



# KIS SHOWCASE: LEVAC APIARIES AND GLENGARRY BEE HIVE

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# Agenda

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- Brief introduction to QBC, and our project specifically
- Overview of Levac Apiaries and Glengarry Bee Hive
- Analysis and recommendations for Levac Apiaries
- Analysis and recommendations for Glengarry Bee Hive
- Conclusion

# Overview of Project

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- In October 2009 Joanne and Mark Lauterbach reached out to QBC, looking to obtain a fresh perspective on their businesses
- After contacting Joanne and Mark, Netasha and Phillip travelled to Glengarry, ON, in order to learn more about the companies
- Developed a proposal and conducted a broad analysis of the operations of the two companies that was compiled into a report and then submitted to clients

# Focus on Levac Apiaries

- Family owned and operated since 1945
- In 2006, current owners (Joanne and Mark Lauterbach) purchased the company lock-stock from her father
- Based near Cornwall, Ontario
- Produce, wholesale, refine, package, distribute and retail honey and honey-related products
  - *completely* vertically integrated

# Focus on Levac Apiaries

- Only source honey from eastern Ontario
  - Very high quality, but also considerably more expensive than alternatives imported from Argentina and China
- Differentiating factors from other local apiaries:
  - Kosher
  - Heritage
  - Long-term and faithful clientele



# SWOT Analysis of Levac Apiaries

## Strengths

- Unbelievable passion, commitment from founders
- Willingness to try new things, take calculated risks
- Ability to cut down non-core expenses while maintaining revenue
- Quality of their products

## Weaknesses

- Time Management
- Managing Organizational scope
- Objectivity

## Opportunities

- Margins on hand cream
- Likelihood of a warmer summer
- Kosher Consumers
- "Local" food movement

## Threats

- Increasing pressure on margins
- Short-term liquidity
- Bees dying

# Key Recommendations for Levac Apiaries

- *All recommendations focus on following criteria:*
  - ⊗ *Time Management*
  - ⊗ *Non-capital intensive*
  - ⊗ *Aimed at capturing higher margins*
  - ⊗ *Managing organizational scope*
- Focus on the success of fewer, core product lines with high margins
- Focus on value-added activities, try to streamline day-to-day activities such as product delivery
- Aim to capture more sales at retail

# Focus on Glengarry Bee Hive

- Alternative source of income for the Lauterbach's
- GBH is a small retail cooperative located on the Lauterbach's property
- Sells goods and produce from other local producers at retail, including Levac products



