



# Trade Street Jam Co.

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## INTRODUCTION

Danita White was reviewing the proposal she was putting together for J.M Jemison, the special projects coordinator seeking to expand their product line at Trade Street Jam Company (TSJC) when a delivery arrived at her Dallas-Fort Worth office. Inside a box marked confidential were three new flavours for her to sample. TSJC's founder, Ashley Rouse called shortly after the package arrived and asked White what she thought. "It is both sweet and sour at the same time!" White noted, describing the new Sour Cherry Ginger jam. White thought the proposal in front of her was both exciting and concerning.

## HISTORY

### Beginnings

Trade Street Jam Company was founded by Ashley Rouse in a tiny apartment located on Trade Street in Charlotte, North Carolina. The company's purpose was to sell a healthier jam, compared to the traditional jams on the market. After the initial success of TSJC, the company relocated to its present headquarters in Brooklyn, New York. The company prided itself on sourcing ingredients from local vendors and farmers to support their region in every way they could. TSJC had been featured on numerous high-profile websites, such as *Food Network*, *bon appetit*, and *Buzzfeed*.

### The Products

Rouse was dissatisfied with boring flavours and a lack of healthy alternatives to jams on the market. She decided to use her experience and training to experiment to find the perfect combination of ingredients to provide a low sugar, gluten-free, vegan, and non-preservative-based jam. These jams, seen in Exhibit 1, were an instant success at farmer's markets in North Carolina.

## Ashley Rouse

Ashley Rouse was the founder and CEO of TSJC as seen in Exhibit 2. As a trained chef, she was in charge of developing and producing new jam flavours. As a black entrepreneur, she prided herself on giving back to the community by teaching jam making classes to kids at underprivileged schools. She also used leftover jam to feed the less fortunate. Rouse described her products as “fresh and funky flavour combos, meet farm-to-table Southern hospitality.”

## Danita White and J.M. Jemison

Danita White was the company’s marketing manager. After starting as a marketing intern, she was happy to see her career grow in the company. White was asked to join J.M. Jemison, the special projects coordinator, to determine the viability of adding more products to the lineup. Though White’s expertise was primarily in determining the marketability of new potential products, she understood how production could play a significant role in the recommendations.

## CONSUMERS AND DISTRIBUTORS

TJSC’s primary customer base comprised of two main groups that were not mutually exclusive. One was those attracted to the dietary component of the products, as a healthier, vegan option, for example. This group aspired to make healthier choices by choosing food with less sugars and without additives or preservatives to suit their lifestyle. The other group consisted of “foodies” who were attracted to higher-end foods with unique flavours and enjoyed trying new things and experiences.

Both target groups tended to come from upper-middle class households. They were typically purchasing the products for themselves or a small household, and they only needed a nine ounce jar to last a month.<sup>1</sup>

The popularity of TSJC’s products had grown rapidly in a few short years, and they were sold in over 50 independent, specialty, and high-end grocery stores. Exhibit 3 shows a map of stores that carry TSJC’s products in the United States.

These retailers would order products and require shipments to arrive within one week to maintain stocked shelves. They ordered in cases of 24 jars per flavour. Retailers typically ordered a case of each of the three flavours every other week. These specialty grocers understood their customers’ desire for variety, and they prioritized working with a number of smaller to mid-size suppliers to achieve this. As a result, they had many vendors to coordinate with every week and needed exact delivery times, as scheduled.

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[1] Once jars were opened, they would only last a month, which was a trade-off for fresher, preservative-free products.

## CURRENT OPERATIONS

All jams were made in a small production run of 600 nine ounce jars using a two-person team that consisted of a chef and an assistant. Rouse was the chef but was only available three days a week<sup>2</sup> for production and no more than eight hours per day.<sup>3</sup> Rouse's involvement in production ensured that TSJC maintained its high quality standards, while allowing for strong flavour profiles. Creating jam required three steps that each had their own process, as shown in Exhibit 4.

