

Making the change from an Irish supplier to the domestic market to a European supplier to the European market

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# Today is about;



- The study: set up and structure
- The export decision
- The study: learning's and findings
- Market specific highlights
- A short introduction to our organization
- Case studies
- Final words

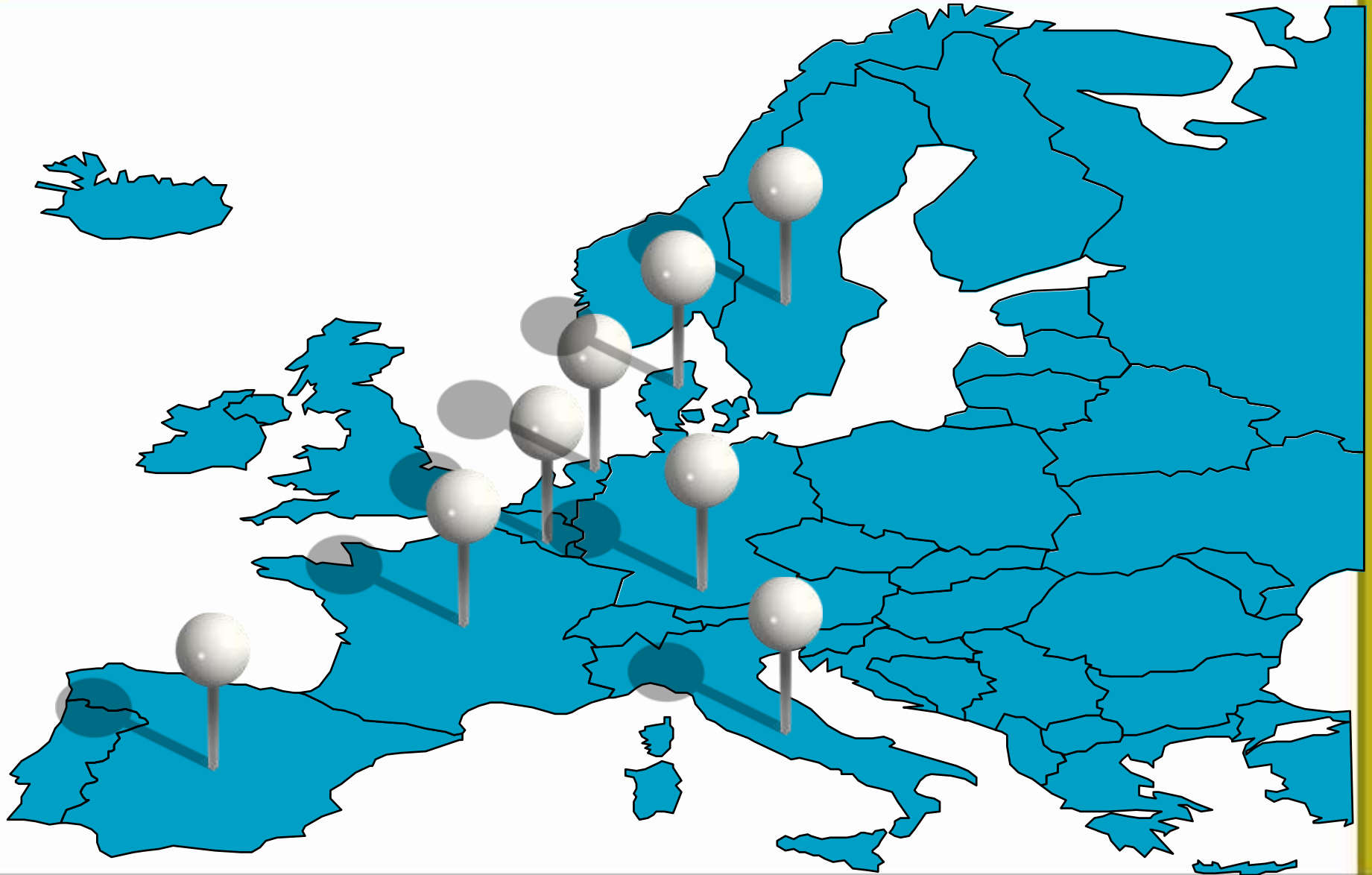


# Study; set up and structure





# Study; set up and structure





# Today is about;

- The study; set up and structure
- The export decision



## General trends:

- Internationalisation both on manufacturing side as on retail side.
- Sourcing becomes increasingly cross-borders
- Growth in demand for foreign foods sourced in the market of origin / manufacturing
- Logistics becoming more and more efficient





Retailers: why is international sourcing growing?

