



Export Express

Insights to Accelerate International Expansion



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

Looking for New Distributors?

How about 9,000? Export Solutions’ distributor database has helped 3,000 brand owners in 14 years speed up the process of finding qualified distributors. Our database covers more than 9,000 distributors of supermarket and drug store type products in 96 countries. Search by country, category, brand name, or country of origin. Experts for Europe, Middle East, Latin America, and Asia with complete regional coverage. “Spend time *selling* to distributors versus *searching* for distributors.”

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Where to Play, How to Win 2022



How do you forecast for 2022? Most companies approach cautiously, anxious to accelerate international expansion, but hesitant to over commit until it’s safe. Fortunately, it’s a good time to be in the food and consumer goods industry. Our retail customers captured sales lifts averaging +10% versus 2019. As the vaccination line creeps forward, we all face the core question of where to play and how to win in 2022.

Green = Gold

Retailers looking to refresh their assortment seek brands that demonstrate credible environmental benefits. Aligning with your customers’ ESG (Environmental, Social, and Governance) platform is good for the planet and positive for your business prospects. A key initiative is to translate your company’s strong commitment to ESG in your home country to your global partners.

Digital Marketer: #1 Hire

Social media is an effective and efficient way to market to overseas consumers.

Influencers, Facebook marketing, and YouTube videos are now standard tactics. Exporters’ top hires should boost your international digital marketing team. Distributors need help with proven strategies and content to execute locally. Distributors must also join the digital party, hiring young people to lead their efforts.

Hot Countries

1. USA
2. Saudi Arabia
3. China
4. Poland
5. Mexico
6. Japan
7. Vietnam
8. South Korea
9. Philippines
10. Qatar



When Big is Small

Most international managers work for companies with impressive market shares in their home countries. This creates a proud company culture based upon critical mass, deep resources, and a strong commitment to marketing and innovation. This scaled model appears in direct conflict with the export department which is tasked with creating miracles with a small team and limited investment. The result may be challenging when a big company attains a disappointing niche status in strategic international markets.



How can we leverage our home office strengths to accelerate our growth trajectory in tough to penetrate countries?

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

1. No More Copy Paste

Too many export departments repeat the same boring behavior every year: identical price promotions, similar annual priorities and the same discussions year after year. Inspire your distributor team. Reward creativity and new thinking to solve old problems. Test something new!

2. Think Like Marketers, Act Like Start-ups

Export frequently resembles a trading souk focused on price and promotion. Return to your marketing roots, with conversations around your unique product benefits and strategies to reach your target consumer. Deploy cost effective, guerilla marketing techniques to break through the clutter. Find creative ways to get samples into the hands of a broad audience.

3. Build the "A" Team

Everyone wants to work on the international business. Seek the brightest young people at headquarters and lure them to your team. They will require training, but their high energy will be rewarded. Access functional experts, even if it's on a shared or dotted line basis.

4. Is Your Price Right?

At home, our brands represent category leaders, usually appearing in the middle of the price spectrum. Overseas, the added costs through the supply chain result in our brands being priced at premium or super premium levels versus local players. In many cases, export pricing is heavily burdened with corporate overheads that are duplicated overseas through your distributor's cost structure. Pursue efficiencies "line by line" to sync your pricing to be more competitive with local price thresholds.

5. Big, Big, Big Strategy

In export, it is easy to be distracted by complexity. Some export managers falsely rest on the claim that "they sell to 50 countries." Winning the big prize requires a narrow focus: Big Brands at Big Customers in Big Countries.

Your company has demonstrated its brand building success in your competitive home market. Capture, borrow, and adapt that formula to fight tough battles overseas.

Good luck!

