

# **Case Study Project - Hectors Creek Farm**



Creating Business Opportunities Class  
Homework  
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## **Background Information**

In 1882 a gentleman named William Griffin purchased 46 acres of land in northwest Harnett County and started a family tradition that continues to this day. Five generations later, John Griffin and his wife, Pam, now own this land and farming tradition. In 1998, John's parents were retiring from farm activities as John and Pam were beginning their tenure as farmers. At that time, the farm was named Hectors Creek Farm after the township in which it is located.

The original owner had begun by farming tobacco, corn and a few hogs. John and Pam built a couple poultry houses under contract of Gold Kist Farms.

The poultry houses produce about 5 flocks of chickens each year. They also grow approximately 25 acres of oats and wheat. Tobacco was grown for many decades, but their allotments were as they were getting cut back smaller and smaller.

The size of the farm has now grown to over 150 acres. In 2000, the NC Department of Agriculture recognized their farm as a "Century Farm" since it had been in the Griffin family for over 100 years.

Ironically, it is Pam that manages the farm operations. John works at Carolina's Cotton as a logistics coordinator. Pam has a BS degree in Social Science, and gave up a job as a teacher to manage their farm.

In 2002, Pam and John began the planning of two life changing ventures. The first was the decision to broaden their family. They began the process of adopting a child. This long and arduous process came to fruition in 2003. Their daughter is named Campbell (after the University where Pam went to college).

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Pam, Campbell and John Griffin

Their first venture inspired their second venture. Both Pam and John highly value agriculture and the type of life that a farm can bestow to a family.

They wanted their child to be able to live her life on a farm as well. What type of farm can survive on a mere 150 acres, especially since tobacco was gone? Their answer was agritourism.

## **Business Idea Process**

The idea came to Pam as she was reading a farming magazine about alternative business opportunities. In 2002, Pam and John began to investigate the potential of using their farm as a destination for people to visit.

Both Pam and John like the idea of a corn maze. For the next 3 years, they researched this industry and attended conferences. In 2005, “The Maze at Hectors Creek” opened.

Planning for this new venture covered all aspects of business development. Farmers are usually specific with the crops that they grow. Being able to grow one crop does not automatically make them able to grow any crop. Corn was not a crop that the Griffins had been growing. To complicate the situation, corn for a corn maze is not planted or managed like corn that is grown for harvest. These farmers had to begin by learning about growing corn.

The Griffins scheduled the first of many visits with their Cooperative Extension agents. The row crop and horticulture agents visited Pam and presented her with her first crop (corn) budget. From this budget the Griffins began to formulate their financial plan to grow corn and develop a maze.

They realized that this process was somewhat complicated, and they needed a lot of individual guidance. The Griffins hired a personal business consultant,

named Trey Baker ([www.themustardseedcompany.com](http://www.themustardseedcompany.com)). Mr. Baker helped them focus on their start up costs and their marketing plan.

They decided to make the maze design an intricate part of their marketing strategy. This meant they needed to develop a design that would be appealing to many people in the Raleigh area. The Griffins also decided to develop a design that would have potential sponsorship. This concept is rarely used in the corn maze business. Themes are very popular, but designing for sponsorship is not very common.

Pam said that she chose a race car theme because “Racing has deep North Carolina roots and because NASCAR driver Scott Riggs is from the Triangle area.” She wanted to “keep it local”.

She got permission from MBV Motorsports to use the No. 10 Vavoline race car driven by Scott Riggs (native of Durham County). She also got permission to have 12 “pit-stops” with educational trivia for kids as they make their way through the tall corn-bordered trails.

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Scott Riggs visits The Maze at Hectors Creek

Although NASCAR did not provide any financial assistance, the

authorized use of their logo and images were very valuable as marketing tools.

Next, they contacted a maze developing company who primarily is responsible for designing and cutting a picture or pattern into the corn. However, this company also has experience with marketing, budgeting, and other maze related issues.

Rob Stouffer of Precision Mazes travels the United States providing his services. Pam met Rob at a conference and said she knew from the beginning that she would call on him to cut her maze when the time came. Rob designed the race car and cut it into the corn using GPS (global positioning satellite) technology. The maze covers 9 acres and contains 5 miles of paths. The “pit-stops” along the paths are designed to educate children and families about life on the farm.

Pam's goal is “for people to have an experience here (at her farm).” She wants them to say 'Wow! We had a great time out in the country'.

The experience for children at Hectors Creek included hayrides, a hay mountain to climb and a pumpkin patch. The experience for adults includes cutting your own flowers, chunkin punkins (a game), eating and riding around the farm on a trailer. Refreshments like hot dogs, hamburgers, drinks and roasted corn are sold at the Corn Crib, and the Country Store is stocked with T-shirts, glow sticks and fresh flowers.

■ Scott Riggs chunkin a

punkin

## Capitalization Process

In order to lessen the initial cost of implementation, Pam contacted several companies to sponsor the maze. MBV Motorsports gave them permission to use their NASCAR logo and images.

Gregory Poole (CAT) provided equipment like tractors and lights to use throughout the process. In return, they only asked that the Griffins park their tractors by the frontgate when they were not driving them. These tractors were also used to shuttle people from the parking lot and pull the hayride trailers.

Cape Fear Farm Credit, Chick-Fil-A, Farmer Gas & Oil, and Steel Magnolia all gave money which covered the cost of signage and planting costs. In return, their logos were displayed on maps, webpage and even cut into the maze (Cape Fear Farm Credit).

The Griffin's history of farming seemed to ease the minds of the investors. They were diversifying, but they had a history of making money.