- International retailers increasingly want to deal with manufacturers on a direct basis.
- Retailers want to diversify their supplier base to get access to more innovations and better prices.

**BUT:**

- Retailers demand operational excellence, also from foreign suppliers
- Retailers require high level of professionalism and market knowledge (NPD)
- Retailers demand quick and efficient (local) support & communication
- Retailers demand promotional activities tailored to their specific store formats and customers



The board-room discussion;

The board-room decision;

The board-room expectations;



- ..... is more than a board room decision.
- ..... is time consuming, and requires patience.
- ..... is having the right proposition on the right place in the right time.
- ..... requires focus.
- ..... can be demanding, on all levels and departments.
- ..... requires upfront investments.
- ..... can be very rewarding.



# Export.... where do you start?



The lowest hanging apples first?

The biggest markets first?

Nearby market s first?

Product or market oriented?

Only within the EU, or also outside?

Visit or participate at international trade show?

English speaking markets to start with?

Appoint a distributor or direct to the trade?

Only within the euro zone, or also outside?

Our total range, or just a selection?

Premium or value oriented?

Nett or gross pricing?

Appoint somebody in market or from home base?



There is no straight answer!!!



Research is crucial, both, desk and field;

- Speak with other exporters
- Get local knowledge
- Visit potential markets
- Trade research
  - ✓ Category size and developments
  - ✓ Competition
  - ✓ Price levels vs. margin requirements
  - ✓ Retail scene
- Consumer research



Consumer research, some learning's;



Export.... where do you start?





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# Study; learning's and findings






- Different per category/product group
- What do you add on value as manufacturer?
- Economies of scale have impact
- Can vary per season
- This is where your expertise is!



- Cost leader yes or no?
- How do you value your added value?
- Competitive field
- Vary per customer?
- Vary per product?
- Fill capacity?

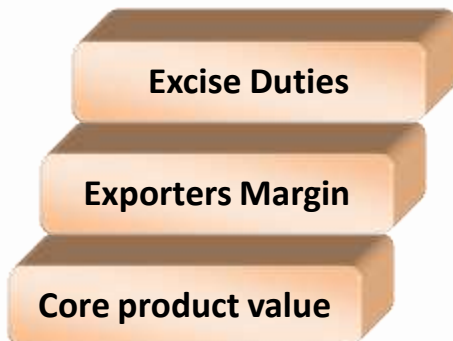
A diagram consisting of two stacked, 3D rectangular blocks. The top block is light orange and contains the text 'Exporters Margin'. The bottom block is a darker shade of orange and contains the text 'Core product value'.

**Exporters Margin**

**Core product value**



- Depend on product group/category
- Some are EU regulated, some are market initiatives





- Crucial to get it right, big impact on RSP
- Depend on nature product
- Depend on service level requirement retailer

- Ex-works or delivery depot?

- LSP yes or no?

- Single or multi depot delivery

- EDI

- GDSN

**Logistic Costs**

**Excise Duties**

**Exporters Margin**

**Core product value**



- Use distributor or direct to retailer?
- Added value should balance additional costs

- Depends on product group
- Depends on retailer
- Depends on market

**Distributor Margin**

**Logistic Costs**

**Excise Duties**

**Exporters Margin**

**Core product value**



- Mostly environment oriented
- Collecting responsibility differs per market









# Study; learning's and findings



- Different calculation methods per retailer
- Margins vary per retailer
- Good negotiating starting point is crucial
- Margin is not the only investment
- Monitor currency exchange



# Study; learning's and findings



- Differs per market
- Differs per productgroup
- Who adds value in the value chain?
- Trade quotes excluding VAT



# Study; learning's and findings



- (continue to) monitor the bench mark
- Understand retailer's differences
- Dare to break price barriers



