



Export Express

Insights to Accelerate International Expansion



Our Mission: Help Manufacturers “Spend time *Selling* to Distributors versus *Searching* for Distributors”

Sweets – Middle East

Looking for international confectionery distributors? How about 2,500 of them in 96 countries? Export Solutions’ distributor database now covers more than 8,600 distributors in 96 countries, including an average of 26 per country handling confectionery and snacks. New! Export Solutions’ retailer database now tracks 2,400 retailers in 96 countries. Get ready for Gulfood! Our databases track more than 850 Middle East distributors plus 131 retailers in 12 Middle East countries. Order now at www.exportsolutions.com.

Plan to Thrive in 2025



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Searching for New Distributors?

How big will your international business be in 2025? A successful global strategy reflects a realistic mix of aspiration and investment. The road to 2025 contains speed bumps, with a probability of recessions, currency fluctuations, and a precipitous decline in sales through conventional supermarkets. The good news remains that more of the world’s 8 billion consumers will live better and eat healthier. This will stimulate demand for the added value food, beverage and personal care brands we produce. One fact remains indisputable: international development will dominate as the primary growth engine for all mid- to large-sized consumer focused companies.

E-Commerce Disruption

How large will e-commerce become? Can you envision a world where e-commerce accounts for twenty

percent of sales and that Amazon appears as your top customer? How will you restructure your business to optimize sales through online retailers? A logical first step is to select an e-commerce channel champion and treat Amazon as a major global key account like Walmart or Carrefour. Another initiative involves rethinking your packaging strategy to supply selling units that are “post friendly” and can be mailed cost effectively. Companies will hire armies of data analysts to research online purchasing habits and apply the insights to products sold through brick & mortar. No physical space limitations appear in cyberspace, encouraging brands to expand their product portfolio and test options without the physical handcuffs of shelf space and listing fees. Hire young people to lead the cultural shift from marketing through

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1/3, 1/3, 1/3

Does your distributor network require a tune up? I have lost count of the times I've heard a vice president of international claim that their company has the best group of distributors in the world. Or trade show meetings when a global export manager states that his company sells to 60 countries and is not looking for any new distributors. These are the same executives that struggle every December to achieve their annual sales budget.



Every year, I am asked to analyze the global distributor network of at least ten manufacturers for independent feedback. The good news is that my conclusions are generally positive. Most companies maintain a solid network of international distributors, committed and capable of serving as good partners. However, the 1/3, 1/3, 1/3 rule always applies. Every company maintains a mix of distributors.

1/3 Leaders Best in class brand builders, delivering outstanding results

1/3 Performers Reliable and capable, normally meet expectations

1/3 Laggards Small, unsophisticated, players...sometimes diverters

The first step to transformational success is to admit that not all your distributors are a good fit. Management recognizes that you've created a strong overall team and will support your efforts to upgrade underperforming distributors. Some companies cling to laggards due to history or personal relationships. This loyalty is nice, but ultimately underachievers deprive you of your ability to reach your own personal business goals.

Each cluster of distributors requires a different level of engagement and support.

Leaders: Love them, reward them and recognize them. What characteristics of your leaders allow them to deliver superior results? Are your leaders all big or mid-sized? Category specialists or channel experts? Share best practices from your leaders with other markets. The best advice with leaders is to support them and deliver outstanding customer service so that your company is viewed as a preferred supplier.

Performers: Strong contributors to growth. Challenge them to become leaders. With some companies, a majority of their distributors are viewed as performers which is a positive indication.

Laggards: These distributors exist with every company and remain easy to identify. Clue: small shipments to a big country. Or in the case of diverters, big shipments to a small country. Shipment trends are one clear metric. Other scorecards include authorized distribution and shelf presence at major accounts, merchandising ideas, and new item launch success.

A strategic requirement for 2020 is to upgrade the bottom 1/3 (laggards) of your distributor network. A core responsibility is to secure top talent in every country. Export Solutions' distributor database tracks an average of 79 distributors per country, so plenty of options exist for strong brands. Who are your leaders? Who are your laggards? What will you do differently in 2020?

1/3, 1/3, 1/3

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Strategic Services

Contact Us for Export Solutions

1. Identify Best in Class Distributors: 96 Countries
2. Best Practices Export Strategy
3. Distributor Management Workshops
4. Export 101: Let's Get Started
5. New Market Prioritization & Launch Plan
6. Personal Distributor Introductions: 96 Countries
7. Walmart International
8. Distributor Contracts, Margins, & Fees
9. Meeting Speaker
10. International Strategy Expert

“The Right Way” – New Country Launch

Retail buyers and distributors are receptive to brand launches from multinationals. Why? Multinationals succeed, as they introduce new products “The Right Way.” Export Solutions recaps 30 components of launching “The Right Way.” Exporters create magic with limited budgets! Winners check as many boxes as possible on “The Right Way” scorecard.

