

Export Express

Insights to Accelerate International Expansion



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

Sell to 96 Countries

Looking for qualified international distributors? Export Solutions' leading distributor database supplies information on more than 8,300 distributors in 96 countries. The database features filters that allow you to screen distributors by categories such as Confectionery, Natural Food, Beverage, or Made in the USA (or Italy, UK, or Germany). New! Export Solutions' retailer database now tracks 2,250 retailers in 96 countries. Free samples at www.exportsolutions.com.

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What Distributors Want to Know ?

Channel Your Exports



If you launched a premium new brand, would your first customer be Walmart or a chain of upscale supermarkets? Export managers frequently target the largest overseas retailers, forgetting the high cost and activation requirements to develop a meaningful level of repeat sales. A viable route to market exists in every country for those with a rational alignment of ambition and investment. A key to success is an approach based upon channel specific, retailer profiling.

Retailer Profiling

Every country contains similar channel dynamics: value supermarkets, mass grocers, upscale supermarkets, e-commerce, hypermarkets, discounters, convenience, gourmet, ethnic, natural foods, drug stores, and specialty retailers. Foodservice is dominated by wholesale distributors and cash and

carry outlets. Bigger countries feature well evolved channels with clear lines. In smaller countries, channel blurring exists, with conventional retailers striving to serve as a "one stop" shopping destinations.

A worthwhile exercise is to conduct an analysis to segment your overseas sales by channel and supermarket type. This learning could supply a best practice road map when entering new countries or implementing a business improvement initiative.

On-Ramp

Prime prospects normally lead us to upscale supermarkets, ethnic stores, e-commerce, and gourmet outlets. These channels tend to cater to consumers that are more adventurous and affluent. Their shoppers are less price sensitive and search for brands not stocked by mass supermarkets.

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Celebrate Your Anniversary



On May 23, I celebrated 25 years of marriage to my wife Frances. As the story goes, I met my Irish bride at a wine tasting party in Jeddah, Saudi Arabia. We were married in Dublin by no fewer than four Irish priests and began our journey together in Buenos Aires, where I worked for Clorox. Twenty five years have flown by, including surviving the turbulent teens of our three beautiful and “spirited” daughters. My wife claims that she is not technically completing 25 years of marriage, as I’ve been travelling about half the time. As usual, your wife is always right.

Similar to all couples, our lives reflect a mix of fun and tears, laughter and arguments. Days without talking to each other blurred by escapes to a Caribbean beach. Frances and I are still together because of a shared sense of purpose and values. Over the years, we’ve evolved and adjusted, and even become more flexible and tolerant, particularly of my stubborn habits. At the end of the day, our marriage has succeeded through a strong commitment and the fact that we still enjoy each other’s company. It works!

Some may wonder why I share this personal story? As I became absorbed in planning details for our 25th wedding anniversary celebration, my private life and business world of “distributor search” collided. For the last 15 years, I spent at least half of my life visiting countries and helping great brands find new partners. I was reminded that distributor and supplier partnerships are like marriages, linked together by commitment and common objectives. Great global brands like Barilla and Tabasco point to some distributor relationships extending 25 years or more. Yet, as with marriages, distributor relationships don’t always work out. Despite “liking each other,” we need to take the painful step of moving on.

At the risk of sounding like a distributor “marriage counsellor,” I share these thoughts.

1. Brands and distributors: mix of good years and disappointments.

Continuity requires more good years than bad. Do you both possess the ability to proceed with renewed passion beyond trouble spots?

2. Partners must remain important to each other.

Distributors are genuinely excited to take on a new brand. They invest their own money and resources because of a strong belief in your company and vision. As years progress, is that spark still there?

3. Sometimes you need a getaway.

PowerPoints, spreadsheets, and meeting rooms stifle creativity and team building. When was the last time that you spent a day together outside the office checking stores or for a brainstorming session at an offsite location? A better idea is to invite your distributor to your company headquarters for a VIP experience.

4. Celebrate your anniversary!

Some companies do a great job at recognizing distributors for 1, 5, 10, or 25 years of partnership. My wife appreciates a nice dinner out and jewelry to mark a special anniversary. Distributors proudly display plaques and recognitions from their suppliers. Most couples commemorate their anniversary every year. Why not adopt a similar approach with your distributor network?

I am hoping that my wife Frances signs another 25 year contract. It won’t be easy, with lots of hard work in a changing environment. We are not so young anymore, but maintain plenty of energy and a good outlook. We marked our 25th anniversary with a big party at the Finnstown House near Dublin, the same venue from our wedding reception in 1994. A fun part of life is celebrating good days and important milestones. Good luck!

