

Managing Successful Buyer Relationships

For Healthy Food & Drink Products

Interreg
Atlantic Area
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CAHRES

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Module Overview

This module aims to help businesses who wish to engage with retail & food service Buyers to gain and maintain sales listings to plan their Buyer-Supplier approach and interactions. The content has been compiled with input from experienced Buyers to ensure it is relevant and helpful in supporting good Buyer-Supplier relationships.



1. Preparation for Your Buyer Meeting

Careful preparation is essential to maximise the success of a buyer meeting

2. Pitching Your Business

Making a compelling first impression is key to obtaining a product listing

3. Managing Your Ongoing Relationship

Maintaining a positive ongoing relationship with your customer is crucial for sustained business growth

The Role of the Buyer

- If you aim to sell your products through a retailer with stores, via an online platform or to a food service operator, it is highly likely that you will need to present your range to one of their professional Buyers.
- Buyers are responsible for all aspects of the commercial performance of the individual products that contribute to overall ranges or categories within their business.
- Within the customer's team, Buyers are often pivotal in deciding which suppliers will be in their supply base and which product will receive listings.
- Depending on the individual organisation they may have the final decision or be responsible for recommending products to a more senior or cross-functional selection panel.



Successful Buyer Relationships Are Important



- Establishing and maintaining good working relationships with Buyers is key to obtaining, growing and retaining successful sales.
- It is important to prepare thoroughly for any interactions with your Buyer and their colleagues.
- You only have one chance to make a first impression, so careful planning of your initial sales pitch essential.
- Equally important are your ongoing communications with the buyer and how you deal with day to day issues and opportunities.
- Expect regular business review meetings, during which the performance of your products and your company will be scrutinised.
- The Buyer needs to feel confident in you, your brand, your team and your ability to service their business effectively.

A Buyer's Decisions Will Impact Your Business

- Typically Buyers select products, negotiate pricing, trading terms and exclusivity deals; schedule promotional & marketing activity and review sales levels for retention or delisting of products.
- For businesses running stores, they will influence what space will be allocated to each product and a product's location on the fixture's merchandising plans.
- For food service organisations they will manage the commercial aspects of menu inclusion
- They are responsible for the ongoing management of all products offered for sale and may lead joint business plans with key suppliers, which form the basis of continued trading relationships.



Understanding The Buyer's Goals Helps You Plan Your Approach



The Buyer's commercial objectives and KPIs (Key Performance Indicators) may vary from business to business, but typically include both financial and performance metrics as well as the delivery of corporate strategies.

Other Key Customer Relationships



Technical Managers

are responsible for food safety, legal compliance of products and procedures, factory hygiene & product quality and all associated documentation and records.
They may deal with customer complaints and conduct audits (or commission them from 3rd Parties) and attend first production runs.



Agricultural Managers

set and deliver agricultural related policies.
They manage farmer relationships and may be responsible for environmental issues



Development Managers & Development Chefs

are responsible for developing new private label products.
Chefs are often responsible for menu development for food service operators.
Presenting to the Chef may form the initial selection process for new products to be listed on a menu.



Marketing & PR Managers

promote their organisation and the products within it, through a variety of instore, print or other traditional media and online, social media routes



Supply Chain, Logistics & Depot Managers

are responsible for forecasting demand levels, order placement, order fulfilment arrangements, transport and depots/warehouses.

You may also deal with a range of other people within any customer's business, including operational staff within stores or restaurants, finance staff for payments and invoicing discrepancies, IT managers and legal compliance teams.

Why Buy From You ?

Buyers constantly have new products presented to them – they cannot stock them all !

The breadth of the categories for which they are responsible will vary by the size and type of company. Some buyers have very diverse portfolios.

So, what will make your offer appealing and compelling to a buyer ?