Product	Retailer
<input type="checkbox"/> Meaningful innovation – not “me too”	<input type="checkbox"/> Boost category sales, margin, and profit
<input type="checkbox"/> Consumer market research insights	<input type="checkbox"/> Syndicated data (Nielsen) – category facts
<input type="checkbox"/> Technical confirmation of product differentiation	<input type="checkbox"/> Invest in retailer “push” programs
<input type="checkbox"/> Reasonable retail price – premium (not sky high)	<input type="checkbox"/> 4-6 high value promotional events per year
<input type="checkbox"/> Test market results – similar country or retailer	<input type="checkbox"/> Retailer VP, distributor CEO at intro call
Marketing	Excitement
<input type="checkbox"/> 360 marketing plan: TV, in-store, social, PR	<input type="checkbox"/> Launch party – memorable location
<input type="checkbox"/> Sampling	<input type="checkbox"/> PR, social media, trade press
<input type="checkbox"/> Social media	<input type="checkbox"/> Celebrity endorsement
<input type="checkbox"/> Displays: end of aisle and shelf blocks	<input type="checkbox"/> Distributor sales contest
<input type="checkbox"/> Special offers – retailer fliers	<input type="checkbox"/> Donation to local charity
Team	Scorecard
<input type="checkbox"/> Distributor – best in class, category expert	<input type="checkbox"/> Year 1: invest; year 2: break even; year 3: profit
<input type="checkbox"/> Local manager – launch oversight	<input type="checkbox"/> Sales volume (retail sell-out)
<input type="checkbox"/> Marketing, social media, PR agencies	<input type="checkbox"/> Market share
<input type="checkbox"/> Brand/technical resource from headquarters	<input type="checkbox"/> Retail availability (weighted distribution)
<input type="checkbox"/> Total distributor engagement: reps. to CEO	<input type="checkbox"/> Year 2 commitment and enthusiasm

Distributors: Fifteen Tips for Winning the Big Brand Interview

Export Solutions conducts over 100 distributor interviews/meetings per year. Many distributors ask... What are these big brands looking for? How do we prepare a standout presentation? What will it take to win the business? See our fifteen tips below.

1. Professional Communications: Frequent email communication in advance. Send re-confirmations. Offer to help with hotel reservation or pickup. Share mobile contact for emergencies.
2. Creative Welcome: Raise flag from visitor's country or a banner with brand name on it. Serve food paired with their brand. Create immediate "wow!" Skip, if confidential interview.
3. Purchase Product Samples: Potential new brand and competitors. Supply price for each item.
4. Participants: Owner/MD, sales, marketing, and potential brand manager. All should have speaking roles.
5. Presentation – Page 1 Company facts: Founding date, sales revenue, # employees, # field sales, warehouse size, key categories and principals.
6. Category Sales Data: Try to obtain category sales data from Nielsen or a leading retailer. Prepare basic analysis.
7. Category Photos and Pricing: Provide recent photos and pricing from target retailers.
8. Retailer Margins: Share estimated retailer category margins, cost of entry, and listing fee expectations.
9. New Principal Management: CEO involved in update calls, retail tracking, and total team approach.
10. Retail Reporting: Demonstrate retail technology and reporting if you have it. Share sample reports.
11. Warehouse Visit: Short inspection, if located on premise.
12. Social Media and E-Commerce: Share local updates. Reinforce your capabilities with recent examples.
13. Case Study: Brand owner's category or aisle. Results and costs. Show photos of shelf and displays.
14. References: Testimonials are impressive. Executive contact information from top five current principals represented.
15. Action Steps: Immediate CEO/MD follow up via email. Deliver presentation stick with your company logo.



5 Questions for Every Interview

1. Where do you see your company's business in 3 years?
2. Tell me about best practices from a country where your brand has a high market share. What strategies work well?
3. What characteristics do you see in your best performing distributors?
4. Are you open to distributor visit (plus customer?) to your manufacturing facility and corporate headquarters?
5. How do you maintain category leadership?

5 Interview "Bad Practices"

1. Do not send Rolls Royce to pick up brand owner at hotel. Do not laugh, it happened twice last year!
2. Skip company videos: sends old-school message.
3. Avoid speaking badly about other distributors. Be positive!
4. CEO should not handle entire presentation. Let the "workers" who handle the day-to-day business speak.
5. No dinner invitation on first date: brand owners will prefer to meet alone to discuss meetings. Many risks if meal does not go well. Plenty of time for dinners if you win the interview!

