

Worldwide Bakery Sales.

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Good morning ladies and gentlemen. First of all I will briefly explain how I have developed my business in the bakery sector over the last 10 years. This has given me a very good understanding of, and a unique angle on, the international bakery industry.

The second part of this presentation will then highlight the practical issues which can help bakery companies best sell their products into new, particularly non-English speaking markets, an area where I have developed my expertise.

Business development outside the UK is not easy for reasons we are all aware of; the strength of sterling, our exchange rate fluctuations against the Euro and of course the current disastrous situation regarding Foot and Mouth disease, not to mention the previous BSE crisis and knock-on anti-British attitudes. Current restrictions notwithstanding, the reality however is that no British producer can afford to limit their horizons to the home market - the many Continental companies clamouring to swamp our market certainly are not adopting that philosophy!

In an ever more competitive world market, the need for sufficient time and resources and indeed strategic thought applied to selecting the right overseas markets and having crucially a strategy for actually handling the business development and relationships have never been more important.

My key point is that, where other international markets are concerned, companies in this industry very often operate wholly on a reactive basis when enquiries happen to come in out of the blue rather than actually doing what they naturally do in the home market, namely decide where the target market is, decide what products and prices are appropriate and then proactively go out and get sales.

I wanted to call my paper "Is English Enough? - Developing an International Marketing Communication Strategy" but to be honest, calling my slot World-Wide sales is just as good!

The simple fact is, as all of you companies here who do have good international business will I am sure testify, good communications with customers are essential and often must be in their native language and conforming to their cultural way of doing business.

I came into the baking industry by chance. After 8 years in an international health care company, I was fed up of selling corn plasters (though I could say it in 10 languages, which is pretty impressive) and pleased to take on the challenge at British Bakeries to persuade the French to eat toast, English muffins and sandwiches. I even withstood the derision of my more Francophile, baguette eating English friends when I admitted what my job was (and mixed company prevents me from even mentioning what my French friends actually said about it!)

Ten years ago the UK baking industry was pretty inward looking and I was surprised at first by the general lack of emphasis on international marketing and sales in general, though RHM was certainly more dynamic than most. I found out the more I travelled to different markets, attended bakery exhibitions and indeed developed business with new customers around Europe, the tremendous opportunities for the British baking industry internationally which were simply not being exploited.

I become fascinated by the fact that the bread-eating habits of a nation have always reflected and arguably more clearly than anything else, the actual culture of the people. If you consider indeed any market place and think of the bread they eat it is quite possible to understand a great deal more about their lifestyle and culture. Perhaps you can think of some examples?

A case in point is obviously our own market with the rise of industrial bread to feed the urban population to our now enormous range of breads covering an ever widening number of cultural traditions. This serves to show indeed that in actual fact we in Britain are in many ways more cosmopolitan and open to new influences, of course for historical reasons mainly, than pretty much all the rest of Europe. In times of Britain-bashing such as now we would do well to remember this 1 feel!

Often also bakeries have tended to be family companies and start off small and quite feasibly become major national suppliers without the need to actively consider selling outside the home market. This point also made me more interested to work to try to bridge this gap for companies as quite often producers have suddenly realised they have to export and do not know where to start!

Bread after all is not like computers where, from the word go, a company has no option but to think globally and this obviously impacts on the philosophy and the prioritisation of resource allocations.

By late 1993 (and as a Tomkins "casualty") I jumped at the chance to work with my then French Hovis distributor to see other British bakery goods into the French retail trade and my business was born

from that point. I wanted to focus on the actual sales and marketing but my experience was that the companies with the most appropriate products still found it very difficult to deal directly with customers all over Europe and very much preferred to go via UK-based distributors.

Running a trading company was excellent experience and we helped a large number of bakery producers to sell products into new markets or at the very least understand more about them, bridging for them the linguistic and cultural gap.

At the same time, consultancy with a number of companies for International exhibitions, for Scottish Enterprise on their Food Export Europe programme and other initiatives all added to experience in the industry internationally.

In 1997 sterling become very strong, margins were affected and I decided to set up a separate company wholly for the bakery industry Worldwide Bakery Associates Ltd

and my company Sefrex Limited remained as General Export Consultancy and provider of Translation and Interpreting services.

Our current activities therefore include working as an International Sales Agency for selected key UK and now also Austrian producers and we are now focusing pretty much on the area of frozen breads and desserts.

