

Caprock Creek Ranch Adventures, Inc.

On-Site Report

Overview of Business

Caprock Creek Ranch is a working 15,000-acre cattle ranch that began a spin-off company five years ago called Caprock Creek Ranch Adventures, Inc. (CCRAI). CCRAI designed and built an entertainment barn along with a kitchen that can accommodate approximately 200 people for a sit-down meal.

CCRAI began with the concept of serving chuck wagon dinners and providing cowboy entertainment for the motor coaches that travel on I-40 between Albuquerque and Amarillo, Texas. These goals have not yet been achieved which means the very attractive entertainment barn is underutilized.

Currently, primary revenues for CCRAI come from school tours (which, you indicated, could not be expanded because you are handling as many children as possible now) and off-ranch catering at the Tucumcari Convention Center, area events and fairs.

Estimated 2001 Revenues CCRAI

School Tours 1,000 @ \$5.00	\$ 5,000
Catering & Chuckwagon Dinners at the ranch	<u>25,000</u>
Gross Revenues 2001	\$30,000

Location

Caprock Ranch is located in the midst of an area called The Caprock, just a few miles off the San Jon exit of I-40. It is very easy to find. It is more than 200 miles from Albuquerque and about 100 miles from the Amarillo region. Within a 50-mile radius, there is no city with a population more than 8,000.

The ranch provides a magnificent panoramic view of the open range, mountains and a beautiful landscape. Once groups have experienced these vistas, it should motivate return business.

Immediate Goals for Increasing Revenue:

- Expand motor coach business through marketing via local and regional tourism groups
- Expand local group market for the CCRAI experience
- Provide ideas for new opportunities

ATTRACTING MOTOR COACH BUSINESS

Presently, CCRAI is not doing an efficient job at attracting the motor coach business, which will be crucial for its growth. Reaching this market directly is costly because it requires participation in many tour conferences and conventions. It also requires an in-depth knowledge of the motor coach tour industry.

Recommendations:

- Work closely with tourism authorities and other business associations that are membership-based, and whose mandate is to help grow tourism or local businesses.

A primary goal of these tourism authorities is to reach the motor coach tour operators and entice them to visit their locales.

The organizations are usually present – and representing their members -- at the national meetings of the American Bus Association and the National Tour Association.

Most importantly, some of these groups, especially the Convention and Visitors Bureaus, will provide their members with a list of all motor coaches planning to travel in your area. These names will be important for your marketing efforts, to be addressed later.

Working with these associations usually requires that you become a member. But to get the most out of member, you need to get involved by attending meetings, joining committees, etc. What you learn from your close interaction with the group will translate into increased business for CCRAI.

Here are the groups to consider joining:

- Tucumcari/Quay County Chamber of Commerce. The organization promotes its members through brochures, membership services and

handling of telephone inquiries. Contact: Virginia Wright, Executive Director.

- Virginia Wright also markets Northeast New Mexico Tourism Group. This may also be a membership-based organization and would be worth your while to join.

They currently produce a map of Northeast New Mexico, which includes your map, but you are not listed as an attraction.

- Albuquerque Visitor & Convention Bureau (AVCB). Call the Marketing Director (505-222-4339) to explain who you are and what you do. Find out how you would benefit from becoming a member. Inquire if they provide their members a listing of the motorcoaches coming into the state.
 - State Department of Tourism. Call the Marketing Director in the Santa Fe office (505-827-73873). Once again, explain whom you are and what you have to offer motorcoaches. They might be able to give you additional recommendations. (It is their job to market the attractions in the state so they need to know who you are and what you offer.)
- Be sure you are well promoted at the Rocky Mountain Symposia's "Go West Summit" in Albuquerque on February 9-13, 2003. This is a regional tradeshow for tour operators from six western states. Go online to www.rockymountainsymposia.com for more information about this event and the opportunities.