Create Your Own Export Library



Distributor Search Guide



Export Scorecard Guide



Export Strategy Guide



New Distributor Cooperation Model Guide



Selling to USA Handbook

"From First Meeting to First Order"



All guides available free at www.exportsolutions.com in the *Export Tips* section.

Can We Help You?

Distributor Search Helper for:



Your
Logo
Here



Procter & Gamble



Recent Distributor Search Projects

Asia	Europe	Middle East	Latin America
Australia	Germany	Israel	Argentina
China	Ireland	Kuwait	Brazil
Indonesia	Netherlands	Qatar	Colombia
Japan	Nordics	Saudi Arabia	Costa Rica
Malaysia	Spain	UAE	Ecuador
Philippines	United Kingdom		Mexico
Singapore		Canada	Panama
South Korea	South Africa	United States	Peru



Export Solutions
Distributor Identification Experts

Call the Export Accelerator!

Contact Greg Seminara at gseminara@exportsolutions.com
to discuss your business development project.

www.exportsolutions.com

Export Strategy Road Map Template

Established

Developing

Pioneer

Mission

What are your business ambitions for the time period?

Lessons Learned

What factors have contributed to export success?
What situations have led to export disappointments?

20/20 Analysis

What countries represent your top 20% performers? Why?
What countries represent your bottom 20% performers? Why?

Core Competencies

What is your competitive advantage?
Why is your brand unique versus international competitors?

Big Opportunities

What are the biggest export opportunities for your company?

Low Hanging Fruit

What represent high percentage, profitable opportunities?

Investment

What is your investment model? Marketing, Promotion, People.

Team

How will you staff your overseas team?
Will you upgrade your distributor network?

Strategic Plan

One page plan defining Objectives, Goals, Strategy, Measures

Tactics

What activities are required to achieve desired results?

Measures

What are realistic measures and benchmarks?

Countries

Strategic

Priority

Opportunistic

Strategy questions? Contact Greg Seminara at Export Solutions (001)-404-255-8387

Plan to Thrive in 2025

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supermarket showrooms to menu based marketing choices from Amazon.

China Syndrome

The food industry spent the last ten years chasing futile BRIC dreams in China and India. The expensive conclusion indicates that it is difficult to convince Asian consumers to change their meal habits to incorporate western staples like breakfast cereal and pasta. The reality reveals that Asians achieved better success at exporting their Chinese, Thai, Japanese, Indian, and Korean food to us than we have in converting them. Credit confectionery and snack, personal care, and Starbucks as rare examples of western categories achieving success. Asia will account for sixty percent of the world's mouths in 2025, including 2.8 billion people in China and India. The Asian solution is to adapt our product recipes to meet Asian taste profiles or to acquire Asian companies as a platform to build critical mass.

Established, Developing, Pioneer

A critical decision revolves around resource allocation between three market clusters.

Established markets represent the historical base business, accounting for the bulk of sales and “paying the light bills.” In these countries growth rates exceeding five percent are challenging without buying market share in flat categories.

Developing countries are attractive green sprouts where you have planted seeds of presence and are beginning to gain traction. These countries may offer the largest potential source of new revenue. However, brand owners must acknowledge the initial progress and transition your route to market model and thinking from “niche exports” to mass market player to optimize results.

Pioneer countries emerge as large markets like the USA (for Europeans), China, or Brasil where your company claims sales, but fails to register meaningful market share. Success in pioneer countries requires significant investment to build your brand “The Right Way” (see page 3 chart).

Boots on the Ground

How many members of your export team are based outside your home country? In the 2000's, exporters managed from headquarters, with roving missionaries swooping in for a distributor meet and greet, store check, collect your frequent flier miles, and off to the next stop. In the 2010's, producers established regional hubs in comfortable expat locations such as Dubai, Singapore, and Miami for Latin America. Today, success in important countries like Mexico, Saudi Arabia, and Indonesia will be directly proportional to the size of your market based team. Best in class distributor's energy is focused against brands with local management oversight, leaving little bandwidth for companies that show up once a year.

