

DATE: 12/6/2024
TO: Barry and Kendra Deavers, Co-Owners of The Smokin' Pig
FROM: Francesca D'Amore
REF: **Smokin' Pig Expansion Proposition**

Key Question/Problem Statement:	Expanding The Smokin' Pig's revenue streams and capitalizing on entering new markets.
Recommendation	<ul style="list-style-type: none"> ● Develop an original Smokin' Pig product line of sauces and rubs. ● Reaching new customers and markets and extending The Smokin' Pigs reach
Current Situation and Complicating Factors:	<ul style="list-style-type: none"> ● Competing restaurants and businesses are on the rise ● Incoming revenues may not be as high as they can possibly be ● Reaching consumers is limited to those in surrounding areas of the restaurant
Alternative Recommendations Considered:	<ol style="list-style-type: none"> 1. Alternative 1: Partner with food delivery service apps <ol style="list-style-type: none"> i. Working with apps like DoorDash, UberEATS or Grubhub could increase traffic and bring in more business for food delivery ii. However, apps like these reduce profit margins and The Smokin' Pig will no longer have control over their customer's experiences 2. Alternative 2: Add another day of open operation on Sunday <ol style="list-style-type: none"> iii. Operating on a Sunday can give the restaurant a leg up since most small, local businesses are closed on Sundays iv. Adding another day of operations could increase costs and provide a risk of bad customer traffic as many people choose to not eat out on Sundays, especially considering being in the South
Other Considerations:	<ul style="list-style-type: none"> ● Positive considerations: ● Leveraging the brand against competition ● Creating new streams of revenue ● Expanding distribution reach to a national level rather than a local level and exploring new markets ● Opportunities to capitalize on holidays and gift giving ● Opportunities to cross-promote the product and the restaurant ● Negative Considerations: ● Costs of product development may initially be a hit for the business ● Shifting focus to the production of the line rather than operations in house may stage issues ● Gaining recognition may be a difficult obstacle

Summary:

The Smokin' Pig is a favorite local BBQ restaurant known for its comforting food and vibes. The Clemson community, along with locals and beyond recognize The Smokin' Pig for its environment and feel-good BBQ cuisine. Open three days a week on Thursday, Friday, and Saturday, The Smokin' Pig takes on a non-traditional business model and combines a fast-casual experience with sit-down family style comfort and a fun activity area that feels like you're in your own backyard.

The restaurant industry is filled with constant innovation, and therefore constant competition. It is important for a restaurant like The Smokin' Pig to stand out against competitors and continue reaching new heights. By having such a diverse demographic, The Smokin' Pig has so many opportunities to explore new markets. Because of the vicinity to our college town, The Smokin' Pig can gain customers not only from students, but from locals, too. The "exclusive" feel that only being able to visit on the weekends also creates a buzz about the restaurant that not many competitors have.

Along with making sure that The Smokin' Pig can diversify and hedge against their competition, there are other risks that come with operating a restaurant. Financial stability is a risk factor that needs to be heavily monitored. Because they are only operating three days a week, it is important that they have enough revenue streaming from those days. They also need to make sure to balance the amount of inventory on hand to avoid unnecessary costs and waste. Running a restaurant is difficult, however finding the right balance has kept The Smokin' Pig thriving for years.

But why should they stop there? The Smokin' Pig has set a solid foundation for their business. It's time to expand. The Smokin' Pig can implement an original line of signature BBQ rubs and sauces. This line will expand their business, generate new revenue streams and customers, and diversify them even more against competitors. Over the course of 12 months, they can work to research and develop the products, strategize marketing and promotion plans, launch and introduce the line, and customize and expand their offerings.

This plan can benefit The Smokin' Pig's business in many ways. By developing their own line of signature products, The Smokin' Pig can generate revenue from offering them in their restaurant, landing themselves in local markets, and eventually grocery stores worldwide. The team can also capitalize on the seasons, creatively producing special-edition flavors or packaging. Holiday season will also be a way for The Smokin' Pig to offer gift bundles or deals that bring in even more customers. Products that people bring home also offers the opportunity for cross promotion. If someone has a bottle of The Smokin' Pig's Hot Sauce in their fridge, a friend may come over and use it. In turn, they may want to buy themselves a bottle, or even pop into the restaurant to go straight to the source. By formulating original products that are special to The Smokin' Pig and their iconic southern BBQ, their business could reach heights like never before.