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20 Tips to Accelerate a Mature Business

Activity	Strategy
Creative Promotions	Retailer specific events. Offer fresh ideas.
Distributor Brand Manager	Upgrade talent. Secure "A" players on your business.
Pricing	More profit through higher volume at lower price?
Country Manager	Hire local manager or assign HQ person for 3-6 months.
Local Production or Copacker	Lower cost structure with added complexity.
Brand Ambassadors	Hire team with "brand uniform" to sample at local events.
White Space – Distribution	Fill voids on retailer listing map: Top 10 customers.
Social Media	Partner with influencers. Targeted local investments.
New KPIs	New measures: Listing maps, shelf placement, etc.
E-commerce Development	Invest to lead in this emerging channel.
In-Store Visibility	Educate and measure team on in-store presence goals.
Sampling, Sampling, Sampling	Aggressive distribution of free sample size.
Distributor Team Linkage	Zoom/Teams contact with Key Account Managers, etc.
Launch NPD Innovation	Excite team to launch innovation "The Right Way."
Distributor CEO	Treat CEO as VIP. Create special relationship.
Sponsorship	Support local events and retailer charities.
Sales Contest	Excite and motivate retail sales team.
Alternate Channel Focus	Small shops, foodservice, duty free, drug stores.
High Spend Test	Will heavy up marketing or trade discounts drive sales?
Distributor Change	Motivated new team, high energy to solve old problems.

CARS: Driving E-Commerce Success

The fundamental drivers and “rules of the road” are different for e-commerce. Review the **CARS** model to enter the highway to e-commerce success.

CONTENT

- Your online “showroom”
- Tell your brand story and “why” to buy
- Updated, high resolution product images
- Accurate product specifications

ASSORTMENT

- Complete assortment possible; shelf space is unlimited in cyber space
- Larger sizes or multipacks help shipping efficiency
- E-Commerce best sellers may be different than supermarket packs

REVIEWS

- Establish process to monitor reviews
- Create quick response system
- A new customer service requirement!

SEARCH

- Page 1 search results is critical metric
- Managing pay-per-click is essential merchandising activity
- Digital analyst to monitor results and adapt quickly

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 greg@exportsolutions.com to discuss your business development project.
www.exportsolutions.com

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View our activities for export managers – www.usafoodexport.com

Distributor Margins & USA Broker Commissions: What's Fair?

Short Answer – Prevailing Rates*

12-20% Distributor Margin	Leading companies with sizable budgets: consumer marketing and trade promotion
20-30% Distributor Margin	Mid-size companies with some investment: marketing and trade promotion
30-50% Distributor Margin	Niche brands or start-ups with little or no upfront marketing investment
2% USA Broker Commission	Leading companies/brands – full service (HQ sales + retail)
3-5% USA Broker Commission	Average size brands – full service (HQ sales + retail)
5- 10% USA Broker Commission	Niche brands or “start-ups” requiring full service
Distributor margins do not include optional distributor contributor to trade promotion	
*Distributor margins and broker commissions can vary based upon local factors such as retail requirements, logistics costs, financing fees, and complexity of servicing a manufacturers business. Contact Export Solutions to discuss typical margins/commissions for a specific country or brand.	

Cost to Serve: 5 Factors to Consider

Manufacturers must perform self analysis to understand the costs required to service their business:

1. How complex is your product line?

One category with 3-5 items is relatively simple to manage. Or is your company in many categories with 50-100 items to sell, inventory, deliver, and merchandise in-store?

2. Logistics: Single largest cost for a distributor.

Freight and warehouse handling complexity can vary widely by manufacturer. Key factors include product cube, shelf life, sales turnover, and typical order. Temperature controlled logistics usually adds 5-10 points of margin.

3. Retail Intensity.

Certain brands compete in large categories (confectionery/ drinks) with fierce competition for shelf space. This demands constant attention by the distributors/brokers sales force on every store visit. Other brands require little ongoing retail attention. In these cases, distributor personnel must simply verify that authorized brand sizes are available at each store.

4. Seasonal Brand versus Year-Round Sales?

Naturally, it is easier for a distributor to service a brand that has a narrow selling season (Christmas Holiday) than a brand requiring year-round focus.

5. Manufacturer Involvement and Visibility.

Does the brand require a dedicated brand manager in the distributor to handle day-to-day activities? How involved is the brand owner? Do you speak to him daily or several times per year? What is the frequency of brand owners request for information/reports and market visits?