Digital Distributor

Winning distributors will invest to create deep capabilities serving e-commerce customers and facilitate the transition to digital marketing. Owners will need to source new logistics

5 Critical Questions to Thrive in 2025

1. Are we willing to pursue international acquisitions?
2. Would your company consider overseas contract packing (versus export)?
3. Can we test a high spend investment plan (“The Right Way”) in a strategic country?
4. Would your company invest aggressively in offshore head count in advance of sales?
5. Europeans: can we develop the USA market implementing the USA playbook? USA factory, broker network, competitive pricing, USA team, channel strategy, 30-50% trade promotions?

solutions for e-commerce and redefine the brand manager role to pursue excellence in deploying social media strategies. If they cannot adapt, old school distributors may retain responsibility for the shrinking supermarket channel, while a new modern breed of distributors handles the high growth, e-commerce business.

ESG Strategy

New consumers will support brands with a well articulated Environmental, Social, and Governance (ESG) strategy. Walmart recently shared a ninety four page update on their scorecard progress. Unilever reported that their purpose led, sustainable living brands were growing 69% faster than the rest of the business and delivering 75% of company growth. “Better for you, better for the environment” brands will enjoy bright prospects for international expansion. New data transparency tools will allow consumers to compare labels and ingredients instantly online or in-store.

Private Label vs. Personal Label

European and Northern American retailers boosted profit margins while sacrificing sales per unit through aggressive private label expansion strategies. For many reasons, private label development remains low in new markets of Asia, Middle East, Africa, and Latin America. The explosion of e-commerce presents further challenges to private label, as consumers will appreciate a broader selection of competitively priced brands to choose from. A new initiative could be the development of “Personal Label” products where a consumer may enjoy more options in adapting a product to meet their individual specifications.

Road Ahead

What changes will you make to your 2025 road map? Smart exporters source clues from global trends and apply to their planning model. Looking for strategies to thrive in 2025? Export Solutions can help!

Distributor Annual Review

Criteria	Rating	Evaluation Factors
Shipment Results		Overall growth for our industry in your market? Distributor company wide sales performance (all brands)? Distributor sales results for my brand? Change vs. benchmarks?
Brand Performance		Key brand performance versus overall category. Shipment growth, market share, weighted distribution. New item success.
Key Account Results		Results at top 3-5 accounts (or channels). Improvements: new items, shelf presence, merchandising. Are we getting "fair share" of retailers growth?
What Worked?		Strategies or performance that achieved results. Ideas that delivered incremental sales.
Key Issues?		Problems or barriers to achieving results. Pricing, investment, competition.
People		Performance by key people touching our business. Organizational changes? Who made a difference?
Financial		Distributor's financial health. Planned investments. Efficiency opportunities in Partnership.
2020 Requirements		Resources required to achieve 2020 shipment expectations. Critical activities, timelines, changes to structure/plan.

Greg's Ten Tips

1. Good news travels fast and bad news travels slowly
2. If you want to know what's really going on, spend a day visiting stores
3. Pick up the phone and call a friend or business partner versus email
4. Be positive. Think, "why not?"
5. Results are directly proportionate to your investment: Marketing, People, Focus, Time
6. A distributor (or Broker) "respects" what the Brand owner "inspects"
7. Shipment numbers rarely lie
8. Put it in writing
9. If two people agree on the principle of a deal, you can usually work out the financial terms
10. There is more in common with industry practices across the globe than differences. Brand owners everywhere desire more shelf presence and retailers demand more discounts. Recognize the differences, but focus on the universal requirement for superior products, marketed at a fair price.

10 Step Distributor Search Process

1. Determine Brand Ambition for Country

Will your brand be a category leader, player, or niche participant?

2. Establish distributor selection criteria

Big brand distributor, category specialist, or smaller entrepreneur?

3. Create a Pool of Candidates

Export Solutions' database tracks 8,600 distributors in 96 countries.

4. Determine Candidate's Preliminary Interest Level

Send introductory email, followed by phone call within 48 hours.

5. Obtain Candidate's Corporate Profile Presentation

Key Facts: Sales turnover, # employees, companies handled.

6. Schedule Distributor Interview in Candidate's Office

4-6 weeks lead time. 2 hour meetings. Send advance agenda.

7. Independent Store Checks

Provides category insights and real distributor performance for current brands handled.



8. Interview Preparation: Scorecard, Samples, Your Presentation, Key Questions

Export Solutions' templates: Assessment Scorecard & Ten Questions for Every Interview

9. Distributor Interviews – Target 3 Candidates

Review capabilities, warehouse and interest in your brand.

10. Cooperation Model

What is the plan? Year one plan, pricing calculation, and timeline.

Looking for Good Distributors?