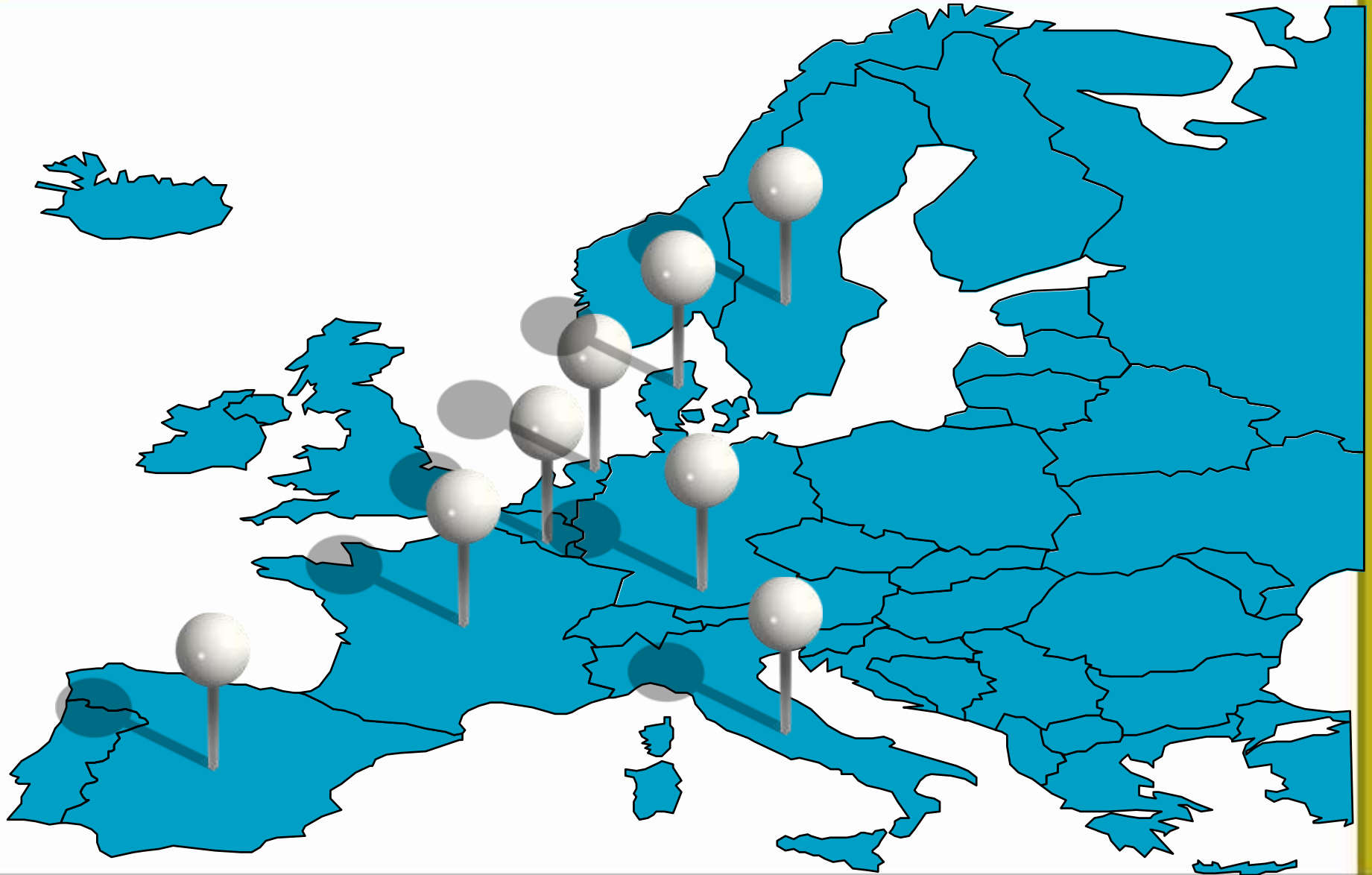
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# Market specific highlights







**Inh. 9.1. million**

- Concentrated retail scene
- Limited shelf space availability
- High VAT charge for consumers
- Strict regulations on alcohol trade
- Limited chilled preference
- Not within Euro zone





Inh. 16.1. million

- Concentrated retail scene
- Limited shelf space availability
- (more) Price oriented
- Adaptive to new concepts
- Simple but advanced logistics
- Strong focus on Anglo retail





Inh. 82.3 million

- Discount driven retail scene
- Need to differentiate from discount
- Still difference between east and west
- Involvement of LSP is mandatory
- High number of stores per capita
- Difficult to enter, but rewarding and very loyal once supplying





Inh. 65.4 million

- Complex distribution
- Short order lead times
- Involvement of LSP is mandatory
- Different sales / margin process
- Advanced promotional tools





Inh. 46.7 million

- Fragmented retail market
- Strong presence of foreign retailers
- Use of LSP is mandatory
- High share of own label products
- Strict and formal buying process
- Large number of independents



# Export.... where do you start?



All this knowledge, and now what?