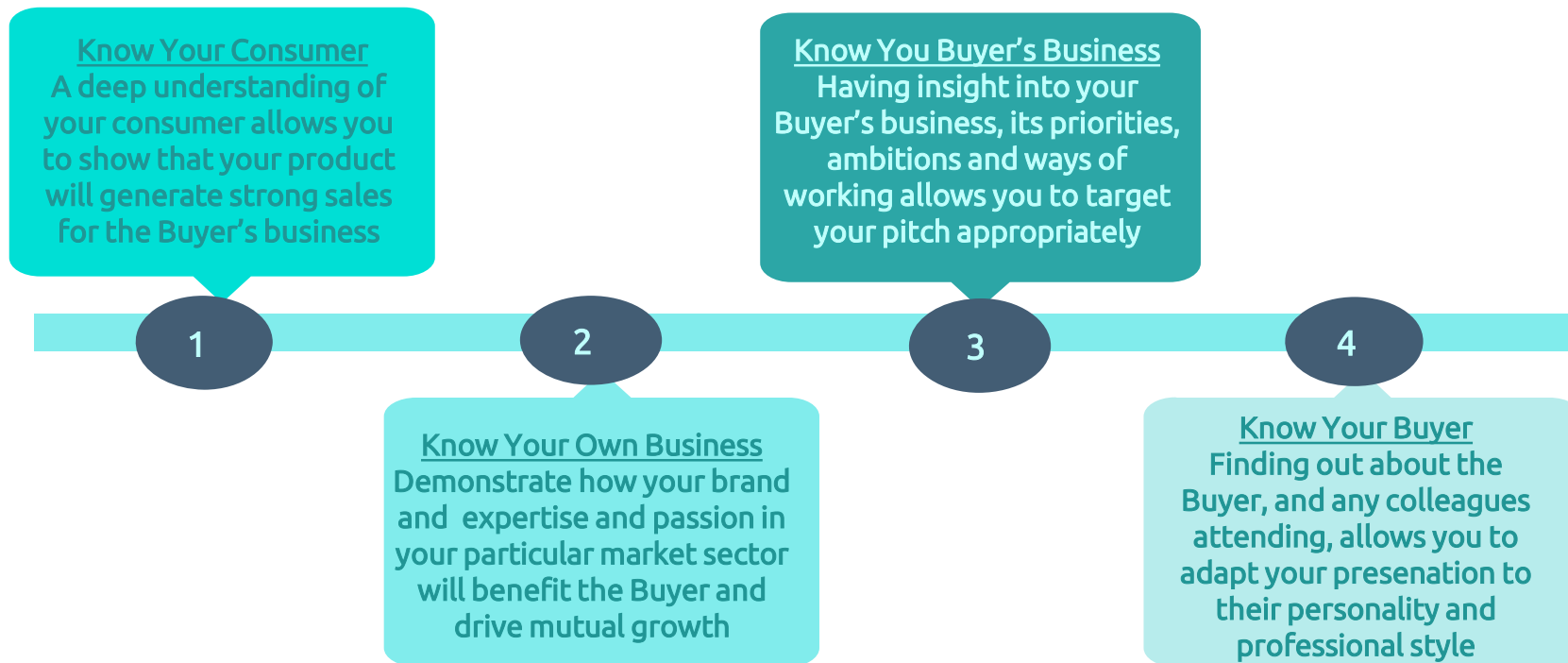
Presenting a strong pitch for your product offer to a buyer needs careful preparation.

There is a lot you can - and need - to do to be fully prepared to convince the buyer that your product will sell successfully within their business.

Here are some suggestions.



Knowledge Is Key For Success

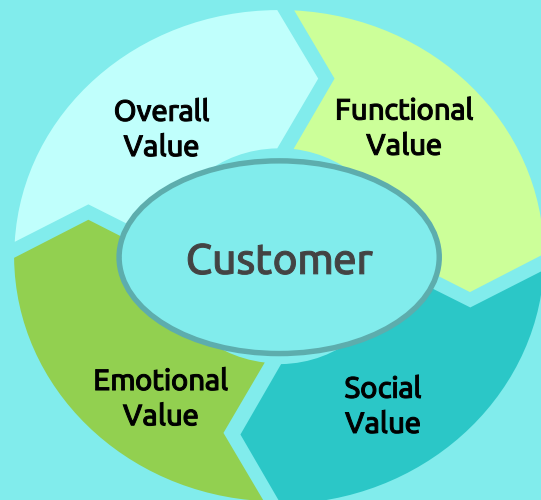
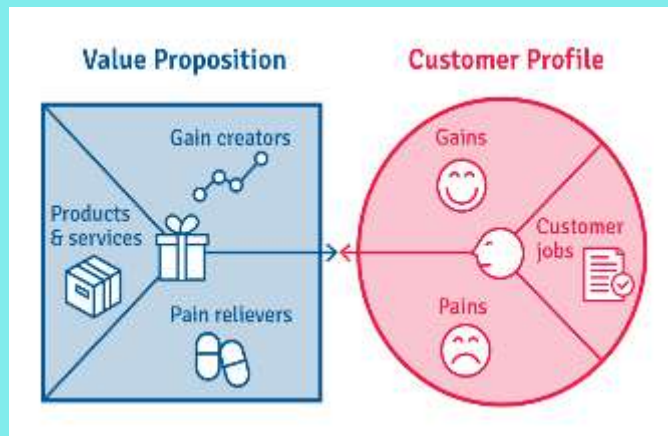


