

TRANSCRIPT: More depth from presentation

GO-TO-MARKET WEBINAR, Session 3

Presenter: Felice Thorpe, Felice Foods



SLIDE NUMBER	NOTES (Expanding on slide content)
1	<p>Session #3 - PROCESS EVALUATION</p> <ul style="list-style-type: none">- Process innovation- Omnichannel distribution- Distribution and Margin- Spotlight: Andersen Dairy- Spotlight: Ruby Jewel- Summary- "If you always do what you've done, you'll always get what you've got"- Henry Ford
2	<p>PROCESS INNOVATION IS ESSENTIAL WITH GTM- Ripple Effect</p> <ol style="list-style-type: none">1. Product, launch or change or improve a product2. Process, improve efficiencies with your whole operations process3. Management, how the company is led and managed4. Business model, new products can lead to new revenue models
3	<p>WORKING WITH DISTRIBUTORS/UNFI, KEHE, DPI, TONY'S, DAIRY DELIVERY ETC - The role of distribution is complicated. You must create product demand and typically bring an anchor account with you to start</p> <p>Program fees</p> <p>Advertising in catalogs, newsletters</p> <p>Complex contracts and term sheets</p> <p>Maintain minimum volume</p> <p>Need to increase your price</p> <p>Case pack size requirements</p> <p>FOB (pick up) or delivery based upon their schedule</p> <p>Streamlined Delivery</p> <p>Expanded Customer Base</p> <p>Customer Service</p> <p>Some offer in-store support</p>

	<p>May help open new stores They understand the marketplace</p>
<p>4</p>	<p>OMNICHANNEL GTM- SO WHAT'S YOUR MARGIN? IT IS CRUCIAL TO UNDERSTAND WHAT COSTS TO ATTRIBUTE IN EACH CHANNEL SO YOU CAN UNDERSTAND THE TRUE MARGIN</p> <p>Direct to Consumer: MSRP: \$7.00 Your COGS: \$3.20 Gross Margin: \$3.80 (54%) <i>(before fulfilment/3PL, digital marketing expenses, credit card fees, etc.)</i></p> <p>Direct to Retailer MSRP: \$7.00 Retailer Margin: 40% Retailer pays you: \$4.20 Your COGS: \$3.20 Gross Margin: \$1.00 (23%) <i>(before fulfilment, promos, trade spend, returns, cash discounts, etc.)</i></p> <p>MSRP: \$7.00 Retailer Margin: 40% Retailer pays distributor: \$4.20</p> <p>Distributor Margin: 18% Distributor pays you: \$3.44</p> <p>Your COGS: \$3.20 Gross Margin: \$0.24 (7%)</p>
<p>5</p>	<p>3 TYPES OF DISTRIBUTORS LOCAL: (start here) Go Deep before wide, less bill backs, accounts nearby REGIONAL: Engaged with accounts, Some have sales teams NATIONAL: Scale up Distribution, Visible data portals, Many bill backs, Service most key accounts Is the Juice Worth the Squeeze?</p>

<p>6</p>	<p>QUESTIONS TO ASK A DISTRIBUTOR</p> <ul style="list-style-type: none"> ● MARKET COVERAGE (GEOGRAPHY) ● ACCOUNT MEMBERS (STORES AND RESTAURANTS) ● WAREHOUSE LOCATIONS ● FOB OR DELIVERED ● MARGIN, FEES, AND OBLIGATIONS ● SERVICE LEVEL (SALES HELP? CUSTOMER SERVICE?) ● REPUTATION REFERENCE ● PAYMENT OPTIONS ● CONTRACT TERMS (I.E. SPOILS AND RETURNS) ● CONTACT INFO FOR EACH DEPARTMENT ● SALES \$\$\$ VISIBILITY
<p>7</p>	<p>HOW WILL I KNOW WHEN I NEED TO MOVE UP TO THE NEXT TYPE OF DISTRIBUTOR?</p> <p>Ask These Questions:</p> <ol style="list-style-type: none"> 1. Business Plan- Does this move align with your growth goals? 2. Customer Service- Can you no longer service all customers and their needs? 3. Capacity- Sales projections outpace current capacity and do you need to work on that part of the business? 4. Delivery Services- Does the cost of service and delivery no longer make sense? 5. Account Management- Has a key account requested a change? 6. Bad Relationship- Do you hate your distributor and you want to move your business? <ul style="list-style-type: none"> ● <p>Next Steps:</p> <ol style="list-style-type: none"> 1. Distribution and Opportunity Targets: Build your retail targets, who services them, and projected volume 2. Have a clear Target Demographic to share with the distributor, so they know where to focus their energy 3. Have an understanding of the distributor margin and the target retailer margins so you can build your pricing 4. Communicate your resources: Sales or broker support, promo support, marketing support, product launch kits, samples, demos, merchandising support

8	<p>PROCESS SPOTLIGHT: ANDERSEN DAIRY , SHAWN BENNETTE MANAGER</p> <ul style="list-style-type: none"> •Began producing and bottling milk in 1966 in Battle Ground, WA. They produce retail and bulk options •They have their own transportation company (Green Willow Trucking) to deliver products – they self-distribute •They execute 90% of deliveries in late evening or early morning to avoid traffic and reduce carbon footprint •The team generates and reviews fuel usage and mileage reports at least monthly •They adjust their delivery routes daily to strategically minimize costs
9	<p>PROCESS SPOTLIGHT: RUBY JEWEL, MATT MARAYUMA, WAREHOUSE AND LOGISTICS</p> <ul style="list-style-type: none"> •Founded in 2004 at Portland Farmers Market •Uses carriers that can maintain negative double digits (-10 to -20 F). Secure documentation SQF/ Safe Quality Foods/ documentation for food product transport only •Not currently using route optimization software, but using LTL /less than truckload shipping carriers who might be using it •Analyzes carrier freight costs every month and will request re-quote as market changes •Analyzes carrier on-time delivery schedule every month and will base carrier selection partly on these metrics
10	SUMMARY GTM PROCESS

	<ol style="list-style-type: none">1. GTM is an opportunity for process innovation2. Different distribution channels have different margins3. Carefully evaluate distributor contracts
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16	THANK YOU! Follow us @DairyPCC (Instagram, Twitter, Facebook, LinkedIn)