While you could participate directly, I believe you would be better served by working closely with Virginia Wright and not incur the registration expense. Be certain Virginia has all of your group pricing and literature for her to promote CCRAI.

PARTNERING WITH OTHER ATTRACTIONS

Tour operators put together “travel packages” or “packaged tours” that encompass a variety of attractions and destinations that will please their customers. They would not take a trip just to have a Chuck Wagon meal at your ranch. To attract motor coaches, then, you need to develop partnerships with other attractions that then can become “package tours” for a day trip or overnight stay.

Recommendations:

- Build relationships with other local attractions, hotels and event sponsor. Work with Virginia Wright identify these attractions and have her work with you as a liaison to develop these partnerships.

Invite them to the ranch to experience the Chuck Wagon dinner and vistas that you offer.

Potential Partners:

- Mesa Lands Dinosaur Museum (for example, visit the museum, then experience a Dinosaur Dig at Caprock, followed by a Chuck Wagon dinner.)
 - Historical Museum of Tucumcari
 - Southwest Mercantile
 - Other local shopping areas
- Create a tie-in with the larger existing community events. As part of these community events, there often is an evening activity prior to event day -- usually for the big donors and/or as a fund-raiser. Promote the ranch as a venue for these dinners. (Once you become active in your Chamber of Commerce you will be more tuned into the planning process for events in your area.)

Contact the executive directors of the following events:

Pro-Rodeo	June
Rattler Reunion	August
Quay County Fair	August
Rotary Air Show	October
Route 66 Festival	

- During the Balloon Fiesta, many motor coaches are traveling on I-40 to and from Albuquerque. Get them to stop in Tucumcari by developing a package with other local attractions for an overnight stay during this time. For example, there could be the Dino-Soars (“Watch the balloons soar, then find out how the dinosaurs roared.”)

PUBLIC EVENTS

Currently you host public special events only for Mother's Day, Father's Day and "Christmas in July." You can easily expand beyond these themes. Hosting events provides opportunities to increase revenues, as well as to show off the ranch to those who might want to book a private party later.

RECOMMENDATIONS:

- Open your ranch for a 1- or 2-day western-themed event, "Ole Western Days at Caprock," that would include activities for kids & parents. Feature cowboy roping, trick riding, jumping, cattle branding, etc. Hold contests such as cow-chip throwing, rib eating, tug-of-war, etc. and offer horse-drawn wagon rides.
- If you don't want to plan and execute special events by yourself, identify a community organization that might be willing to assist in exchange for a portion of the admission fees or another fee basis.
- Another approach would be to offer your Chuck Wagon meal and entertainment to the public (by reservations) once or twice a month for "Western Family Nights" or "Ranch Hoe-Downs." Include western music or even square dancing. You can accommodate families, couples and smaller groups who are looking for something "special" to do on a Saturday night. .

ATTRACTING LOCAL GROUPS

There are any number of businesses and groups that would be interested in booking the Caprock Ranch entertainment barn for private picnics, dinners, parties and other functions.

RECOMMENDATIONS:

- Market your facility to local corporations by purchasing a list of companies with 50 or more employees within 100 miles of your ranch.

The following are costs I researched to obtain a listing of companies and their phone numbers with 50 or more employees within 150 miles of your ranch.

	<u>COUNT</u>	<u>COST</u>
Companies with 50+ employees	1,023	\$ 429.00
Companies with 100+ employees	395	\$ 158.00

Make direct contact by phone with these companies to find out if they ever host company picnics or Christmas parties for their employees, and who is the right person who books these gatherings. (See Sample Script for initial phone contact.)

Once you have an interested prospect you will mail a letter, brochure and pricing sheet. Call again and invite them to visit the ranch. Continue to follow up with sales effort until they book their group or tell you they are not interested.