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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

Export Manager Report Card

Assessment Criteria	Considerations	Rating: (10 = Best)
Annual Plan Development, Execution, Delivery	<ul style="list-style-type: none"> • Aligned, reliable, committed 	
Export Experience – Food/Consumer Products	<ul style="list-style-type: none"> • New to 20 years + 	
Ability to Influence Distributors	<ul style="list-style-type: none"> • Focus on your priorities 	
Pioneers New Business	<ul style="list-style-type: none"> • From concept to containers 	
Work Ethic	<ul style="list-style-type: none"> • Office time vs. overseas trips? 	
International Citizenship	<ul style="list-style-type: none"> • Language skills, cultural alignment 	
Category Knowledge	<ul style="list-style-type: none"> • Viewed as expert: buyers, distributors 	
Business Leadership	<ul style="list-style-type: none"> • Partners with internal functions 	
Distributor Relationships	<ul style="list-style-type: none"> • From sales reps. to owner 	
Thought Leadership	<ul style="list-style-type: none"> • Creates and shares best practices 	
Export Strategy	<ul style="list-style-type: none"> • Logical vision and road map 	
Profitable, Sustainable, Exports	<ul style="list-style-type: none"> • Sells profitable cases 	
Retail Store Conditions	<ul style="list-style-type: none"> • Brand presence vs. market share? 	
Brand Building – Promotions	<ul style="list-style-type: none"> • Creativity, effectiveness, efficiency 	
Problem Solving – Response Time	<ul style="list-style-type: none"> • Same day to one week? 	
Customer Relations	<ul style="list-style-type: none"> • Senior access at top retailers 	
Analytical Skills: Shipments, Nielsen	<ul style="list-style-type: none"> • Trends, opportunities, plan 	
Digital Savvy	<ul style="list-style-type: none"> • E-commerce, social media 	
Supply Chain Management & Forecasting	<ul style="list-style-type: none"> • Accuracy and efficiency 	
Results vs Budget, Market, Category (CY, PY, 3 Years)	<ul style="list-style-type: none"> • Flat to 10% + 	

Distributor Types: Different Experts for Different Situations

All distributors are not created equally! Most exporters recognize obvious differences based upon the size of distributor and breadth of service offering. Export Solutions has identified six common types of distributor business models. Global brands maintain a mix of distributor relationships. Some partnerships are new while others have evolved for thirty years or more. With time, requirements for servicing our industry have changed. While some distributors have remained generalists, handling many brands and channels. Others elected to focus against a specific market segment. Which model delivers the best result for your brand?

Distributor Types: Different Experts for Different Situations		
Distributor Type	Model	Application
Big Brand Distributor	Large Distributors. Handles # 1 or # 2 brands. Multiple categories/channels.	Outsourcing solution. Option for large brands with existing business and sizable marketing budgets
Category Expert	Dedicated to one category	Specialists for Confectionery, Frozen, OTC, Beverages, Natural Foods, Dairy, Beauty
Channel Expert	Dedicated to one channel	Specialists for Foodservice, E- Commerce, "small shops," or Pharmacy channels
Country Expert	Represents brands exclusively from one country/region	Specialist for Brands from USA, UK, Germany, Asia, Italy, or Spain
Fine Food Importer	Represents leading international gourmet/niche brands.	Handles brands like Tabasco, Maille, Bonne Maman, Twinings, Kikkoman
Pioneer	Small distributor. Willing to pioneer new brands with limited marketing support	Option for small brands or countries where brand does not want to invest.

Big Brand Distributors

Large distributors supply an economical alternative for leading brand manufacturers versus operating their own subsidiary. Normally, they handle multiple categories and offer critical mass. A potential issue is the struggle for attention among brands all vying for focus from one sales team.

Category Expert

Buyers value partners that serve as category experts who can share insights and innovation for the sector. Distributors dedicated to one sector provide logistics efficiencies and capability to share best practices from complimentary products. Managing product conflicts is a frequent problem with distributors concentrated on only one category.

Channel Expert

Many distributors built their business platform centered on servicing the supermarket channel. Incremental growth today is dependent on penetrating under-served channels such as foodservice, small shops, or pharmacy. In larger countries, it's possible to maintain one organizational approach for supermarkets

and then appoint a specialist for a different channel. Alternate channels normally feature smaller store footprints which can provide a barrier to entry for all but the leading brands.

Country Expert

Some distributors have created viable businesses as the source for brands from one country. These distributors supply brands to consumers "homesick" for their favorite brands at a premium price. A benefit with this option is the distributor who can consolidate shipments from one country and is connected with the retailers and consumers for this "expat" segment. This approach works well for niche products or brands focused on availability without marketing investment.

Fine Food Importer

Food enthusiasts everywhere are passionate about the gourmet experience. Fine dining restaurants are dependent on unique products and ingredients from around the world. The classic fine food importer fulfills this role. Fine Food importers seek brands of the highest quality, with unique attributes and

reputation. Not an option for commodities or "me-too" type products.