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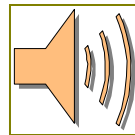
# Today is about;



- A short introduction to our organization



# Welcome to the world of





# Welcome to the world of



**The entire fruit is already present  
in the seed.**

Tertullian





# Welcome to the world of



# Global food & beverage



# Welcome to the



# Global Market Place



# Welcome to the world of



# International Retailing



# Welcome to the world of



# Cooking



# Welcome to the world of



# Eating



# Welcome to the world of



# Enjoyment & Wellbeing



Do you have a food or drink brand  
ready to be seeded in an overseas market?

Do you need new product ideas  
for incubation in an international market?

Dreams are the seeds of change.  
Nothing ever grows without a seed,  
and nothing ever changes without a dream.

Debby Boone





Do you need a strategy and business plan to convince your company to seed internationally?

Do you need market research in your overseas market?



Do you want to accelerate  
your company growth?

Do you want to find  
a local marketing & sales organization in  
your export market to speed up your  
growth?

Money is the seed of money,  
and the first dollar is sometimes  
more difficult to acquire  
than the second million.

Jean Jacques Rousseau





We have growth strategies for each phase of the product life-cycle





# Our story

Since we started business in 1991, we have assisted more than a *thousand* international clients growing brands and selling products internationally.





RYVITA

PRESTAT

JORDANS



Tyrrell's



U-KUVA  
i-AFRICA  
A TASTE OF AFRICA



BAKKAVÖR



KETTIE  
CHIPS



Rachel's  
organic



GOURMET  
GARDEN®  
HERBS & SPICES



dorset cereals®  
honest, tasty and real

Southern  
Alps

DUCHY ORIGINALS  
ORGANIC

The  
Good Carb  
FOOD COMPANY

GREEN  
& BLACK'S  
ORGANIC



TAYLORS of HARROGATE  
FAMILY TEA & COFFEE MERCHANTS  
— EST. 1866 —



KSHOCOLÂT



DANIELS  
CHILLED FOODS

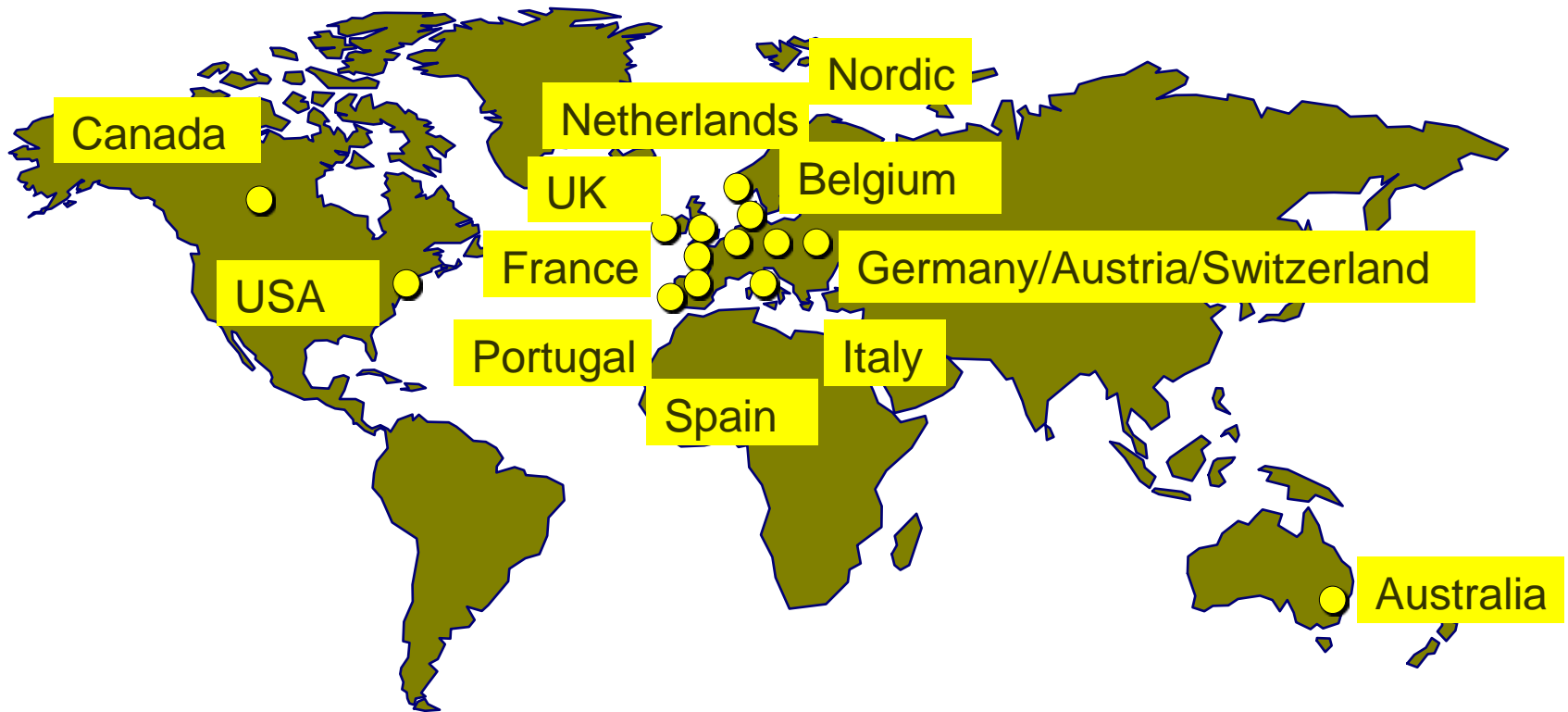


STATESIDE  
FOODS





The Green Seed Group offers  
an unique international network.



12 offices covering 19 countries



# We are local people around the world



**Specializing** in the food & beverage sector.



# Our Services

International business and brand strategy, market research, sales and marketing solutions.



