

# Introduction to Starting and Operating a Direct Marketing Business

## Fall 2017 Syllabus

### Instructors

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Alaska Sea Grant Marine Advisory Program  
University of Alaska Fairbanks  
<https://seagrant.uaf.edu/map/index.html>

### Meeting Times, Venue, and Office Hours

Meeting Times: 5:30–8:00 pm, Oct. 23, 25, 30, Nov. 1, and 6

Meeting Venue: online via <https://zoom.us/> or by call-in. Instructions will be given prior to first meeting.

Office Hours: by appointment

### Course Description and Goals

This course presents the development and management of a successful seafood direct marketing business from inception to operation. Practical application of business planning, financing, accounting, permitting, feasibility analysis, marketing, and operational aspects of quality control and processing will be introduced, using case studies and guest lecturers from the seafood industry.

The course will be delivered primarily by lectures, supported by case studies to illustrate concepts presented.

At the end of the course, the student will understand the appropriate decision-making tools that are needed to start and run a seafood direct marketing business. In addition to learning basic business planning skills, students will understand and apply the tools that measure management performance and the profitability of a seafood direct marketing business. At the end of the course, the participant:

- Know how to write a seafood business plan for direct marketing.
- Know how to conduct break-even analysis for planning purposes, and understand uses of statement of cash flow, income statement, and balance sheet to maximize the profitability of a direct marketing business.

- Understand the permitting and regulatory process to start a seafood marketing business. For example, if a student plans to start a direct marketing business, he/she will know whom to contact in the State of Alaska (e.g., Department of Environmental Conservation), the type of paperwork needed, (e.g., HACCP—Hazard Analysis and Critical Control Points), and how to get the knowledge to comply with regulations (e.g., complete a three day HACCP course with the Alaska Sea Grant Marine Advisory Program).
- Know how to conduct seafood marketing research, put together and execute a marketing management plan that will optimally place a seafood product with highest return, and identify resources that can help a seafood direct marketing business market their products (e.g., Alaska Seafood Marketing Institute).

Students enrolled in the class will have the opportunity to listen and ask questions with practitioners in the seafood industry, specifically seafood direct marketers and a seafood processor that custom processes for direct marketers.

As a course requirement, students will have the opportunity to practice putting together a seafood business plan or feasibility analysis of their interest.

## Reading and Handouts

Reading material and handouts will be emailed to you prior to each lecture by your instructors.

## Course Outline

### *Lecture 1, Oct. 23 – Direct Marketing Defined, Regulatory Considerations*

#### Topics

- Introductions – your background and interest in direct marketing, meet the instructors
- Class Structure and Expectations
- What Is Direct Marketing?
- The Seafood Value Adding Chain – steps taken to get your fish from ocean to consumers' table
- Operational Considerations and Product Forms – processes from your harvest to the product form you desire, e.g., frozen headed and gutted, fillets
- Regulations – permits and licenses; taxes, records and reporting; food safety requirements

**Homework:** Choose a product form, outline your operational plan, what are the regulations that you have to conform to?

### *Lecture 2, Oct. 25 – Business Planning and Feasibility Analysis*

#### Topics

- Motivation and Capability – Evaluation of resources and your capability to direct market. Find out what you need by conducting a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis
- Market Analysis – assessing demand and competition for your business
- Financial Statements and Conducting Feasibility Analysis – introduction to balance sheet, pro forma; how to conduct a break-even analysis
- Business Plan – components; why you need one and how to use it

**Homework:** Draft simple SWOT and break-even analysis documents (one page total for both combined); draft business plan, use real or fictitious data. Leave blank marketing plan.

### ***Lecture 3, Oct. 30 – Marketing***

#### **Topics**

- Marketing Defined – What is marketing? The profit triangle
- The Marketing Plan – components
- Conducting Marketing Research – secondary information sources, personal interviews, focus groups, and surveys
- Market Segmentation – defining your niche based on the results of your market research
- Marketing Tools – using intrinsic and extrinsic quality attributes of your product, channels of distribution and product assortment, appropriate promotion strategies, and pricing to maximize your returns

**Homework:** Put together your marketing plan, continue to work on your business plan by incorporating the marketing plan, continue to work on your cost structure, price your product.

### ***Lecture 4, Nov.1 – Quality Considerations for Your Product***

#### **Topics**

- Seafood Quality – What is quality? Who cares and sets quality standards? Quality attributes and factors affecting quality loss
- 8 Points of Sanitation – Importance of sanitation in the processing environment; monitoring procedures
- Seafood Handling, Packaging, and Transport – methods and technologies used in commercial seafood packaging and transport; techniques used onboard

**Homework:** Incorporate any packaging and sanitation costs in your cost structure, finalize your business plan and your feasibility (break-even) analysis, prepare to talk about your business for the final class.

### ***Lecture 5, Nov.6 – Group Discussion and Presentations by Invited Direct Marketers***

#### **Topics**

- Invited experienced direct marketers share experiences with the group
- Group discussion of participants' feasibility analysis and business plans
- Exit survey