



VIRTUAL MISSION TO SCANDINAVIA DENMARK AND SWEDEN

BACKGROUND:

Atlantic Food Export is a project supported by the EU under the Atlantic Area Interreg Programme involving partners from 7 European regions. The project aims to improve competitiveness and increase exports of AA food sector SMEs primarily by encouraging business cooperation initiatives, such as export consortia. The project activities are intended to help the participating SMEs to overcome some of the barriers to internationalisation arising from their small size, structure, skill set or lack of resources. The partners are Chambre d'Agriculture de la Dordogne (France), ASINCAR (Asturias, Spain), Cámara de Comercio de Sevilla (Spain), Câmara Municipal de Vila Nova de Famalicão (Portugal), Cork City Council (Ireland), Northern Ireland Food & Drink Association (Northern Ireland), BIC Innovation (Wales). A key element of the project was the formation of a number of export cooperation groups, including drinks, speciality foods, organic & health foods and baked goods. This report details the outcome of a cooperation action undertaken by the organic & health group.

Initial objective of the project was to organize a group mission to Denmark and Sweden including a retail tour for health food and organic food producers for selected members of the Atlantic Export Food project. This had been formulated over a number of group meetings that took place as part of the project cooperation meetings and also online meetings over Skype. The group chose Denmark and Sweden on the basis of some previous experience from group members relating to the health and organic market in these countries. They were also expecting that smaller country markets such as these would be serviced by small to mid-sized distributors that would be used to working with smaller producers. The group activity was led and facilitated by Cork City Council as one of the project partners. Following a competitive tendering process for export consultancy support, Market Access, a Portuguese marketing support firm, was chosen.

The mission was scheduled to take place between 23rd March 2020 to 26th March 2020. However, following recent events related to the outbreak of the worldwide pandemic of the COVID-19 virus, necessary actions needed to be taken. The project "GROUP MISSION SCANDINAVIA" was transformed into "SCANDINAVIAN DIGITAL MISSION" to maximize the potential and opportunities in developing business relationships and creating possible partnerships by holding videoconference meetings with the potential buyers.

OBJECTIVES:

The main objectives of the "Scandinavian Digital Mission" include:

- Preparation and execution of the "SCANDINAVIAN DIGITAL MISSION: Denmark and Sweden:"
- Identify and qualify additional contacts previously not considered due to logistics restrictions (companies located outside Copenhagen and Stockholm)
- Recontact previously qualified buyers and importers, as well as newly qualified contacts in order to evaluate their interest in getting acquainted with the Atlantic Food's Scene offer in a form of digital meetings
- Realization of digital meetings with potential buyers, in the selected markets, that had shown interest in order to promote the Atlantic Scene offer
- Follow-up with the buyers to understand which products and companies reunited more specific interests and to understand and define what would be the next steps. This follow up was done by Market Access and was supported by a buyers evaluation form
- Understand the market demand and undertake a qualitative follow up that can support the market entry strategy of the participating companies

In order to provide all the necessary tools and knowledge to the companies participating in the mission, Support Actions were carried out providing dedicated support. Those actions included: individual calls with the participating companies about the techniques that can be used in the Elevator Pitch and review of the companies' digital presentations (ppts) by providing their assessment, guidelines and comments on how to improve their content and presentation.

MILESTONES

In preparation for the mission and to ensure the best possible approach to the market necessary actions needed to be taken, further divided into different milestones

Part I - "SCANDINAVIAN DIGITAL MISSION"

1) PREPARATION OF THE DIGITAL MISSION

- ❖ Expansion of the databases beyond Copenhagen and Stockholm regions;
- ❖ Preparation of the assessment form for the buyers;
- ❖ Assessment and selection of a most suitable platform to hold the videoconferences;
- ❖ Adjustment of the Mission communication materials:
 - Emailing letter
 - Presentation of the Mission
 - Other documentation that might be found necessary;

2) IDENTIFICATION OF THE POTENTIAL CONTACTS

- ❖ Reconfirm interest with the current contacts in Scandinavia, and set up meetings using videoconference;
- ❖ Initial contact and evaluation of interest and potential in discussing business opportunities with additional buyers;
- ❖ Understand the buying process of each buyer;
- ❖ Scheduling of the videoconference meetings;

3) "SCANDINAVIAN DIGITAL MISSION"

PART I

- ❖ Preparation of the individual / group meetings agenda;
- ❖ Execution and coordination of the digital meetings;
- ❖ Provide support and advisory to the Members during the digital mission;

PART II

- ❖ Follow up with the buyers to understand the interest in the specific company and products, and define intended next steps
- ❖ Delivery of the final report, including the main conclusions and next steps recommendations.