Export Solutions' database covers 8,600 distributors in 96 countries.

www.exportsolutions.com



Export Solutions
Distributor Identification Experts

Country Segmentation – One Size Does Not Fit All

Strategic segmentation of export opportunities is “Job One” for export managers. Export Solutions divides countries into three groups: Strategic, Priority, and Opportunistic. This approach filters countries by “size of the prize” and investments required to win. The basic rationale is that a company should allocate different resources to develop a large country like Brasil, compared to a medium size country like Belgium versus the Bahamas or Bermuda. Too frequently, we see companies handcuff all markets to one export program, with common strategy, pricing, and investment models for all countries.

Country Segmentation				
	Country Profile	Investment Required	Business Model	Examples
Strategic (Focus)	Large Country (pop. 50mm +) High GDP High Category BDI Global Retailers High Complexity	Significant Investment in Brand support. Market Research Management Visibility	Local Office or Distributor or Joint Venture	Mexico China Brasil United Kingdom USA
Priority (Manage)	Mid size Country (pop. 10 mm+) High GDP High Category BDI Mid Complexity	Moderate investment in brand support. Managed by Export Manager	Distributor	Chile Australia Canada S. Korea/Thailand South Africa Spain Saudi Arabia
Opportunistic (Profit)	Profitable Opportunities. Low GDP Countries Low Complexity	Minimal/no investment in brand support	Distributor or Direct to Retailer	Caribbean Central America Middle East Africa

Segmentation Factors

Segmentation analytics will vary by company. Absolute population is just one factor warranting consideration. Other criteria include size of the category, proximity to your producing plant, as well as per capita spending power. For example, most USA based exporters sell far more to Puerto Rico, an island with 3.5 million people, than they do to China or Brasil. As a result, some USA brand owners place a strategic focus on the Caribbean Basin countries adjacent to the USA and process only occasional opportunistic shipments to complex countries such as China.

Mix of Countries

Most companies can dedicate focus on a strategic launch into only one or two “strategic” countries at a time. It’s appropriate to create a growth plan aimed at a mix of Strategic, Priority, and Opportunistic countries.

Market Share Expectations

Your export road map should also be adjusted based upon your market share expectations for a select market. Generally, there are three scenarios for a brand to pursue.

Leader: Brand investment and innovation to become #1 in the category.

Player: Brand plans to compete effectively, obtaining a market share of 5% -20%.

Participant: Niche. Brand objective is incremental shipments with little/no investment.

Lessons Learned

Calibrate expectations to investments in brand support and management oversight. Everyone wants to be a category leader or player. To achieve this lofty status, you need to conduct local market research, innovate, maintain competitive pricing, invest in marketing, and align with a strong sales team just as you do in your home market. Projects fail as certain brands want category leadership but invest only to “niche” levels.

*Recipe: Best in Class Partnerships**

Ingredient	Brand Owner	Distributor
Results	Realistic expectations based upon investment/market conditions.	Achieve sales increase in excess of overall market growth.
Category Expertise	Share knowledge, trends, and category analysis.	Serve as local category expert. Educate the buyer.
Innovation	Constantly deliver important new product ideas to market.	Successfully launch new products into the market.
Investment	Appropriate Investment levels: marketing/trade promotion.	Optimize return on investment.
Store Presence	Create clear, realistic guidelines for in-store presence.	Share of shelf exceeds market share. Maximize visibility.
Ideas	Support market driven ideas to build the business.	Relentless pursuit of new and better ways to grow sales.
Reporting	Concentrate on Basics: Listing Map, Pricing, Merchandising Plan.	Complete reports accurately and on time.
Focus	Periodic market visits and “rapid response” to issues.	Appropriate level based upon brand size and opportunity.
Cost to Serve	Remember that distributors need to make money too!	Fair margin based upon brand size and complexity.
Recognition	#1 Fan. Frequent recognition of good results by all team members.	Strong commitment to exceed expectations everyday.

**Mix Well for Best Results*

Searching for New Distributors?

Export Solutions makes life a little easier for more than 2,700 export managers. Our time saving distributor database serves as a “helper” for identifying more than 8,600 qualified, local brand builders in 96 countries.

Search by Country, Category, or Country of Origin

Local Experts

Distributor Coverage

Asia:	1,930
Europe:	2,830
Latin America:	1,503
Middle East:	857
USA/Canada:	1,326

Category Experts

Distributor Coverage

Beverage:	1,490
Candy/Snack:	2,501
International Food:	2,711
Health & Beauty:	1,545
Natural Food:	680

Country Experts

Distributor Coverage

German Brands:	607
Italian Brands:	1,229
UK Brands:	592
USA Brands:	1,073



*“Select Your Distributors,
Do **Not** Let Your Distributors Select You”*

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