After 10 years in the industry, I consider the greatest compliment to be when a company with which I have worked in some way goes on to develop direct and naturally profitable international sales and are both happy and equipped to deal equally themselves with customers in any market.

It has been notoriously difficult for U K bakery companies to justify speculating to accumulate in international marketing but there is however help available in the form of a UK Government subsidised scheme.

I have also for over 3 years now been working as one of around 15 active Registered Consultants nationwide on this Trade Partners UK Export Communications scheme. To be a consultant you must be a multi-linguist with direct exporting experience and able to work both objectively and, of course, confidentially.

The export communications scheme is managed by the British Chambers of Commerce and the aim is to offer practical and constructive assistance to any UK company of under 500 employees which is either already trading internationally or certainly has very concrete plans in place to start to do so in the near future.

In a time of currency problems, resistance to British food for whatever reason, why do some companies succeed and develop profitable business overseas when those with equally good and well priced products do not? The answer is simple, successful companies also communicate with their customers and, where necessary, in their own language. It is common sense of course but still an area so often neglected.

This is what this scheme is all about, helping companies to be more competitive through good communications, though of course I am not suggesting here today that you need to commission a project to achieve this. In fact if I can make you think about the subject and go away and implement changes so much the better.

Over the last three years I have therefore worked with at least 30 companies in the food sector (many in bakery) under this subsidised scheme, as well a roughly equal amount in other non-food industries too.

The aim is certainly not to tell a company how to sell their own products but rather help them to look at their own international Sales and marketing strategy from the angle of communication which companies in fact without exception find a most useful exercise.

After the initial review and report (at a cost of only £50 to the company), many companies do go on to commission an intermediate or full review, making a total possible cost to them of £450 to obtain the full £750 subsidy. This follow-on could be for example researching by telephone lists of sales contacts to see if they can

correspond or not in English (not very different in fact to a sales promotion exercise) or coordinating translations of packaging and ingredients into numerous languages (we have done quite a number of these projects too saving companies easily the fees they pay by getting very good translation rates too) or any other relevant objective.

Government schemes such as this often are not marketed to all companies they could be and it is both a good way to get organised and avoid classic problems such as spending a fortune to exhibit overseas and then not being able to follow up what could be excellent contacts because they might not speak English! - I am sure no company here has had that experience but it happens a lot!

A scheme like this also totally complements other international activities for example with Business Links or even other specialist trade marketing organisations like Food from Britain,

When talking for the first time with any company, the following areas are very important initial factors that in my view determine where a company is and what their priorities are (which might have nothing to do with export) and this alone can save them time not to mention money. There is no right or wrong answer to these questions either:

1. As a company, are they prepared to and want to themselves in-house actively follow up sales leads in, for example France (but it could equally be any other markets) with the same level of enthusiasm and allocation of resources as in the UK? Do they already have a strategy to do this?
2. Does the company believe from its own research and international market knowledge, that their products are of a suitable quality, packaging, level of service and of course, very importantly, price level to achieve volume sales in new, probably non-English speaking markets? If they do not, are they interested and prepared to pay to gain that knowledge?
3. Does the company take seriously the need to have a strategy for dealing with customers if necessary in their own language, perhaps necessitating recruitment or language training, or do they aim to rely wholly on overseas English-speaking agents and distributors?
4. Does the company see international sales development as a welcome, add-on to UK business, for which they are not able to put aside any targeted marketing budget or have they made a strategic decision to devote some time and resources to entering potential good new markets (including paying for multilingual packaging, websites or other advertising)?

From a discussion of the initial above points and an overview of the Company structure, history, staff including those with other languages, UK marketing, technical issues and more, a basic overall profile of how the company is set up, what actually they currently produce, how they sell and market their products and what they as a company want to do and feel capable of doing in international markets can be drawn up.

What I have now done for you on the following slides is show a number of the areas of actual communication that I would look to work through with companies often related to specific languages. In all cases these would relate to their own particular business and specific markets. This discussion invariably brings up all kinds of issues that companies might have forgotten about, had to put on a back burner or with which they have had problems but in the rush of doing everything else (you know small things like supplying major retailers with new products or building a new factory) have not been able to resolve. This alone is a very constructive exercise.

I will then be delighted to discuss any of these points with you and do my best to answer any questions you may have.