# Our Services



*"We advise, we execute & we deliver"*



# Our international retail & foodservice partners





# We look forward to helping grow your business

From a small seed  
a mighty trunk may grow.

Aeschylus



*We advise, we execute & we deliver*



The Green Seed Group

Your Perfect Network Partner for International business development, Marketing and Sales Management.



[www.greenseedgroup.com](http://www.greenseedgroup.com)

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Germany



# Company A; Profile



<i>Company size</i>	Turnover: 70M Euro Employees: 350
<i>Product range:</i>	Branded breakfast cereals
<i>Market sector</i>	Retail: 98% Foodservice: 2%
<i>Key customers</i>	<u>All major multiples in Holland, Belgium, UK and France</u>
<i>Quality systems</i>	ISO 2001, BRC, IFS
<i>Pack formats</i>	Different sizes
<i>USP</i>	Differentiate from competition by premium product offering



# Company A - Case Study



- ↳ Well established in European markets, except for Germany
- ↳ GSDU was approached to develop strategic plan for launch into German mainstream retail
- ↳ Benchmark resulted into decision to approach REWE as first retailer to lead the way
- ↳ Supplier was challenged to meet competitors price points, including complex logistics and “green dot” charge



[Spreadsheet](#)



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- ↳ Supplier was challenged to meet competitors price points, including complex logistics and “green dot” charge
- ↳ Taste acceptance amongst German consumers was verified and
- ↳ German language packaging was developed
- ↳ Rewe introduction meeting was arranged and the supplier was challenged on RSP and margins
- ↳ Rewe offered flexibility on logistics, enabling this supplier to reduce costs.
- ↳ Promotions were negotiated and launch date confirmed
- ↳ Following the launch at Rewe, other retailers launched as well and discussions were started in launching in Rewe’s Austrian subsidiary



## The Netherlands



# Company B; Profile



<i>Company size</i>	Turnover: 60M Euro Employees: 1200
<i>Product range:</i>	Ethnic ready meals
<i>Market sector</i>	Retail: 98% Foodservice: 2%
<i>Key customers</i>	<u>UK:</u> Sainsbury Marks & Spencer <u>Export:</u> Holland, Belgium)
<i>Quality systems</i>	ISO 2001, BRC, IFS
<i>Pack formats</i>	Different sizes
<i>USP</i>	Traditional cooking method transferred into production line