Part II - SUPPORT ACTIONS

1) COLLECTION OF THE INFORMATION

- ❖ Confirmation of the number of the participating Members;
- ❖ Collection of new and additional information about each individual Member:

- New and/or additional products;
- Commercial presentations;

2) PREPARATION FOR THE INDIVIDUAL SESSIONS

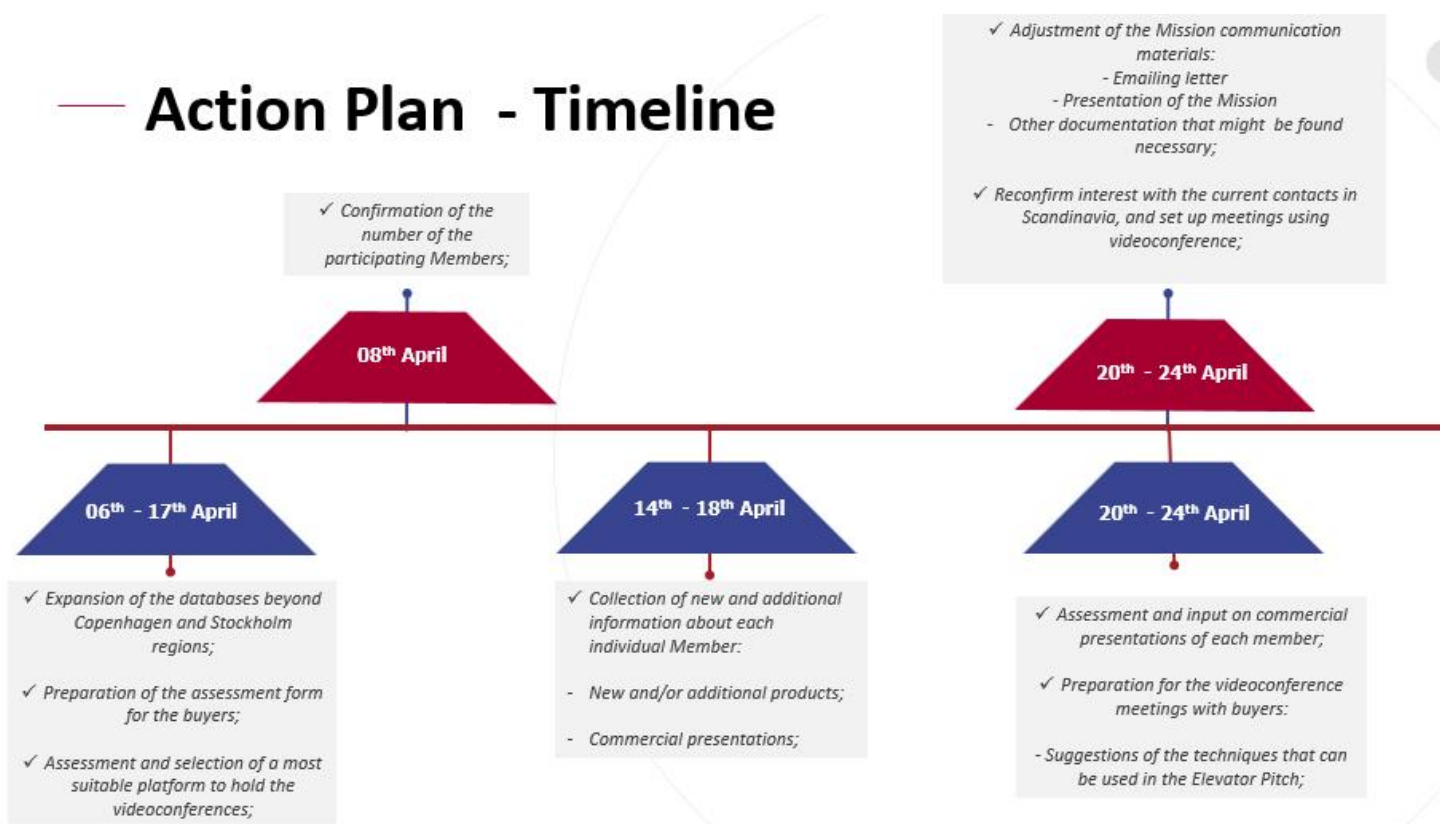
- ❖ Assessment and input on commercial presentations of each member;
- ❖ Preparation for the videoconference meetings with buyers:
- Suggestions of the techniques that can be used in the Elevator Pitch;