Cape Fear Farm Credit was interested in their business plan, because they have a personal relationship with the

people at that lending institution. It was obvious that this bank wanted the Griffins to succeed. Pam said, "When they found out that we had a personal business coach, then they knew we were serious. They were also aware of our contact with other organizations like Cooperative Extension. No further questions were asked."

Cape Fear Farm Credit did not take an active role in developing a business plan with the Griffins. Cape Fear Farm Credit also knew of the Hector Creek Farm goal of the continuation of farming and agriculture.

It is also worth noting that the Griffins are very devout Christians. They are both active members of Mid-Way Baptist Church in Raleigh. John serves on the Board of Deacons and Pam plays in the church orchestra and serves as church photographer. They also have an additional process that many businesses do not have. They believe that hard work and good planning are only part of the process. The Griffins also believe that "the Lord will provide". The following quote is attached to every one of Pam's emails. It is also on their webpage. "I am the Lord thy God, which brought thee out of the land of Egypt: open thy mouth WIDE and I will FILL it." Psalms 81:10 Although faith is not taught in business classes, it did not seem to hurt the Griffins.

## **Market Process**

Pam kept the books just like she does with their regular farm operation. They did take more notes on aspects like marketing costs, attendance, dates, etc... The Griffins, like any other farmer, were not used to dealing with the public. The commodity products that they produced

prior to the corn maze involved very little marketing. This challenge was confronted in many ways.

They began their research by visited businesses that were within 50 miles. Most agritourism type businesses were glad to share information with Pam and John about their activities.

The Griffins tried to figure out specifically who their target audience was then they tried to reach them. The Griffins also searched the internet and read a lot of articles about the success of similar businesses.

Since their business is a seasonal one, their first customers were very close to their last customers. Pam and John did think that their initial success would come from their extensive list of friends (church) and family. Although these friends did contribute, they were not the backbone of their customer base.

The first actual customer heard about the maze on the radio. Three months of radio ads from the Fayetteville area were used to attract customers. They chose a particular station because they knew that station broadcast into southern wake county (the target population). They were also less expensive as compared to the Raleigh stations. The Griffins could have only afforded one week with a Raleigh station.

Instead of radio, a billboard ad was used in southern Wake County. The Griffins are not convinced that the billboard was effective. They do not believe for the money spent that they received the value in advertising. They will probably not go that route in the future.

They also used vinyl banners in 3 locations, one in southern Wake County at major crossroads. The others were used in Harnett county nearer the farm location. The Griffins say that they will have more banners made for next year. They also plan to broaden their scope to include the Holly Springs area.

Pam also lobbied the news media for coverage. She says, "We were blessed with several good articles in local papers including the Raleigh N&O. That snow balled to include the Wall Street Journal and Time Magazine. We also had tv coverage on 3 different local stations. As well as a story on Speed Channel on the show Nascar Nation, which highlighted Scott Riggs. (Driver of the #10 Valvoline Car and theme of the maze)."

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Congressman Bob Etheridge paid a visit to Hector's Creek Farm. He presented Pam and John Griffin with a certificate recognizing their contribution to the agritourism industry in NC. They in turn presented him with a t-shirt.

The Griffins also had a private label on bottled water along with a bounce back coupon of \$1.00 off admission. A coupon could also be found on their website at [www.themazeathectorscreek.com](http://www.themazeathectorscreek.com) The website had over 7000 hits during the

summer and fall. T-shirts were printed for staff and for sale. Embroidered hats were also available. Sales of these "experience" keep sakes were very good. Similar products will be available in the future.

The target market has been better refined after the first year of operation. During their first season, they tapped into a program called Cultivating Readers. Children 4 to 12 can read 15 books and earn a reward card which was good for one admission to the farm with a paying adult. Pam says, "We were slow to get the program in all the schools this year. We were also slow to get to the schools for field trips. I will work on that earlier next year. We did have a lot of preschoolers this year. We think more emphasis should be put on targeting children."

## Regulatory Process

Another issue that deals with the public is regulation. Pam and John were familiar with the Planning department and the Revenue Department (Tax Office). However, they were not as familiar with the regulations that covered the public issues like people movement, emergency plans and food. The Griffins did not even know where the Environmental Health Department or Fire Marshall's offices were. There were inspections and notifications that they did not anticipate.

Pam said, "The Harnett County Cooperative Extension Center oriented us the most in reference to regulations. They actually had a brochure that gave us the phone numbers of the departments we need to contact. The brochure also had examples of reasons to contact these

departments. The regulatory aspects can make or break a business. It is best if they are known and therefore part of the whole planning process.\_



The Harnett County Departments worked with the Griffins to anticipate which regulations needed to be addressed. Having a good business plan enabled Pam and John to easily explain their intentions to the various departments. Being understood and therefore avoiding misunderstandings, allowed the Griffins to flow through the first season without any hold-ups or unexpected changes due to regulations. Pam and John also avoided lawyer fees by proper prior planning.

## **Conclusion**

Pam's advice for other budding businesses is “do your homework. Know as much as possible about the business that you plan to start. Know your target audience (market).”

The Griffins had a goal of 5000 customers when they began the 2005 season. They needed that many visitors in order to pay the bills and not be in the hole the first year. The final numbers included over 4,700 paying guests and close to 5,000 total guests. These two owners with the help of 4 part time workers and 6 volunteers were able to plan and execute a successful initial season.

The Corn Maze at Hectors Creek (notice the Cape Fear Farm Credit emblem in lower righthand corner)