PCID Project #1

Economic Logic:

The Smokin' Pig is a local restaurant open 3 days a week: Thursday, Friday, Saturday, serving barbeque and comfort style southern cuisine. The Smokin' Pig follows a nontraditional business model, and I would say that it takes a combination of a family style and fast casual business approach. The Smokin' Pig is widely known as an amazing local restaurant with a comforting and fun ambiance. They incorporate the quick service and order-at-the-counter strategies that fast food places do, but they serve great quality food and provide a sit-down environment that makes it feel more like a casual dine-in family style restaurant. They also provide catering and tailgate options, which is a great tactic considering the area we are in and the vicinity to Clemson.

The first suggestion I have to improve their business model is to market their tailgating and catering options more. I did not know before I did research on the restaurant that they offered these, and I feel like if they marketed it better, like via social media or posters around Clemson, a lot more people would order catering on gamedays. Since they are only open on the weekends, this could bring in a lot more business for them on the days that they are in operation and bring up revenue.

The second suggestion I think could improve their business model is to take advantage of their environment and outdoor space. With all the surrounding land and outdoor area, they could advertise things like live music, karaoke nights, alcohol specials, bean bag tournaments etc. This could bring in a lot more people and attract a crowd at nighttime as well as during the day on the days they are open.

I think that their operation as a casual, fast, family-oriented restaurant is the right way to go. However, these are some suggestions that I think may liven up the crowd and attract more customers.

Talent Management:

The Smokin' Pig, being a small local restaurant, enacts a traditional employee construction. Restaurants have many different roles necessary to operate. The Smokin' Pig, at face value, has internal and external positions like cooks, waiters, hostesses, managers, marketers, and potentially more. Employees gain the advantage of working for a locally owned business, as well as the clear schedule of Thursday, Friday, and Saturday.

With being so close to a large university like Clemson, The Smokin' Pig has a great pool of potential employees. Especially since they are only open on the weekends, students or people in the surrounding areas are less likely to worry about conflicts with class, other jobs, or other school-related commitments. This broadens the horizons for employees and allows for a much larger available talent pool. This is a huge advantage for the business and is something that I think is extremely valuable for their talent management.

A way I think the Smokin' Pig could improve their talent management is to incorporate Clemson students. With our extensive business program here at Clemson, students could be utilized, and they would be gaining real world, hands-on experience. For example, marketing majors could be tasked with the role of social media management, or on-campus marketing that would definitely bring traction in for the business.

Given its location and its fun environment, The Smokin' Pig has great potential to utilize young and passionate employees who are eager to learn and gain hands on experience. The available talent may also bring a fresh perspective to local restaurants and could attract more customers and business with their ideas and strategies.

PCID Project #2

Competitors of The Smokin' Pig:

1. Evolve – Widely popular, modern style restaurant in Downtown Clemson. Great location, close to Clemson campus with mildly affordable modern American style menu options.
2. Erica – Popular restaurant in Anderson with a diverse menu serving Italian style food as well as sushi. They often offer deals on their sushi that attracts customers.
3. Blue Heron - Historic restaurant in Pendleton that serves steaks or seafood. One of the more fancy restaurants in the area with a more upscale vibe and menu.
4. Rick Erwin's – Popular and fancier steakhouse in Clemson. A common place for families and nicer events. The prices are on the higher end and it attracts a fancier and more upscale feel.

STEEP External Trends analysis:

	Social	Technological	Economic	Environmental	Political
TRENDS					
relatively affordable options	X		X		X
entertainment in combination with dining	X				
expanded options for dietary restrictions	X			X	
labor-saving technology		X			
healthy and sustainable meal options				X	
pushes for location based marketing	X	X			
presence on online delivery platforms	X	X			
modern spins on nostalgic feeling cuisines	X				
localized products and ingredients				X	
modified hours	X		X		

Summary:

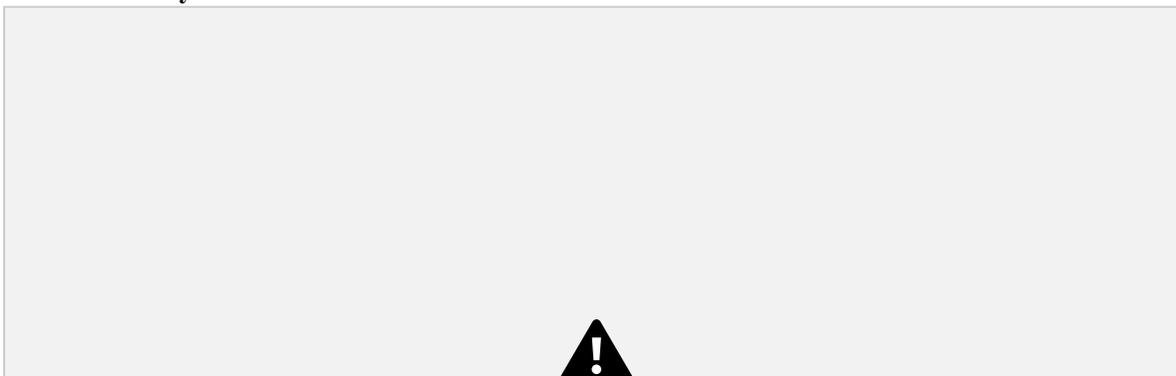
In the restaurant industry, there are a lot of emerging trends that are showing signs of success today. There are many different trends that impact the success of booming food service. These include: affordability, entertainment, dietary restriction options, innovative technology, healthy and sustainable options, marketing based on location, use of online delivery platforms, modernized nostalgic twists, localized products, and modified working hours. In the case of The Smokin' Pig, a restaurant that attracts a relatively lively, young, dynamic demographic, these trends stuck out to me as the most important for their situation.

Many of these trends have a combination of different categories that they work for. For example, I feel that affordability works with both social and economic factors. As Smokin' Pig is located in an area with many college students of lower socioeconomic status, their prices play an extremely important factor in their success within that target demographic. Additionally, college students value innovation and facilitation through technology. The ability to access the Smokin' Pig online will play a large role in their success with the younger generation. Currently, the Smokin Pig' provides online orders, which is an extremely valuable strategy. Also, they do offer catering and tailgate options that you can choose from their website, which is another extremely fruitful strategy in this Clemson area, with a lot of opportunities of football games and large gatherings which emphasizes technological and social factors.

I would also like to touch on the importance of having a menu with options for dietary or health restrictions. Today, many people, especially college-aged people in the area, are health conscious or have limiting dietary restrictions. The Smokin Pig' offers a wide variety of different kinds of meats, and the consumer has the option to add what sides they want. This allows for the consumer to be in control of what they are ordering and could add or take away whatever they may need to.

In addition to having nailed lots of these important trends; in comparison to some of their competitors including Evolve, Erica, Blue Heron, or Rick Erwin's - the Smokin Pig' is the only restaurant with entertainment, like live music and outdoor games. This brings a fun feel to their environment that may entice students and families alike. I believe this sets the Smokin' Pig apart from their competition and provides a nostalgic, comforting feel to a well-priced, delicious restaurant that attracts both residents and college students in the area.

VRINS Analysis:



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Customer Identification:

1. Clemson and Surrounding College Students (Ages 18-23)
2. Local residents (all ages)
3. Visitors and families of local college students (all ages)
4. Low to Middle Income Level

Summary:

There are many factors that differentiate The Smokin' Pig from its competitors. Some of the top competitors of The Smokin' Pig include Evolve, Erica, Blue Heron, or Rick Erwin's. All these restaurants offer different experiences with different cuisines and price ranges. However,

what they all have in common is the foot traction they bring in from Clemson students, their families, and the locals in the area as well. However, to set themselves apart, The Smokin' Pig is the only restaurant known in the area with an outdoor entertainment set up. The variety of outdoor games and seating draws in people of all ages and demographics including families, students and more. This is a great feature that sets The Smokin' Pig apart from its competitors and attracts customers to a bright and fun restaurant environment.

Next, the affordability and customizability of the menu is another distinguishing aspect of The Smokin' Pig. The ability to choose your own adventure and customize your meal for good prices is again a big attraction for families and college students. The large portions packed with protein, comforting flavors, and a variety of sides for less than \$20 is a huge valuable aspect that The Smokin' Pig does excellently.

Another differentiator between The Smokin' Pig and its competitors is its comforting and iconic atmosphere. Customers feel at home and at ease at The Smokin' Pig. With features like walls signed with customer's names, people who dine at The Smokin' Pig feel like they're right at home. This is a rare feeling that not many restaurants can mimic, and it is another valuable aspect of The Smokin' Pig's allure.