### Cooking

Cooking involved preparing the ingredients by washing, chopping, dicing, mashing, and measuring them according to the recipes. The assistant washed the ingredients, and cut and mashed them as instructed, while the chef gave directions and measured the correct portions for the recipes. This process typically took 30 minutes per cook . These recipes required a slow cooking process to produce a thick, buttery spread. This slow cooking process took two-and-a-half hours to complete. They used six pots, each with a liquid capacity of 40 quarts and the process would evaporate 29.5% during cooking.<sup>4</sup>

### Jar Preparation

One of the most important aspects of food safety was boiling the jars to kill bacteria before filling. Four dozen jars could be loaded into a cage and placed in boiling water for two minutes. The loading and unloading of the jars into the cage took an additional three minutes.

After unloading, the jars were placed into a sterilized tray to hold them in place for the filling process. This happened simultaneously to unloading, and the additional time to move the tray into position was negligible. The assistant completed this step, while the chef monitored the cooking.

### Filling

Once the cooking was completed and the jars were prepared, filling could begin. Both cooks worked rapidly to fill the jars while the jam was still hot. Each member of the team could ladle and fill one jar every 15 seconds.

Once filled, they would be turned upside down and placed into hot water to seal the container to preserve freshness. This process took 10 minutes per batch, including loading the jars into place and allowing them to cool after.

### Clean Up

Food safety was an important element of changing over recipes. All of the equipment had to run through industrial heat dishwashers, and stations had to be torn down and setup again between batches. This process took an hour.

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[2] Trade Street Jam Company operated 50 weeks per year.

[3] The assistant was paid for eight hours per day, regardless of actual production time.

[4] Thirty-two fluid ounces are in one quart.

## NEW FLAVOURS

White was excited about her new flavours, after trying the samples. These included Sour Cherry Ginger, Plum and Rose, and Blackberry Mulled Merlot. White knew she had tasted three major hits that her markets would love.

These new recipes would require flash cooking, which was a rapid cooking process to retain as much colour and flavour from the fruit as possible, and it changed production processes. The new cook time would only be 10 minutes, however, they required 20-ounce saucepans, and they evaporated by 10% during cooking. The prep work would be done the day before when the team completed the traditional slow cook processes.

A third worker would be hired on flash-cook days to continuously prepare the jars for filling, while the previous assistant continuously filled jars. This new employee would boil jars to prepare them faster than the jam was ready, which slowed their production to meet the rate of the jam flash cooker. The new filler worked at the same rate per task as on slow cook days.

The chef would need to continuously flash cooked using six saucepans. Five saucepans cooked in an even rotation, and the sixth position finished the jam waiting to be jarred.

During flash cooking days, the third worker would be paid an hour of overtime to stay and clean while sealing that day's production.<sup>5</sup> The jar prep station would require \$100 for a second boiling cage that allowed Rouse to seal the day's production. She also needed to spend \$750 on new saucepans.

The new order size would become too big of a demand on Rouse's time. The kitchen now ran five days a week; three for slow cooking and two for flash cooking. The assistant would be promoted to full chef and earn \$90,000 per year, and a new assistant would be hired at the same \$22 per hour rate as the previous.

The launch of the new flavours required significant investment in product testing, designing marketing materials, and an advertising campaign. These were expected to cost \$20,000, \$30,000, and \$150,000 respectively.

Currently, their 50 distribution partners ordered all three flavours every other week. White believed that 75% of them would likely start ordering all six flavours every three weeks as the cannibalized sales from existing flavours would slow the need to repurchase. These retailers added a 50% markup to a total price of \$15 per jar. TSJC paid a cost of goods sold of \$3 per jar.

TSJC also sold jam directly online for the same retail price, as to not undercut grocery partners. White expected to receive 50,000 orders annually for the new flavours, however, 60% of customers would have otherwise chosen from the existing flavours. The cost of goods sold remained the same amount per case.

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[5] Overtime was paid at time and a half.