## Company B - Case Study

- Retailer approached Green Seed NL to search for ready meal company to complement current suppliers
- GSNL arranged shortlist of potential companies and visited each production site together with category team retailer
- One of the 4 visited companies was selected and started a development process according to a specific brief for PL
- A product range was developed and commercials were finalized





## Current situation:

- The success of the launched product resulted into a new range, maintaining the old range after some proposition changes
- Supplier's fastest rotating product is ranked 5 on Nielsen rotation list in The Netherlands





France



# Company C; Profile



<i>Company size</i>	Turnover: 160M Euro Employees: 200
<i>Product range:</i>	Fresh chilled convenience products
<i>Market sector</i>	Retail: 70% Foodservice: 30%
<i>Key customers</i>	<u>All major multiples in Holland, Belgium, UK Ireland and France</u>
<i>Quality systems</i>	EFFSIS BRC higher level
<i>Pack formats</i>	N.A.
<i>USP</i>	Specialist in the categories it operates



# Company C - Case Study



- ↳ Fresh products with (relatively) short shelf life had to be distributed to major retailers in France
- ↳ Company decided to appoint a distributor with access to major multiples in retail and foodservice who will take title of the goods
- ↳ Decided to limited the distribution to the Paris area
- ↳ Currently export 3 full truckloads a week
- ↳ Soup proposition is the best performing in the Paris area



# Company C - Case Study

- ↳ Different approach to different markets
- ↳ Branded and own label, depending on opportunity
- ↳ A brand in domestic market is not A brand in export market
- ↳ Developed branded export range with multi lingual packaging





## The Netherlands



# Company D; Profile

<i>Company size</i>	Turnover: 750M Euro  Employees: 2000  Private company, family oriented
<i>Product range:</i>	Branded chilled snack products
<i>Market sector</i>	Retail: 100%
<i>Key customers</i>	<u>All major multiples in Holland, Belgium, UK</u>
<i>Quality systems</i>	EFFSIS BRC higher level
<i>Pack formats</i>	N.A.
<i>USP</i>	Premium quality NPD capability



# Company D - Case Study



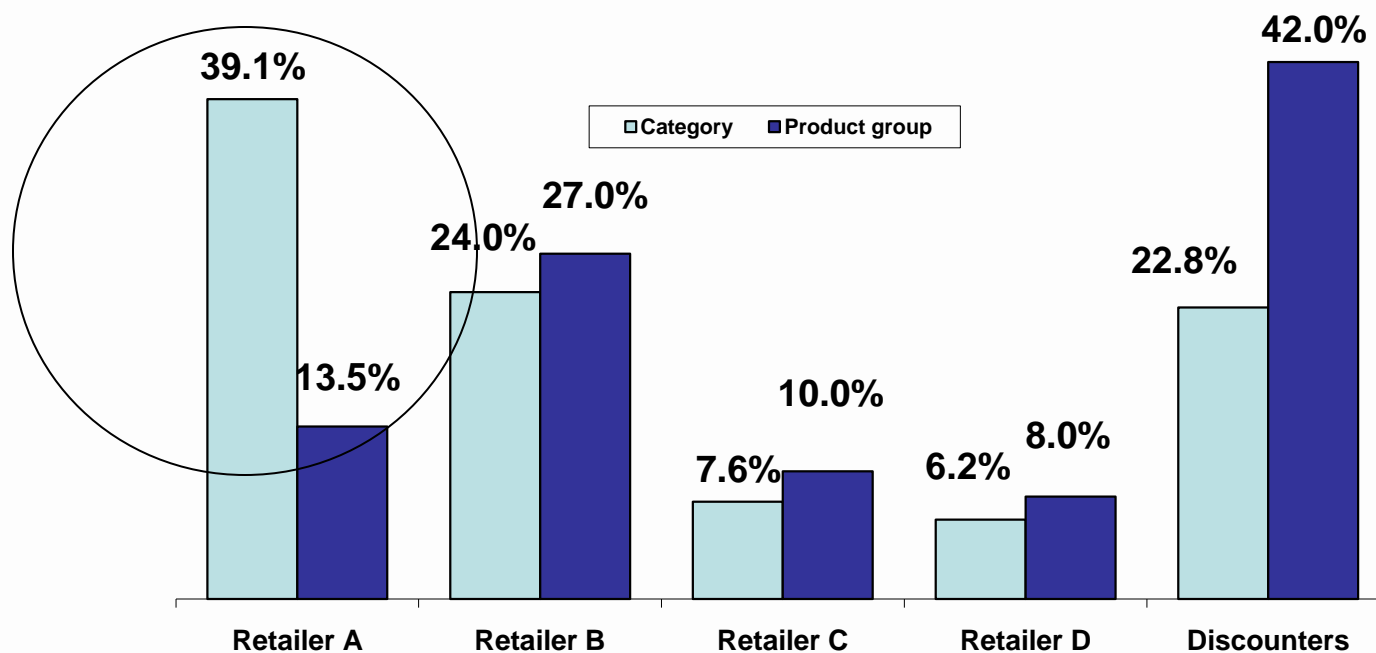
- ↳ Opportunity became clear during visit buyer of a specific retailer
- ↳ Product was launched and company was looking for further distribution in an own label dominated environment
- ↳ Key retailers blocked listing
- ↳ Company and GSNL developed program to convince retailer
  - Use of Nielsen data
  - Utilize network