Lastly, and I think possibly one of the only things that may be a negative differentiator, is that the operating hours are only Thursday to Saturday. While on the one hand, this may bring more excitement and build up to the weekend when you've been craving barbeque all week long. On the other, this can also mean that the opportunity cost of what they could bring in Sunday through Wednesday could be a huge loss. However, on the bright side, if The Smokin' Pig can operate Thursday through Saturday and reel in enough business that they do not have to open during the week, this is a huge indicator that what they are doing is working for them and for their customers.

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PCID Project #3

Biggest Risks of Failure / Potential Challenges	Cause(s)	How to Reduce or Eliminate the Effect
Risk # 1 Failure to produce enough revenue to sustain operations	Reliance on revenues from only 3 operating days a week	Develop strong marketing and consumer review base to bring in as much foot traffic as possible as well as promote the online and catering options to as many people as possible.
	Balancing the costs of operations (meat, vegetables, dairy, ingredients, employees, electricity, taxation, etc.) with their stream of cash flow from customers	Research and collect data points from past operations to determine the closest quantities and costs that provide sufficient materials and cash flows without waste or significant revenue loss
Risk # 2 Supply chain and local sourcing issues	Reliance on local vendors to produce enough of the correct materials at fair costs to operate, such as local farms	Develop relationships with reliable vendors that will ensure reasonable and quality supplies. As well as have contingency plans in place if supplies fall through such as

Summary:

The Smokin' Pig faces several key risks that can impact its success. Beginning with financial factors, the first major posed risk is failure to produce efficient positive revenue. Restaurants are often associated with high fixed costs due to the constant need for fresh inventory. Operating primarily on business from three days a week, the restaurant must efficiently manage its inventory to align costs with revenue. High costs associated with restocking require careful planning to avoid waste. Effective marketing, and data research are essential to boost sales and maintain profitability by balancing as much customer traffic as possible with the correct amount of planned inventory.

The next risk is operational, issues with supply chain and local resourcing. The Smokin' Pig prides itself on using locally sourced, high-quality ingredients. This reliance on local vendors creates potential vulnerabilities, such as supply shortages or rising prices due to macroeconomic factors. Developing relationships with reliable vendors will ensure fair prices, quantities, and communication and mitigate these risks. To avoid disaster, The Smokin' Pig should also have contingency plans in place in case they are unable to receive what they need from their local vendors, such as temporarily sourcing from a local grocery store or finding backup vendors.

Lastly, market risks of competitor actions are intense in the restaurant industry. While rival businesses can drive innovation and improvement, The Smokin' Pig must focus on customer loyalty. By consistently providing exceptional service and quality at competitive prices, the restaurant can strengthen its customer base and differentiate itself from competitors.

By proactively addressing these financial, operational, and market risks, The Smokin' Pig can enhance its resilience and ensure long-term success in a challenging environment.

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PCID Project #4



Summary:

Smokin' Pig's one-year goal is to develop, produce, and launch a signature line of BBQ Sauce and BBQ Rub. The process is divided into four quarters, each focusing on different stages of the product development, launch, promotion, and expansion.

This first quarter focuses on research and development and finalizing the product concept. The team will create and test BBQ sauce and rub recipes, ensuring they stand out from existing market options. Taste tests, ingredient selection, and packaging design will be finalized, alongside the development of a marketing plan. In the second quarter, the team will research effective launch strategies, finalize packaging and branding, and prepare a marketing plan. Employee training will ensure that everyone is well-informed about the new products. This phase sets the foundation for a smooth launch.

In Quarter three, the team will focus on product launch and promotion. The BBQ sauce and rub will be launched to the public and integrated into the Smokin' Pig menu. Sales progress will be tracked, and customer feedback will be collected to gauge success and make any necessary adjustments. Finally, in quarter four, emphasis will be placed on expansion and seasonal customization. Based on feedback, the team can introduce newly developed flavors and limited-edition holiday gift bundles. Finally, they will start to work with local businesses to expand product distribution and sales. This quarter focuses on growth and expansion, with an eye toward future product development to ensure long-term success. When combined across twelve months, this strategic, phased approach will ensure a successful product launch and sustained growth for the Smokin' Pig brand.