

Selling Sauce - Levi Roots Case Study



Task 1: Imagine you have produced a new BBQ sauce to rival others on the market. Your dream is for the sauce to be sold in national supermarkets. What do you need to consider about:

The Cost/Overheads:

The Market:

The Investment:

1. What problems might you face when starting the business?
2. Imagine you had £50,000 to invest in a new BBQ sauce, what would you want to know before you invest?

Task 2: Video: Levi Roots enters the Dragon's Den

<https://www.youtube.com/watch?v=kQTzLJCtjk>

The following video shows Levi Roots, a chef from London, introducing his new sauce, Reggae Reggae sauce, to a group of five investors. Watch the first 3 minutes.

What's your first impression of Levi Roots?

Levi gives a lot of background and financial information about the product. Analyse the following background information on Reggae Reggae sauce. From your analysis, would you invest in the product or not?

Reggae Reggae Sauce – Background information

- Looking for £50,000 of investment for a return of 20% share in the Reggae Reggae sauce company
- He's been selling the sauce for 15 years at the Notting Hill carnival in London
- Last year (2006), Levi sold 2,500 bottles at the carnival, charging £1.49 per bottle
- The sauce costs 32p per bottle to produce
- The size of the bottle is 0.3litres
- Levi needs to spend £25,000 on equipment to start producing
- The sauce market is highly competitive with lots of brands
- Levi already has an order for 2,500 kilos (Levi originally thought it was 2.5 million before an investor corrected the calculation) for the sauce, with a potential of 500 kilos per week. He gets £6.50 per litre.

Reasons for YES

Reasons for NO

Do the Dragons agree with you? Watch the video from 8 minutes 30 seconds to 14 minutes to find out the investor's decision

Background

In 2006, Levi Roots appeared on the popular TV programme, Dragon's Den, a programme where people can go to seek investment for their product or service from 5 investors or dragons. He wanted investment for his secret recipe sauce, Reggae ReggaeSauce.

For those who are not familiar with the Levi Roots story, you can watch a short video about him on Youtube at <https://www.youtube.com/watch?v=MscHxe3-DEs>

Or read about him on Wikipedia at http://en.wikipedia.org/wiki/Levi_Roots

Teaching Method:

1) Begin with a picture of BBQ sauce on the board and underneath write "The New BBQ Sauce." Briefly explain that the participants have invented a new BBQ sauce and that it's the best in the world. The trouble is, nobody knows about it. In pairs or groups, ask the participants to think of ways to market the sauce. Give the participants 5 minutes then hold a class feedback session. Elicit new words and phrases and write these on the board.

2) Next, ask the participants to think about potential difficulties when introducing the sauce to the market. To do this, ask the participants to discuss the following 3 categories, with the question:

What do you need to consider in the following 3 areas?

The Cost/Overheads:

The Market:

The Investment:

some ideas:

Cost of Manufacturing Plant
need?

Who are the competitors?

How much do you

Cost of Ingredients

What other BBQ sauces are there?

Who will you ask?

Profit Margins
have?

Who is the target market?

What securities do you

Logistic and utility costs

Depending on the level and confidence of the class, this can be done as a class or in groups.

3) As a class, discuss question 1 and 2 task 1 as a class.

4) Ask the participants what they know about the TV programme "Dragon's Den," in particular, what happens in the show. Briefly tell them about Levi Roots, using the background at the top of this page. Show the participants the first 3 minutes of the clip and ask the participants make notes about their first impression of Levi Roots. Discuss this as a class and ask is there the possibility for investment?

5) Next, the participants start to find an answer to this question. Hand out page 5 to the participants and ask them to analyse the data in groups. Participants must calculate the figures and draw conclusions whether they would invest or not and why. Allow 10 minutes then conduct feedback as a class.

6) Participants then watch the next clip (8 mins → 14.30 mins) and see what the investors think.