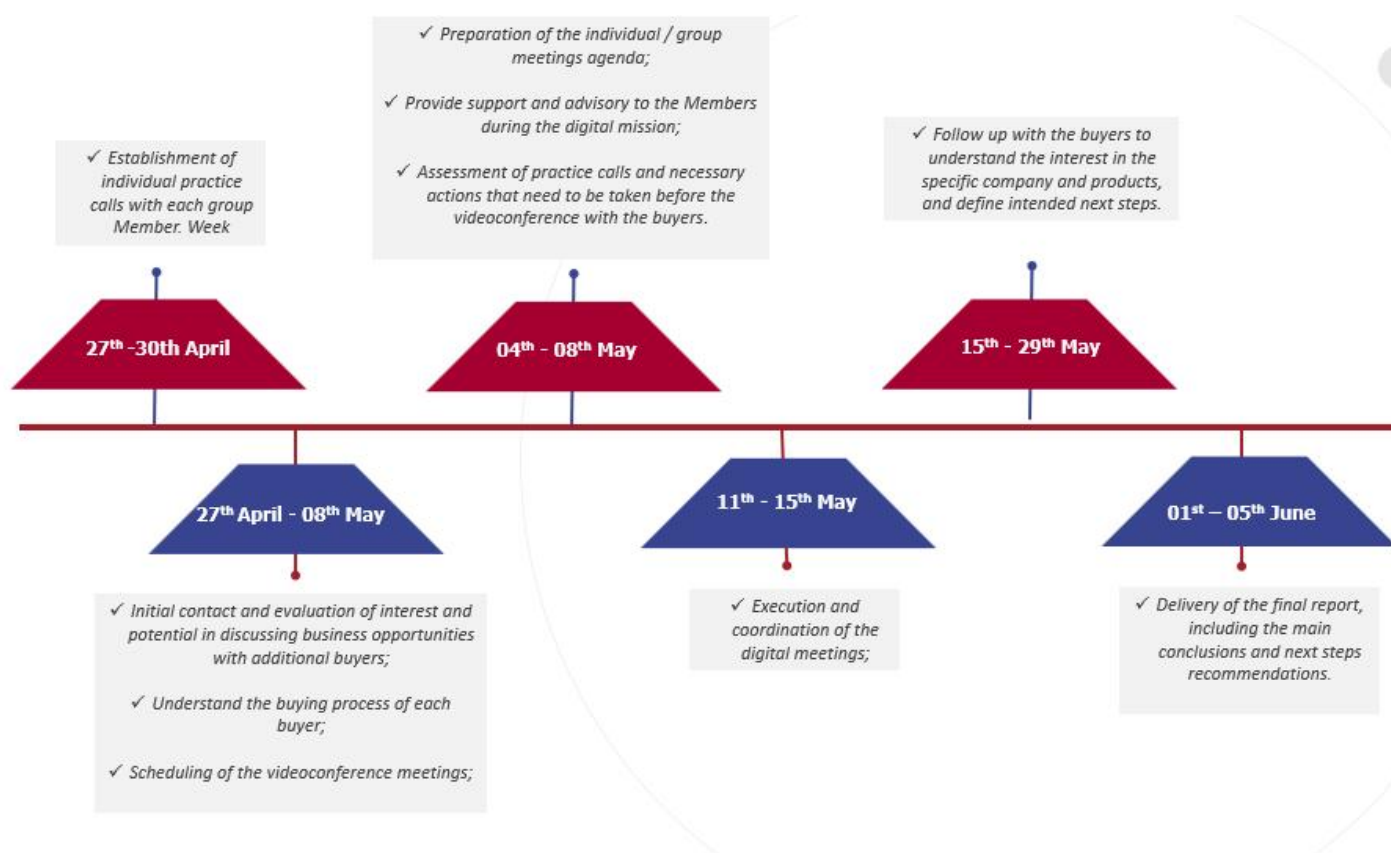
3) EXECUTION OF INDIVIDUAL SESSION

- ❖ Establishment of individual practice calls with each group Member.
- ❖ Assessment of practice calls and necessary actions that need to be taken before the videoconference with the buyers.