Pioneering New Brands is Expensive

Brands new to a country bring no immediate income and are risky for a distributor. As a result, brands requiring pioneering frequently experience higher margins for distributor services. This surcharge is driven by the fact it may take up to a year from start until the distributor derives a meaningful sales level and is paid for his shipments of your new product. Market entry planning can take 3 months, followed by another 3-4 months to sell in to retail availability. Marketing activities begin and may take 2-3 months to generate meaningful sales levels followed by retailer payment 30-90 days later. Thus, a distributor may be investing his organization's resources for one year before he gets paid! In some cases, a manufacturer will offer the distributor or broker a small, monthly fixed retainer fee during the launch planning period. This supplies income for resources allocated before your partner receives payment.

Marketing Investment:

How Much and Who Pays?

Brands with a strong financial commitment to marketing should generate higher sales for the distributor. Marketing investments include spending for consumer awareness activities such as advertising and sampling, as well as trade development events such as listing fees, special displays, and in-store campaigns.

Brands with strong marketing budgets typically enjoy lower margin structures. In some cases, the distributors agree to share the marketing costs as part of their margin calculation. This practice may apply to large brands or new products. Distributor sharing of marketing expenses may result in a slightly higher margin, but also in increased accountability, efficiency and a unique sense of partnership.

What is the Size of the Prize?

Margins and commissions represent your partner's "salary." Brands with existing business deliver immediate and reliable cash flow. Most distributors' costs are fixed: sales force, warehouse, management, administration, etc. Brands with current sales deliver incremental profits for the distributor by leveraging the distributors' existing infrastructure. The distributor must offer a competitive margin to attract these brands to deliver a cost savings versus the brands current organizational strategy. Manufacturers with significant existing business are in a strong negotiating position.

Bonus Incentives Versus Scale Discounts

Supplemental compensation schemes may be used to incent distributors/ brokers or to obtain cost savings once certain volume thresholds are reached. One approach is to pay a bonus based upon reaching critical annual sales targets. In other situations, manufacturers may structure margin calculations to receive rebates/margin reductions once business reaches a certain sales level. For example, reduction of margin from 25% to 23% once 3 million in sales are reached, 20% once 5 million in sales are reached. Other plans call for a reduced margin only on levels exceeding the thresholds. For example 25% margin on first one million in sales, 22% margin on sales above one million.

Where to Play, How to Win 2022

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No Copy/Paste: Trade Promotion

Exporters repeat the same boring “price off” trade promotions year after year. The world has changed, with supermarket chains looking for creative special offers tailored to their customers, not the general market. Try something new!

USA: Bigger than BRICs

Most international brands claim sales to USA, but market share is always tiny compared to potential. USA is wide open to world food. Our retailer database tracks 370 USA customers, all looking for unique new food items. The path forward requires that brands play by USA rules with brokers, slotting fees, and promotion discounts, supported by a country manager. Don’t forget Canada – an attractive country with 38 million people.

Middle East is Hot

The price of oil surged in the last twelve months and could move higher with a post pandemic recovery – good news for oil rich nations such as Saudi Arabia, Kuwait, UAE, and Qatar. These countries were proactive and obtained vaccines early. Saudi Arabia is always the big prize with a population of 35 million, bigger

than the other GCC countries combined. Regional tourism outlook is favorable with Expo Dubai and World Cup in Qatar in 2022.

Meet the VIPs

Vietnam, Indonesia, and the Philippines contain 500 million people. Vietnam is a top performer, as companies shift production from China to a lower-cost production location and avoid the China-USA trade war. The Philippines maintains strong ties to the USA. Japan appears attractive for exporters due to the emergence of a gourmet channel featuring 10 chains with more than 1,000 outlets featuring wide selections of international brands.

Tackle a Tough Country

The time has come for some ambitious companies to tackle either Mexico or Poland. Both countries offer exceptional potential for those willing to invest in developing a brand the “Right Way.” This includes consumer research, significant marketing, and local oversight.

Big Wins: Small Markets

Consider Qatar, Ireland, Panama, and Israel. Small countries import a higher percentage of their food and most use

distributors. This creates a level playing field for retail pricing competitiveness. Export Solutions’ database tracks an average of 84 distributors per country.

E-commerce: 20% of sales?