Pioneer

Launching a brand with no existing sales is tough in any country. While many brands would prefer partnering with a prestigious specialist, the reality is that a smaller distributor may be your best option to start. Niche entrepreneurs are hungry and flexible to work without significant resources supplied by the brand. It is important to calibrate your expectations when working with a niche entrepreneur and conduct due diligence on their financial situation.

Evaluate Your Current Distributor Mix

A valuable exercise is to evaluate your current roster of distributors "by type." Which models are delivering superior results? Which models are lagging behind? Are there any universal conclusions which may apply when you expand to new markets or considering a distributor change? One type does not fit all scenarios. However, it is important to segment your partners and understand the inherent strengths and issues with different types of distributor partners.

Can We Help You?

Distributor Search Helper for:



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



Grow your International Business!
 Contact Greg Seminara at (001)-404-255-8387 to discuss
 your business development project.
www.exportsolutions.com

Price Calculation Benchmarks*

Brand owners focus on containers purchased. Distributors dream about profitable ROI. Appreciate a distributors right to earn a fair profit and your brand will benefit!

Assessment Criteria	Global Benchmark	Actual
Retailer: Everyday margin	20-40%	
Retailer: Back margin (rebates, discounts)	0-15%	
Total Retailer Gross Margin	25-45%	
Trade Promotion (Manufacturer)	5-20% of net sales	
Total Distributor Margin	15-35%	
Warehouse/Stickering	2-4%	
Delivery	2-5%	
Total Distributor Logistics	3-7%	
Key Account Sales	1-3%	
Brand Management	1-2%	
Merchandisers/Field Force	0-4%	
Total Distributor Sales Team	4-6%	
Administration	1-2%	
Finance and Collections	2-5%	
Overheads (office, IT, corporate)	2-5%	
Distributor Promotion Investment	0-10%	
Distributor Net Profit	2-5%	

*Ambient grocery example: Higher margins – Chilled and Health & Beauty products

*Brand leaders enjoy lower margins. New brands require higher margins.

Channel Your Exports

continued from page 1

Frequently, buyers at these retailers study category dynamics and seek to be first in the country to support an innovation from overseas. Listing fees continue to soar and spread across emerging markets. Many “on-ramp” retailers appear more concerned with product attributes than up front payments.

Upscale Supermarkets

High end stores serve as showrooms for international brands. Other local retailers look to them for inspiration and execution. These special supermarkets create a pleasant shopping environment with well established programs for product tastings and consumer education. Your first stop in any country.

E-Commerce

In the past, homesick expatriates would lug big suitcases from home or scan

their adopted city for treats from home. Now, it’s possible to log in to Amazon or other e-commerce players and find your favorite brands from home in a few clicks. For example, I just searched Amazon UK’s grocery store for USA food and discovered more than 1,000 results from Jif peanut butter to Jiffy corn muffin mix to the beloved Jelly Belly. Other online specialists like americanfood4U.de exist in Germany.

Ethnic Stores

These are stores dedicated to products from overseas. In the USA you can find stores dedicated to Italian, Mexican, Asian, British, and German food products. In Europe, there are fantastic stores like Taste of America in Spain, featuring all your favorites from back home. These retailers are all about “availability” and are anxious to partner with leading brands from the home country or successful innovations.

Priorities

Discounters, small shops, and value oriented supermarket chains tend to be tough channels to penetrate in the initial stages of your export development. Most brands plan to sell to all retailers. This is a logical ambition in your home country where your brand owns critical mass. In new countries, expanding too fast creates risks. Where does your target consumer shop? Support these retailers with marketing investments. Your brand will “die” on the shelf without high impact promotional activity.

From High Class to Mass

The head of India’s distributor association described export development as the journey from “high class to mass.” Look for clues in the requirements to gain shelf access at target retailers in your home country. Remember that you are the premium newcomer from overseas, not the local incumbent. “Crawl, walk, run.”

New Country: Retailer Segmentation & Prioritization

Priority*	Channel	USA Example	New Country
Phase 1	Upscale Supermarket	Harris Teeter	
Phase 1	Ethnic	99 Ranch Market	
Phase 1	E-Commerce	Amazon	
Phase 1	Gourmet	Whole Foods	
Phase 1	Specialty	World Market	
Phase 1	Natural Food*	Natural Grocers	
Phase 2	Mass Supermarket	Kroger	
Phase 2	Hypermarket	Meijer	
Phase 3	Value Supermarket	Food Lion	
Phase 3	Convenience*	7-Eleven	
Phase 3	Foodservice	Sysco	
Phase 3	Discount	Aldi	

**May vary by supplier*

What Distributors Want to Know ?

Strong distributors are overwhelmed by calls from brand owners looking for new partners. Distributors assess each opportunity carefully, as any new brand must add incremental sales and profits and not distract from priorities from existing brands handled.