TIMELINE

In order to develop the steps identified, a detailed schedule was made which allowed to properly monitor the development of the project.





PROJECT DEVELOPMENT

PROJECT START

The kick-off meeting of the project took place on 17th April 2020 via online platform. It was attended by the Market Access elements responsible for the management and implementation of the project, representative of Cork City Council responsible for EU Projects, as well as representatives of participating companies.

During the meeting, the fundamental points involved in accomplishment of the project were discussed, including the new strategy of the mission, it's objectives and the framework of the project.

Companies taking part in the project included:

- Summit NutriHealth Ltd
- Semper Tea
- Ötzibrew
- Becordeiro's Farm Lda
- Yogan – Vegan creamery
- Inspire Herbal Ltd
- Stevia del Condado

During the project 2 companies, Inspire Herbal Ltd and Stevia del Condado cancelled their participation in the mission due to unforeseen circumstances.

COLLECTION OF BUSINESS INFORMATION

Gathering information about each of the participating companies was conducted at the beginning of the mission.

In order to obtain a more detailed analysis of the companies, their activity and their products, as well as, the objectives and expectations of each for this mission companies filled out company profiles.

In order to complement the information previously collected and obtain a more detailed analysis of the companies, their business and their products, as well as their objectives for this mission, individual meetings were scheduled with the representatives of the companies.

After the kick-off meeting of the “SCANDINAVIAN DIGITAL MISSION” companies were asked to inform and update Market Access about new products or any changes that may have happened during the transformation of the mission.

All the companies provided necessary information and made it possible to obtain a large amount of information regarding the participating companies including their company’s presentations, which is crucial for definition of the typology of companies to contact in the Scandinavian market.

WEBINAR AND INDIVIDUAL TRAINING SESSIONS

One of the supportive actions of the mission was a webinar on “How to prepare a winning pitch and presentation in the digital context” to prepare the companies for their virtual meetings. Webinar took place on Friday, 24 April 2020 at 1:30 – 2:30pm. All the participating companies took part in the training. One of the topics covered during the webinar was one of the most important things that can improve conversion rates and quota attainment – the Sales Pitch.

The Sales Pitch is crucial because it’s likely to be a prospect’s first in-person interaction with a company. It’s a perfect opportunity to expand understanding of the company beyond what they might already know. As such, the pitch is the perfect opportunity to create an in-person value exchange with the customer. Companies were taught how to adopt their sales techniques and take the advantage of virtual meetings.

After the webinar each company had approximately two weeks to prepare and adjust their existing company’s presentations based on the information and techniques provided and to match their sales pitch for each of the target markets.

Presentations were then assessed by Market Access team. Some of the key evaluation points included: visual presentation (pictures used, structure, font, size and quality of the images used), content (information included and its structure and placement based on the story telling technique), impact and understanding of the content.

Following the assessment of the presentations, companies made the necessary adjustments and corrections and individual sessions with the companies were scheduled. During the individual training sessions companies used their updated company’s presentations and presented their individual sales pitch techniques. Individual sessions took place during week 20 (11th May to 13th May 2020).

CONTACTS CARRIED OUT

After collecting information about the companies and once their profile was established, databases were created of Swedish and Danish companies corresponding to the profiles desired by each participating company.

During the phase “GROUP MISSION SCANDINAVIA”, and due to the logistic limitations that physical missions present, the databases were only focused on the companies located in Copenhagen, Denmark and Stockholm, Sweden.

Following the transformation of the mission into “SCANDINAVIAN DIGITAL MISSION”, databases were expanded, covering other regions of the countries, giving a chance to evaluate potential business opportunities with additional buyers and promotion of the companies throughout whole countries.