- Target other groups such as the local military base, community college, service clubs, parents groups, school clubs etc. for solicitation of private parties. Call these groups in much the same way as you will the corporations.
- Call the major banks in Albuquerque, Santa Fe, Roswell, Las Cruces, Carlsbad, and Amarillo to see if they sponsor trips for their Senior Clubs. Generally there is one person at the bank who coordinates these trips. Often these groups are just looking to travel somewhere new and interesting for a day or two. These groups would also be interested in having the entire day packaged and planned for them.
- Promote weddings on the ranch. Typically the larger community convention centers (Albuquerque, Amarillo and Las Cruces) host an annual wedding trade show. Depending on the cost, this might be a good way to market your ranch destination. (Remember the average wedding today costs in excess of \$20,000. Don't undervalue your product for this audience.)
- Presently you have a strong relationship with the Tucumcari Convention Center. Be sure to inform them that you want to bring groups to your ranch to have the full Chuck Wagon experience when the opportunity exists.
- As you begin to book company picnics that include families, you may want to consider adding a couple of additional activities such as: large sand box for the small children, sand volleyball court, a climbing fort or other western-themed activities.

OFF-PREMISE CATERING

While your main goal is to grow the business on your ranch, there is more potential in off-premise catering if you choose to market aggressively. You may want to consider continue doing this while you are building your group business.

RECOMMENDATIONS:

- Develop a list of every fair and festival held within 150 miles of your farm. Contact each one and explain your menu, pricing and identify where you currently provide food.

- Explore the opportunities to be a food supplier at school picnics, community parks, auctions, and craft shows etc.

PRICING THE CAPROCK EXPERIENCE

When guests come to your ranch they are coming for more than the Chuck Wagon meal. Therefore, the pricing is not just about the cost of the food.

RECOMMENDATIONS:

- A cattle ranch should absolutely be serving the “best beef” available. While I have never tasted a frozen steak from Sam’s Club, it is critical that it be of high quality. You may want to continue to price out and taste freshly slaughtered beef to ensure you are serving a quality product. This may effect your costs and the price you charge.
- You provide breathtaking scenery, horse drawn wagon rides, music and activities and you may not be charging enough. In my estimation \$17.50 is below the value of the experience. Check out www.ranchweb.com to see what other Western ranches are charging for similar meals and activities.
- Group tour operators place a high value on an experience. Perhaps the Albuquerque or State Dept. of Tourism could help you understand pricing parameters for the motor coach market during New Mexico visits.

TOTAL RANCH EXPERIENCE

You are selling and promoting an experience most people have only seen in an old Western movie. Therefore the expectation of a motorcoach operator and guests could be compared to coming onto a “movie set” of a Western. Your attention to every detail (both small and large) will leave them with a lasting impression. Let’s make sure they are all good ones.

RECOMMENDATIONS:

- Consider one or two people on horseback (dressed like a Cowboy or Cowgirl) riding up to greet the motorcoach as it drives the trail to your barn. The rider could get off the horse, board the coach and give the group an introduction about Caprock, your family, the cattle business and local lore. Set the tone for an adventure.

- Give everyone that enters the barn a bandana (with your logo) to put on and wear for the evening festivities. You want to get the guests immediately immersed in the Old West and glad they came to Caprock Ranch.
- Make sure the music and entertainers involve the audience. Perhaps a verse of “Home on the Range” would get everyone in the mood for the evening. Have the entertainer sing Happy Trails as the group is leaving.
- Have the wait staff dressed in western clothing
- Consider hiring a storyteller to regale guests with tales of the West and adventures of historic figures.

BARN & GROUNDS

Once again, you are selling an experience, so your facilities must be very appealing to your guests.

RECOMMENDATIONS:

- You have a very attractive entertainment barn building that will be more serviceable once you fully concrete the floor. It would be a nice addition to hang more farm memorabilia/implements both on the inside walls and outside of the building to tie into the Western theme.
- Additional landscaping immediately around your building and openings would also improve the visual impression.
- Good restrooms keep the motorcoach operators coming back. Make sure you pay attention to them throughout the party.
- The outdoor grilling and cooking is part of the visual experience for your guest. Make sure that every area is kept clean and free of insects. This includes your very visible kitchen and production area.

