changes in consumer spending).

Propose mitigation strategies for each identified risk.

Establish a Roadmap

Define a phased implementation plan.

Set KPIs for each stage to track progress effectively.

Outcome Goals

By the end of the case study, you will deliver:

- A robust business development strategy supported by quantitative analysis.
- A clear roadmap with actionable steps and defined roles.
- Risk assessment documentation and mitigation strategies.
- A model demonstrating the financial viability of the proposed ideas.

This case study will serve as a practical exercise in applying business analytics and strategy development techniques to real-world challenges, focusing on data-driven decision-making to ensure post-pandemic recovery and growth.

Remember

We are looking for two clear analyses, one based on your ideas for a conservative, stepwise approach and the other a true blue sky approach. It's also worth bearing in mind there is no right or wrong answer, there is only the solution that the numbers show. The board may take the view that steady Eddy is a sound approach and pulled pork Po-Boys or Thai fishcakes with lemongrass sauce or Roti Canai would not square well with the village people.. Just do the numbers and make the recommendations.