The databases contained a total of 122 companies in Denmark and 134 companies in Sweden. In the course of the mission an additional database was created focusing on buyers matching the specific targets of participating companies. This database contains a total of 54 companies that were not included in previous two databases.

All companies indicated in the databases (310) were contacted by Market Access via email and, regularly and intensively, by telephone, in order to present the participating companies and schedule meetings.

Contacts developed during both phases generated 5 meetings, one of which lead to 2 orders that have been confirmed, 7 possible leads and 20 price quotations and additional information requests about products.

CONCLUSIONS | NEXT STEPS

During the mission significant difficulties were faced:

1. Some of the participating companies took their time to provide necessary information causing delay in development and follow up of the contacts interested in their products and products of other companies.
2. High number of target companies had a significant period of time that they were not available either due to vacation season or/ and to working conditions during the pandemic e.g. Limited working time and/or buyers were working from home. This limited the approach and extended obtaining of the feedback timeline
3. Impact of pandemic in the buying process such as focusing on the basic commodities or promotion of the local/national products or/and stopping the intake of new products until next year.
4. The pandemic and its impact on the food consumption habits and consequently need for new products
5. The pandemic and its impact on the food retail and distribution systems

Taking into consideration feedback from the market, some participating companies should have better examined the trends that could influence demand for their product and study the competition, both domestically and internationally before selecting the Scandinavian markets.

Some of the participating companies were more prepared than others. Not only in terms of commercial aspects but also in terms of pricing, logistic complications, product demand and their time available to provide necessary information for the buyers in a respectful manner. It is noted that this also had a direct and indirect impact on other participants.

In cases where the buyer showed interest in more than one participant, it was crucial that all the companies provide the information as quick as possible, to ensure flowless and undisturbed communication and timely assessment of the materials. Unfortunately, not all the participating companies had sufficient time available to do so. This caused delays in follow up, evaluation of the information and eventually loss of interest.

There are 195 countries in the world to choose as an exporter and dealing with each of them is a different. Participating companies should have taken into account several factors that could contribute to the choice of export market:

- tradition - which countries are, traditionally, big buyers;
- demand - which countries or regions are likely to seek the products;
- geopolitical climate - how favorable is the political environment of selected market, etc.

Having existing players selling the same product in the market may mean too much competition which can lead to oversaturation of the market, resulting in affected market share and profitability. It was seen in some responses from the buyers, stating presence of strong local brands already established in Nordic market, that an opportunity could be to fill buyer's company own brands with innovative products. Unfortunately, not all the participants were open to private label solutions, and that resulted in loss of interest from selected companies and limited number of companies suitable to approach.

Barriers that have to be overcome to enter a specific market should also have been taken into consideration. These could be tariffs and trade restrictions, licensing requirements, government regulations, logistical issues, even sudden prohibitions, etc. In the future approach, companies should be aware that some of certifications e.g. IFS or BRC are significant in some products segments more than others.

Nordic markets are very competitive, due to their maturity unique product offerings are vital to success. Importers are very careful when entering into new contracts with new companies, especially those without proven success in the market. Furthermore, consumers in Sweden have a high purchasing power, 10% higher than the EU average, which suggests that they are used to higher standards and have high expectations of the products and services they receive.

Unfortunately, due to the global pandemic, businesses faced certain limitations and changes. Changes in consumer behavior and their spending was noted along with amount of company bankruptcies. Additionally, there were changes in the buying process. The buyers were uncertain about the future and took a longer time to assess new products or stop intake of the products all together, postponing it to next year or until the global situation is more stable.

In general, we believe that the fundamental objectives of the project have been fulfilled. Scandinavian business negotiation culture, which translates into lower interest and willingness to meet did not prevent or stop promotion of the participating companies nor their approach to the market. It should be noted that the

requests for additional information such as price quotations and commercial conditions should be taken into consideration.

It would be important in the near future to resume contact with the leads and companies that agreed to postpone the negotiations until the global situation is clearer and more stable. It will also be important that companies do the necessary follow up in a timely manner not to lose the buyer's interest or to be replaced by the competitor during the "no contact" time.

Follow up made individually by participating companies with remaining contacts in the databases of Denmark and Sweden is strongly recommended. The global situation is changing on daily basis and contacts that indicated that are currently not looking for new products should not be dismissed in the future communication.