# Company D - Case Study



Trends	Retailer A	Retailer B	Retailer C	Retailer D	Discounters	Total Market
Category	-0.2%	+0.6%	+6.8%	+4.7%	+5.0%	+1.9%
Product group	-23.0%	-10.2%	+23.7%	-18.4%	+2.5%	+5.0%





# Company D - Case Study



- ↳ Opportunity became clear during visit buyer of a specific retailer
- ↳ Product was launched and company was looking for further distribution in an own label dominated environment
- ↳ Key retailers blocked listing
- ↳ Company and GSNL developed program to convince retailer
  - Use of Nielsen data
  - Utilize network
- ↳ Now listed at No1. retailer in The Netherlands, branded listing is unique in this category and sets a standard
- ↳ Launch at No 2. retailer last week



Spain



# Company E; Profile



<i>Company size</i>	Turnover: 40M Euro Employees: 300
<i>Product range:</i>	Dairy food and drink
<i>Market sector</i>	Retail: 75% Foodservice: 25%
<i>Key customers</i>	<u>Germany</u> : Edeka, Netto, KTAG <u>Export</u> : Holland, Belgium, Poland, Italy, UK, Spain ( Carrefour & Alcampo)
<i>Quality systems</i>	ISO 2001, BRC, IFS
<i>Pack formats</i>	250 and 330 ml drink cartons.
<i>USP</i>	Ambient coffee flavoured milk based drinks.



- Responded to market opportunity:
  - ↳ Company A, already exporting to Belgium, Holland, Poland, UK and Italy, was looking to further develop its exports to other countries
  - ↳ They sought advice through a GSES to determine which markets best suited their product proposition.
  - ↳ Spain fell under a high potential market so they were put in contact with a Spanish based consultancy to discuss next steps
- Route to market assessment :
  - ↳ GSES analysed the product category in detail after having received product samples and prices. GSES identified a gap in the market as competition in the particular category was relatively low.  
Company A also offered a ambient solution to the current product offering.
  - ↳ After all routes to market were assessed, working with a local distribution partner was advised.
  - ↳ With the help and guidance of GSES, a distribution partner was appointed.



- Listings:

- ↳ Within 3 three months, the local partner managed to gain listings in two Spanish retailers including Auchan and Carrefour.
- ↳ All negotiations were carried out by the local partner.
- ↳ The RSP breakdown was:
  - 0.54 Euro delivered to Madrid via an appointed LSP
  - 0.84 Euro to retailer = 55% gross distributor margin
  - 1.20 Euro RSP = 43% retailer
- ↳ The Auchan listing involved a 15,000 Euro listing fee, covering all 52 hypermarkets, financed by Company A.
- ↳ Promotion wise, a series of in-store tastings and 2+1 offers were requested by Auchan as the brand was relatively unknown in Spain.
- ↳ The Carrefour listing was negotiated for the tourist based stores via a separate buyer who deals only with imported brands.
- ↳ No listing fee was therefore required as it was only listed in a number of tourist based supermarkets and hypermarkets
- ↳ In-store tastings were carried out to promote the range: 120 Euro per80 store and per day.



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First one step back:

- Profile your current business
- Evaluate your core competences
- Who are currently your most rewarding customers ?

Then look at potential markets and customers



End of presentation