## NEW PRODUCTS

White found that one of the boxes was heavier than usual and believed it contained more than just jam. After searching to the bottom, she found Cherry Chipotle Mocktail Mixer. Rouse had sent along a new potential product outside of jam. Mocktails could become a whole new line of products for TSJC with tremendous potential. White expected that 20 retailers nationwide would give the new product shelf space and add one flat of 14 bottles to their bi-weekly order. The bottles sold for \$18 retail, based on the typical markup for jam. The cost of good sold per bottle would be \$5, and they would also be able to sell 5,000 units online, matching retail pricing.

This process involved buying the same saucepans and boiling cage and investing in a \$450,000 bottling and labelling machine. It used the existing kitchen equipment, including pots that had a total value of \$230,000. The testing, design, and advertising campaign would be 20% more than they were for the launch of a new flavour.

The new process took the same cooking and jar prepping time per ounce as flash cooking jam, however, the bottles were 16 ounces. Filling required 45 seconds per bottle.

If the test product did well on the market, they could launch three more flavours (totalling four mocktails) next year with retailers ordering a flat of each flavour per week, and expanding to 30 locations. Internet orders were expected to quadruple above the sales of the original flavour. If the second year resulted in the flavour expansion, TSJC would invest the same product testing and design at the same scale, but they would run one additional advertising campaign at the same cost to support the grand launch of the three extra flavours.

## DECISION

White could not stop thinking about the new flavours she experienced. She knew her customers would love them, and that they would reach well beyond the scope of marketing, creating a significant impact on TSJC operations.

EXHIBIT #1

TRADE STREET JAM CO.  
PRODUCT IMAGES

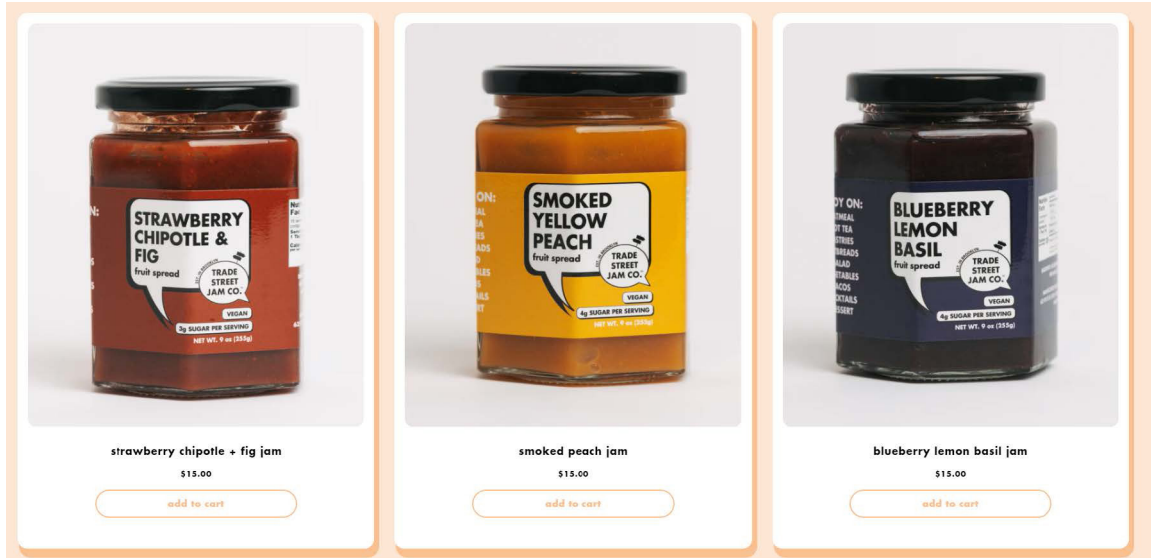


EXHIBIT #2

TRADE STREET JAM CO.  
MANAGEMENT TEAM PROFILES



**ashley rouse, founder & ceo**

Ashley creates fruit forward and clean tasting vegan jams that are low in sugar and high in flavor. She teaches jam classes to kids at underprivileged schools and aspires to use residual jams to feed the less fortunate, two efforts that are near and dear to the owner's heart.

Favorite jam? "**Plum + Rose**. It's super floral and totally romantic."



**danita white, marketing manager**

Traveler. Foodie. People-person.