E-commerce has emerged from niche to mainstream status. Winning organizations have redesigned their route to market strategies to incorporate e-commerce and digital marketing for each element of the business. E-commerce is more than Amazon. Strategies should incorporate unique requirements to service “supermarket click and collect,” TMall, Ocado style, and other platforms. For exporters, it is worthwhile to consider an e-commerce “first” launch, particularly in Asia.

Export Solutions Can Help

Our distributor database covers 96 countries and more than 9,000 distributors and 2,600 retailers. The current environment provides a unique window where it’s easier to contact distributors regarding new business opportunities. Export Solutions has launched several new programs which allows us to supply distributor search services via Zoom/Teams meetings.

2022 Winning Strategies

Geographic	Accelerate USA Development for Overseas Brands
	Saudi Arabia
	Mexico or Poland
	Vietnam, Indonesia, Philippines (VIPs)
Sales Execution	E-Commerce KPIs
	Listing Maps – Every Country
	In-store Visibility Guidelines. What is a Good Store (vs Bad Store)?
Team	Upgrade Underperforming Distributors
	Hire Digital Marketing Manager
	USA Country Manager (Overseas Brands)

Can We Help You? Distributor Search Helper for:



Your
Logo
Here



Procter & Gamble



Johnson & Johnson



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	North America	Mexico
Singapore	Africa	Canada	Panama
South Korea	South Africa	United States	Peru



Export Solutions
Distributor Identification Experts

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

www.exportsolutions.com

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 distributor’s 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”?		

Exporter Classification*

Type	Description	Export Profile
10	Multinational	Strong market share everywhere across multiple categories.
9	Global	Multinational. Mix of leading countries and niche participation.
8	Category Champion	One core mass category. Strong performance globally.
7	Icon	Well known, niche leader. Global availability. Example: Tabasco.
6	Regional Leader	Strong share across one continent/region. Some export success.
5	National Hero	National treasure, #1 brand. Exports to homesick expats, tourists.
4	Player	Respectable share in home country. Opportunistic exports.
3	Participant	“Me too” product. Opportunistic exports. “Trader”/private label.
2	Challenger	Innovator. Some listings in home country. New to export.
1	Start-up	Trying to get traction in home country. Export “dreamer.”

**Export Solutions' classification system*

Distributor Classification*

Stars	Title	Description	Prime Prospects
★★★★★	Champion	<ul style="list-style-type: none"> • Massive distributor • Handles multinational/ #1 brands across many categories 	<ul style="list-style-type: none"> • Brand leaders • \$\$\$ marketing budgets • Exporter types: 6-10
★★★★	Captain	<ul style="list-style-type: none"> • Category captain • Handles leading brands in one segment 	<ul style="list-style-type: none"> • Category innovators/leaders • \$\$ marketing budgets • Exporter types: 5-9
★★★	Player	<ul style="list-style-type: none"> • Mid-size distributor • Handles #2/3 brands or niche leaders across many categories 	<ul style="list-style-type: none"> • Differentiated, premium brands • \$-\$\$ marketing budgets • Exporter types: 4-7
★★	Participant	<ul style="list-style-type: none"> • Respected local • Diversified product portfolio • Results equal to investment 	<ul style="list-style-type: none"> • Flexible, challenger brands • \$ marketing budget • Exporter types: 2-4
★	Pioneer	<ul style="list-style-type: none"> • Small distributor • Entrepreneurial, open to innovative new companies 	<ul style="list-style-type: none"> • Start-up brands • “Pay as you go” marketing • Exporter types: 1-3

*Export Solutions' classification system

Need more information? Visit www.exportsolutions.com.

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 9,000 qualified, local brand builders in 96 countries.

Search by Country, Category, or Country of Origin

Local Experts

Distributor Coverage

Asia	2,014
Europe	3,102
Latin America	1,565
Middle East	924
USA/Canada	1,461

Category Experts

Distributor Coverage

Beverage	1,671
Candy/Snack	2,681
International Food	3,218
Health & Beauty	1,781
Natural Food	829

Country Experts

Distributor Coverage

German Brands	640
Italian Brands	1,383
UK Brands	673
USA Brands	1,175



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

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