Advertising & Marketing

Advertising and marketing strategies should be developed for the three distinct markets:
1) motor coaches 2) local groups and corporate 3) public events.

Recommendations

- Develop and maintain a database of motor coach operators traveling through I-40. Begin by working with Virginia Wright and the leads of motor coach operators she collected at the Rocky Mountain Symposia “Go West Summit.” Other tourism organizations may also give you names of motorcoach leads. Once or twice a year, send a letter, your brochure and chuck wagon pricing to everyone on the list so they’ll keep CCRAI in mind as a destination for the future.
- Stretch your marketing dollars by working with other attractions and hotels to develop a group tour package and split the cost of brochures/advertising.
- Improve your current brochure when you reprint by increasing the type size of the labeling on the map. Eliminate some of the expanded detail. The key is to get the guest to your ranch.
- Local advertising should be used only for public events.
- Check out my section “ATTRACTING LOCAL GROUPS” to see how to market to these folks.

ADDITIONAL REVENUE OPPORTUNITIES

There are many opportunities to grow revenues through expanded activities and adding merchandise to be sold at the ranch.

RECOMMENDATIONS:

- Go to www.ranchweb.com to see the vast variety of activities being offered on ranches today. Riding trails, roping, cattle sorting, hayrides, cattle drive etc. By expanding your services you could potentially increase your revenues as well as expand your target audience.
- As you begin to build more traffic to your ranch you can then afford to buy western-themed merchandise and New Mexico food products for your gift area. To get started, look for assistance from Country Cross Roads.
- There maybe a program in 2003 through the New Mexico Specialty Foods Association, Jean Gibson Director (505-856-5147) whereby they will allow farms

and ranches to take New Mexico food products on consignment and only pay when sold.

MISCELLANEOUS

The release form your customers are required to sign is very intimidating. It appears to have been written by an attorney. I can't imagine a tour operator having their people sign such a form.

RECOMMENDATION:

- Talk to your insurance agent about the language to make it more guests friendly. Our insurance agent tells us that no release form in the world could prevent someone from bringing suit (and winning) given the right circumstances. Find out what your agent feels to be your biggest risks and take adequate precautions.

Telephone Script for Corporate Prospects

Caprock: Could you help me please? I wanted to know the name of the person in your company that plans any company picnics or group events? I'm calling from Caprock Ranch.

Receptionist: Well, I think that is Ms. Kline in Human Resources. Would you like to speak to her?

Caprock: Yes, I would but could you also give me her direct number in case she is not at her desk?

Receptionist: Sure. Her number is 222-2222. I'll connect you now.

Caprock: Hi Ms. Kline. My name is Michelle Frost and I'm calling from Caprock Ranch in San Jon. I understand that you handle the planning of your company picnics?

Ms. Kline: Yes, that's correct. I do.

Caprock: I would like to tell you about what we have to offer at our Ranch Adventures. First, I'd like to ask you a couple of questions.

(See Contact Survey Form)

Contact Survey Form

Date of First Contact:

Phone Number:

Company Name:

Contact Name:

Address:

City/Street/Zip

Email address:

1. What time of year do you generally hold your picnics? Annually?
2. How many people usually attend? Adults _____ Children _____
3. Where have you held your picnics in the past?
4. When do you generally decide where you will be going?
5. Who makes the final decision on location? You or a committee?
6. Do you have a budget for the event?

**Complete CONTACT SURVEY FORM while you are speaking.
It may not be comfortable -- or possible -- to get all the info on the first phone call.
Sometimes they might just ask you to send the information.**

While you are writing the contact information, you also will be describing what you have to offer, location, pricing etc. If the prospect sounds interested, invite them for a site visit.