



*What's
New*



Our Range



*Shop
Online*



Visit Us

DEAN'S®

History in the baking.

Helen Dean's family kitchen we introduce you to her 'melt in the mouth' traditional Scottish Shortbread and biscuit range, featuring new exciting flavours. Come on in.

Strategic Vision



“To be universally recognised as the leading manufacturer of the best shortbread and related hand-baked products both as a brand and own label supplier.”



Background to Dean's

- Established 1975 from home kitchen,
- First premises was “converted grocers shop”,
- Relocated to a dedicated manufacturing site 1992,
- Turnover now circa £7 Million,
- #1 Brand in Scotland and #3 in UK,
- High value, hand made premium product,
- Original customers were independent wholesalers,
- Exports have been maintained at a consistent level as business has grown.

Market	%
Supermarkets	65
Gifts sector inc. Duty Free	18
Food Service	4
Independents	8
Export	5

Present Day



- Annual turnover £7 million
- No. 1 Scottish retail shortbread brand (TNS data, January '10)
- Average number of employees 135
- Investors in People accreditation
- BRC “A” accreditation
- 60,000 square feet facility
- Exporting worldwide
- Innovative culture
- Private label & brand development

“Logistics Overview”

- Own “fleet” of rigid 18 Te and 13 Te trucks for direct Scottish deliveries,
- Articulated unit and driver spun off as own business still providing long haul to “southern” markets including RDCs for supermarkets and consolidators for domestic and export business,
- Able to ship full pallet loads and capable of double stacking,
- Deliver to RDC’s/ Consolidators for Supermarkets,
- French market through consolidator in midlands,
- Fill containers for China and sell via distributor based in Hong Kong,
- Double stack loads means 52 pallets per trailer, rather than standard 26 capacity on floor,
- Less South based trucks travelling this far North mostly due to issues with running empty on back load once past the central belt.

Supermarkets as key Clients

- Supermarkets very demanding and always looking at improving logistic efficiencies,
- Many of our original wholesale based customers threatened to move away from Dean's if they supplied to Supermarkets,
- Some supermarket groups collect orders on ex-works bases, this means improved economies for them but not so for Dean's, as it can often increase cost when you send fewer pallets outwards on groupage rate.



Using Consolidators can reduce Costs

- Products delivered to Consolidator at Dean's expense,
- Consolidator provides a means to store finished product closer to markets and customers – *“an extension to our own warehouse”*,
- Distributor organises own transport at own expense to collect product from Consolidator,
- Cost to Deans is significantly reduced,
- Full pallets double stacked (350 kg) means 52 rather than 26 pallets, this equates to roughly £20 per pallet reduction on transport cost.



Exporting is different from domestic business?

- Understanding customers needs is not always the same as domestic market,
- Expertise in own locality does not translate to export markets,
- Distance, time and cost,
- Learning curve evolves in small steps,
- Small volumes and expensive shipping costs when trying to find good distributor,
- Building a distribution network is resource intensive and very time consuming,
- Development time tends to be similar timescale as was in developing home market,
- Distributors always seeking exclusivity, which can curtail the length of time to penetrate a market if making wrong choices,
- Key markets include North America, Russia, China, Australasia and Middle East,
- Europe on a country by country basis,
- Networking is really important.



Continental Europe

- France, Spain and Italy,
 - France
 - Original distributor agreement with a 34 outlet “*Celtic Retailer*” specialising in Scottish and Irish products,
 - Relationship floundered when two key decision makers left the business,
 - Hand made premium product, new focus on price therefore made the relationship untenable,
 - Relationship with new Distributor whom sells directly onto supermarkets,
 - Full pallets shipped to English midlands and French distributor collects at their expense due to consolidation with other UK product lines,



North America

- Ship product to US distributor for Q4, poorer than expected sales so relationship becomes difficult and the need to seek another distributor for the next season,
- Competition is fierce with other similar products i.e. other manufacturers, hence competing purely on price must be thought through clearly, as to whether this route is correct for your business model / brand values.
- Conducted in-depth consumer research,
 - Packaging was less appealing than first thought,
 - Some products needed to deliver taste profiles similar to established brands within the market,
 - Wrong product format in the wrong place at the wrong time,
 - Change of market entry strategy was required with completely new lines to reflect what our brand was all about and reacting to what consumers actually wanted,
 - New distributor agreement now in place with a three to five year agreed plan.
- Eight plus year's trading with little gain due to poor knowledge of market, consumers and main players.



Performance

- Sometimes its better to understand and have good open dialogue with your distributors and where possible work together on taking cost out for the benefit of both parties,
- Distribution costs are about 4.1% of sales,
- Track pallet and case costs on a monthly basis and optimise use of own trucks,
- Agreed with customers, where possible, to increase minimum orders to help reduce logistics costs and maintain stable prices.
- Delivery expectation for supermarkets is targeted at 98% otherwise supply charges may apply.



Lessons Learned

1. Understand and be clear / consistent with what you want to your brand to deliver in an identified export market,
2. Understand your own Logistics capabilities and those of others around you that you could learn from,
3. Look hard at transit / product costs, can you get your product to a market and still be affordable,
4. What applies domestically doesn't often work in export markets.