Outlander Spices

To: Outlander Spices employees

From: Ann Salinski

Date:

Re: Internal Update

# Overview

It is my honor and privilege to be able to send this memo to all of you on behalf of the senior management team. As we finish the third quarter of our tenth year, we have some exciting news to share with all of you. Our profits have grown at a tremendous rate and the demand for our products is skyrocketing! This is an exciting time for all of us and the senior management team is thrilled with this performance. We recognize that we couldn’t have done this without all of you and we want to thank you for your hard work and dedication. Because of this success, we are planning a large celebration for the entire staff two weeks from next Friday. To give everyone time to prepare for the celebration and to further reward your home support staff, we are immediately implementing the following measures:

* Closing the entire company the Wednesday and Thursday before the party.
* Giving each employee two weeks of mandatory vacation time to take within the next six months.
* Setting aside 50% of the profits to share equally among all staff.
* Buying lunch for the entire company every Wednesday for the next year.
* Providing free parking for everyone for the next month.

# But wait, there’s more…

In addition to this great news, we want to announce our plans for expansion into new markets. We will soon be launching a Web initiative so that individual consumers can purchase our products via the Internet. We are also planning to expand our kiosk operations into stores on the East Coast and in the Midwest over the next two years. We are able to do this because of several factors:

1. Our pricing typically undercuts our competitors, yet still provides a large margin of profit for distributors.
2. Our products are manufactured for quality and have earned end-user loyalty, which has resulted in repeat sales.
3. Our products move! Inventory typically turns over 50 percent faster than competitive products.

Our customers have saved up to 14 %of inventory cost while improving productivity and cash flow. Sales to restaurants throughout the country have never been better. This success in the wholesale distribution market has been a major factor in our ability to expand.

We have also experienced a 132% growth in the profits from our kiosks in specialty grocery stores on the West Coast. This success and current market research points to a tremendous opportunity in other parts of the country. We feel it is time to expand this part of our operation into markets on the East Coast and the Midwest.

Finally, we want to seize the initiative for sales on the Web. None of our competitors is currently planning Web initiatives. One only has to read the papers and watch the trends in new business to realize that the potential for a huge new market exists out on the Web. Not only will we be able to reach customers who do not have easy access to our kiosks in specialty grocery stores, but we will also be able to explore the potential for international expansion without building brick and mortar locations.

# The Project Team

We have assembled a project team that consists of six employees and four outside consultants. This mix of internal and external people provides the balance of viewpoints and expertise necessary for a project of this scope to succeed. The team members include:

**Ann Salinski, VP Financial Services**

Ann’s role is to oversee the financials for this project.

###### Jack Thomas, VP Sales

Jack’s role is to ensure that the sites we choose for expansion will maximize sales and profits while minimizing the need to hire additional sales staff.

###### Elise Sechan, Manager, Information Technologies

Elise’s role is to provide technical direction and assistance to the Web initiative.

###### Aileen MacElvoy, Director of Marketing

Aileen’s role is to oversee market research and the creation of any material required by the Sales force, and to oversee all marketing communications with customers and vendors.

###### Ron Timmons, Senior Buyer

Ron’s role is to ensure that the spices and teas we sell are appropriate for the markets we are entering.

###### Kim Leong, Customer Service Representative

Kim’s role is to oversee the support of new and current customers.

###### Kathy Sinclair, Project Management Consultant

Kathy has been hired to oversee the entire project.

###### Thomas Boorman, IT Consultant

Thomas will build the initial Web site, train an internal person to maintain the site, and provide on-going support for the site for a three-year period.

###### Solena Hernandez, Market Analyst

Solena will do the bulk of the market research and provide recommendations to Jack and Aileen on market potential.

###### Susan Gianni, Business Consultant

Susan will analyze our business processes and look for any unrealized savings of time and money.

# Closing

Good news like this is always a fun to share, but I wouldn’t have this opportunity without each one of you. As we move forward with the expansion and continue our current efforts, we recognize that there may be some long hours and stressful days. But with the teamwork and dedication of the entire company, we expect to be sending more of these memos in the future. Let’s celebrate our current success and plan for future successes as well.

From the bottom of our hearts, thank you all!