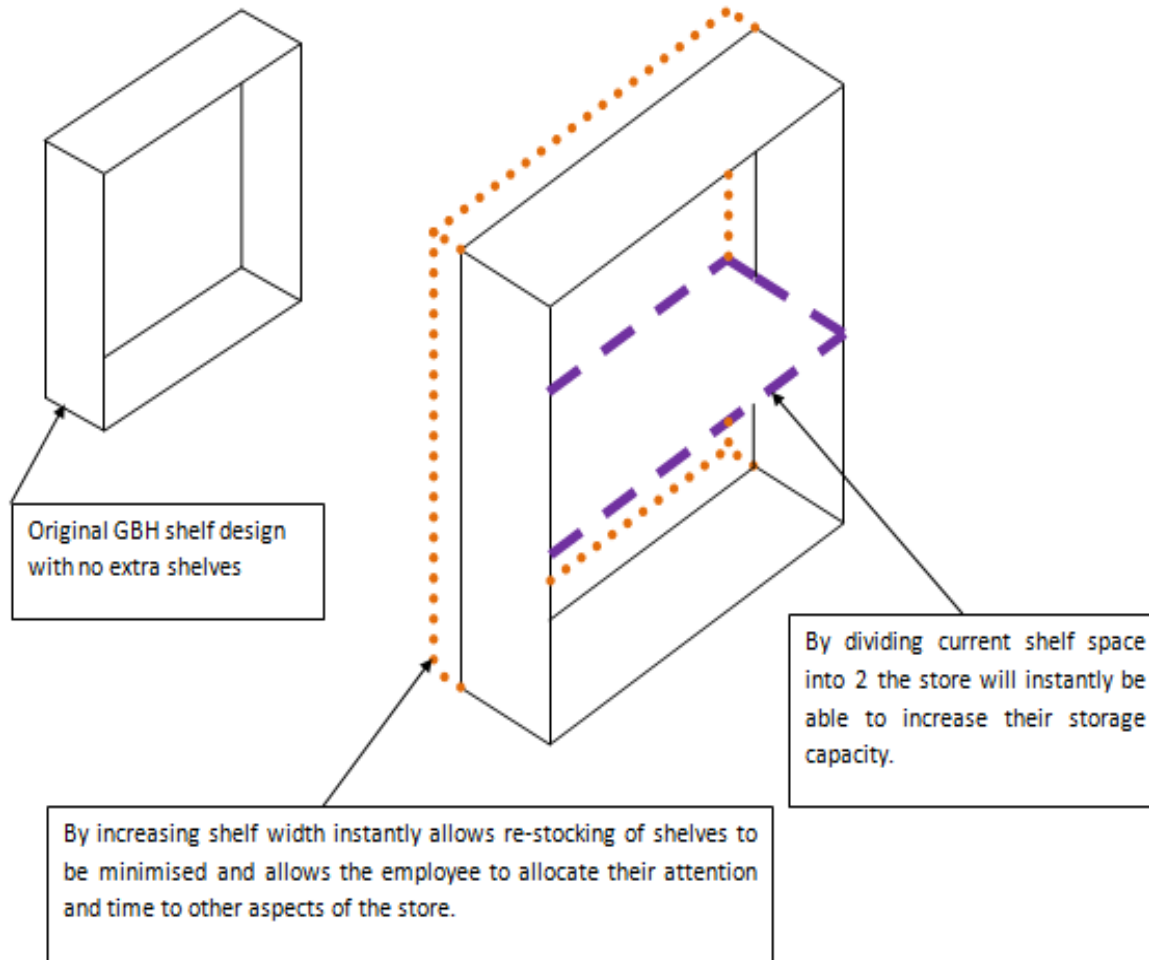


# Glengarry's Innovative Business Model

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- Joanne and Mark “rent” shelf space to local producers, who are responsible for maintaining suitable levels of inventory on the shelves
- Joanne and Mark then charge a monthly fee as “rent” as well as a percentage of sales at the POS

# Recommendations for Inside Store: Maximize Shelf Space Available for rent



# Recommendation: Reach out to local consumers

- Increase customer awareness of the differentiating qualities of the Bee Hive, especially its' commitment to local agriculture
- Aim to maximize revenue per customer
- Key areas of focus:
  - ⊗ Developing a website with relevant "keywords"
    - n Tourists – "Gifts for friends and family"
  - ⊗ Producing promotional flyers for distribution
  - ⊗ Having a consistent local media relations strategy

# Recommendation: Reach out to local Campers

- Bring GBH products to where the campers are
- There are three campsites in the immediate area surrounding the Glengarry Bee Hive
- Having a relationship with campsite owners would be mutually beneficial, additional opportunity to sell more Levac products at retail

# Recommendation: Reach out to local Tourists

## · Tourists

- ⊗ Tourists come to Cornwall through Coach, Train, Car so it would be a good idea to have flyers available at train station, bus terminals, etc. in order to provide access to tourists at main transportation hubs.
- ⊗ Most tourists tend to be from other parts of Eastern Ontario and Quebec, so communicating to them the availability of Levac products in other locations will enable additional sales to be created when they return home

# Conclusion

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- Aim was to create meaningful solutions, easily implemented and that allowed Joanne and Mark to focus on value-adding activities
- Aim towards solutions that were reflective of the time and liquidity pressures faced by the owners
- KIS gave us an opportunity to provide meaningful impact on a manageable scale

# Thank you for your attention