Favorite jam? "**Plum + Rose**. It's literally perfect with almost anything."

EXHIBIT #3

TRADE STREET JAM CO.  
DISTRIBUTION NETWORK

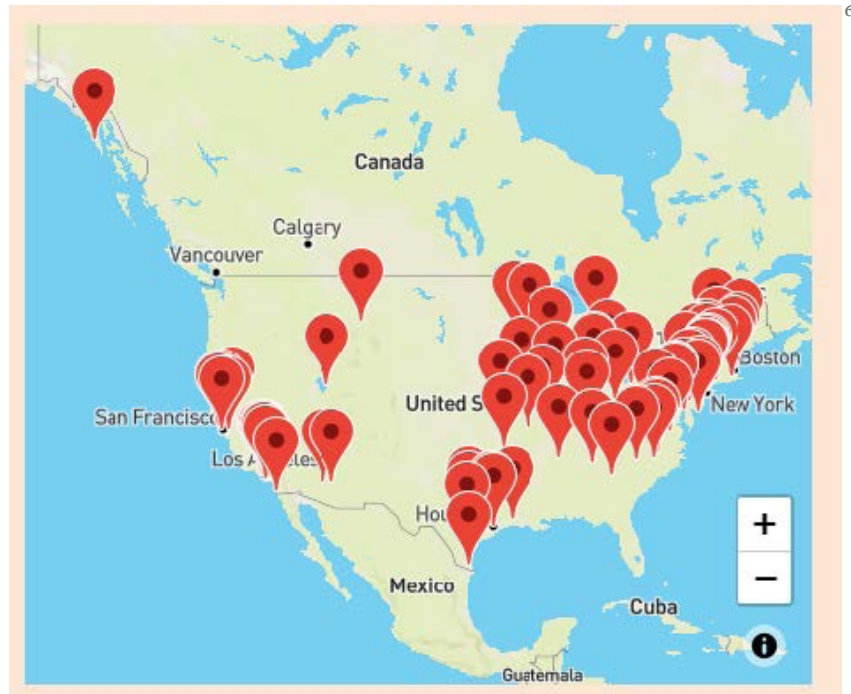
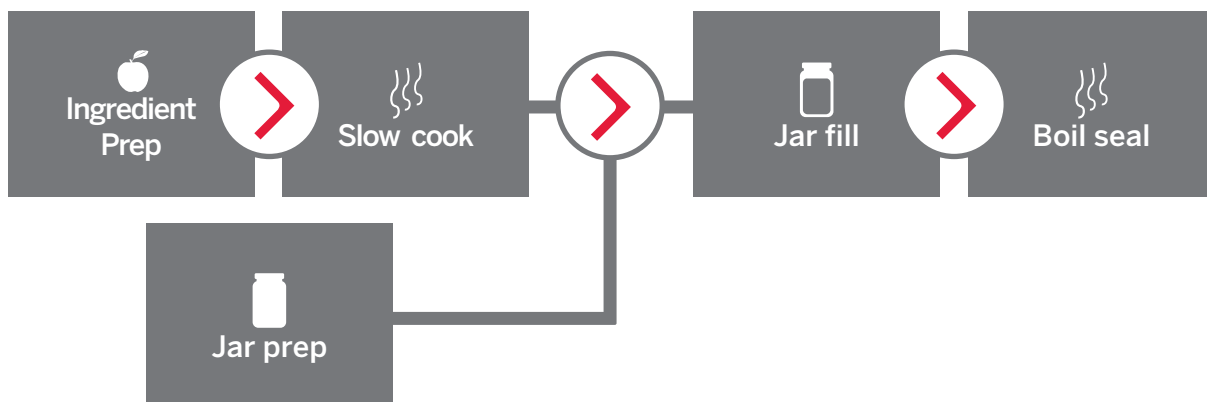


EXHIBIT #4

TRADE STREET JAM CO.  
CURRENT PRODUCTION FLOW



[6] Google Maps. "Trade Street Jam Store Locator." Accessed October 5, 2023. <https://tradestjamco.com/pages/store-locator>.