What is the “size of the prize” for the distributor?

Assessment Criteria	Facts	Rating (10 = Best)
Your company: size/ reputation		
Existing business: sales in distributors country?		
If zero “current sales,” what is realistic expectation?		
Brand’s USP...your point of difference/innovation?		
Size of investment plan: Marketing and Trade?		
Potential distributor revenues? margin?		
How does the product taste? (or perform)		
How attractive/compliant is the packaging?		
Pricing relative to category?		
Brand success story in an adjacent country?		
Competition intensity in category?		
Brand range complexity? Product shelf life?		
Local market research? Syndicated data?		
Will brand invest in marketing and social media?		
Will this be a tough product to launch?		
Can we grow with the brand owner?		
Your brand: core distributor category or adjacency?		
Will the export manager be good to work with?		
Will we be proud/excited to represent this brand?		
What is the “size of the prize?”		

10 Questions for Every Distributor Interview

1. Company History

How long have you been in business? Who are the owners?
How many direct, "payrolled" employees do you have?
Approximate annual sales volume?

2. Company Brand Portfolio

What are your top 10 companies/brands represented?
For which channels do you represent each brand?
How long have you represented each brand?
Can you provide senior level references at each "brand owner"?

3. Key Account Buyers

Who is the buyer for our category at the largest retailers in your market? What other brands do you sell to our buyer?
How frequently do you visit each major customer?

4. New Product Launch Success Story

Provide a recent example of a new brand launch success story.
Key retailer acceptance? Cost of entry? How long did it take?
Key elements of the success strategy?

5. Creative Selling

Provide an example where you took an assigned marketing/brand support budget and created a successful local program. How do you measure success?

6. Retail Servicing

How many full time employees do you have visiting retail stores? Are they located countrywide or just in the capital city?
How do you measure a "good store" in terms of brand presence versus a "bad store"? Describe your retail reporting system.

7. People

Who would be our point of first contact? Would our contact also "sell" our brands to major accounts? What other brands is our contact responsible for? How do we insure that we get our fair share of attention from your sales force?



8. Business Planning Model

What would your action plan be if we made an agreement to start with your company? First steps? 90 Day Plan? Reporting?

9. Cost to Serve

How do you model your distributor margin? Range of margin for our brands? Are you open to promotional spending split (50/50)?

10. Enthusiasm for our Company

Why is our brand a good match for your company?
Why are you the best partner in the market for our brand?
What commitment are you willing to make?

Talk to an Expert




- International Strategy Road Map
- Fix Problem Markets
- Entry Plans
- Find Distributors in 96 Countries
- Export Workshops
- Motivational Meeting Speaker



Contact Greg Seminara at (001)-404-255-8387 to discuss your business development project.

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Global Presence – USA Retailers*

			
2018 International Sales (\$ billions)	121	34	66
Percent International	24	27	28
Total Countries (ex. USA)	26	10	12
Total International Stores	5,993	235	21
Canada	411	100	14
Asia	797	64	
	China - 443	Aust. - 10	Australia
	Japan - 332	Japan - 26	Japan
	India - 22	S. Korea - 15	India
	India - Flipkart	Taiwan - 13	
Latin America	3,716	39	
	Argentina - 92	Mexico - 39	Mexico
	Cent. America - 811		
	Chile - 371		
	Mexico - 2,442		
Europe	633**	32	7
	UK** - 633	France - 1	Benelux
		Iceland - 1	France
		Spain - 2	Germany
		UK - 28	Italy
			UK - 7
Africa	436	Not Yet	Not Yet
	South Africa - 389		
	Other - 47		

* store count data as of May 2019

Export Accelerator



Why have Barilla, Pringles, Nature Valley, Starbucks, Duracell, Nestlé, Tabasco, Pepperidge Farm, and other leaders used Export Solutions as a distributor search consultant?

- Powerful distributor network: owner of industry database 8,300 distributors – 96 countries
- Professional 10 step due diligence process
- Results! We make Export Managers' lives easier!

Contact Us for Distributor Search Help in 96 Countries



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“Spend time *Selling* to Distributors versus
Searching for Distributors”



Summer Holiday for \$975

Finding qualified new distributors can be tough. Export Solutions makes life a little easier with our time saving distributor database. Coverage includes 96 countries and more than 8,300 distributors and importers of supermarket products. Enjoy more time at the beach by using Export Solutions' database as a "helper." For less than the price of one business trip, subscribers enjoy annual access to all 96 countries, plus filters for categories including Confectionery, Gourmet & Specialty Food, Grocery, Italian Food, and Beverage Distributors.

	Brazil		France		China
	Colombia		Germany		India
	Mexico		Italy		Japan
	USA		United Kingdom		Philippines
	South Africa		Saudi Arabia		South Korea

Export Solutions covers 96 countries. Can we help you "fill the gaps" in your export map?

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