Know Your Consumer



- Robust market research and strong consumer insight forms the rationale for your brand and is key to creating a compelling pitch for your products.
- Conducting market research, and fully understanding your consumers, gives you convincing evidence about who wants to buy your offer that you can clearly explain to a Buyer.
- In the market & consumer research modules of the AHFES Training you will find a variety options for market research and consumer insight methods that you can use to make good decisions about your brand and product offering.
- For example, two helpful techniques you can use are to create a Value Proposition and Customer Personas.

Consumer Insight Underpins Your Brand and Products



The insight gained from consumer research should influence how you create your brand identity and define your brand values.

It is important that a product is designed and marketed based on fulfilling these consumer needs. Focussing on product features - such as recipe, the provenance of ingredients or production method is not compelling if these do not also have functional, social or emotional value to your customers.

Whilst these may be important to the ethos of the brand, they will not be enough to drive sales if a product doesn't meet consumers needs or desires.

Using a Value Proposition assessment of your products allows you to systematically map out consumers needs and desires as they relate to your type of product or range. You can then confidently explain to a Buyer why you have designed and marketed your products in a particular way.

Consumer Insight Focuses Your Efforts

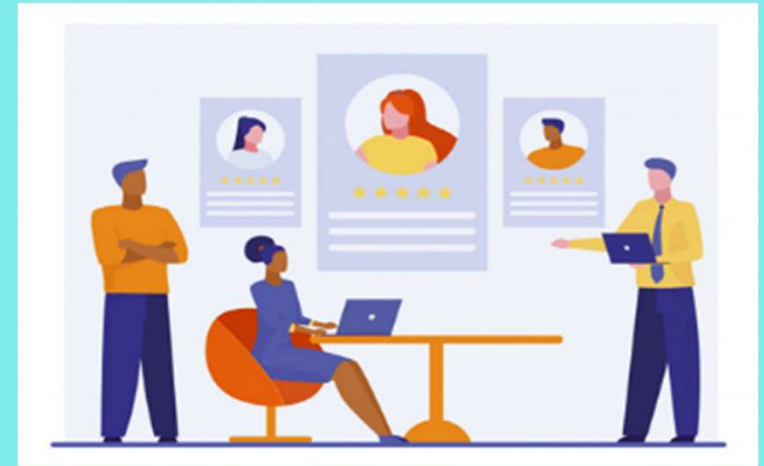
Customer Personas are pen portraits which demonstrate your target customer segments and highlight their needs and desires, behaviours and characteristics.

They are useful as they form an image in your mind as to who your customers are and what motivates them to buy your products – or what could deter them from doing so.

By consistently using this information you can ensure that you maintain the correct focus on the consumer as you develop your brand & products.

In this way you include the important product attributes that your customers are looking for, but also avoid embellishing products with unnecessary – and potentially costly – features that customers do not value.

The personas may also suggest the best routes and methods to reach customers and market your range.



Check out [AHFES training module P1-M1 Gathering Consumer Insight](#) for more information about creating customer personas and a helpful template to collate your persona information

Consumer Connections

- You will need to interpret your research data and present your findings in a clear, coherent way which demonstrates you know what consumers want and where they expect to find your products.
- Show how the demographic profiles of your target consumers match those of the buyer's customers.
- In this way you can demonstrate that these customers would be likely to buy your product offer from the buyer's outlet.
- Thus, generating profitable sales for both of your businesses.



Know Your Business



Be Unique

- Clearly present your unique company & brand attributes
- Outline what makes your offer unique & compelling?
- Differentiate yourself from your competition in a professional manner



Be The Expert

- Demonstrate your expertise in your niche or category by sharing key market information
- Know your products inside out
- But don't overwhelm or bore your audience about them !

Know Your Business



Be Informative

- Focus on your main, key customer appeals
- But be ready and able to answer ANY questions about products, ingredients, sourcing, food safety, design and packaging credentials



Be Receptive

- Be clear about exactly what product or service you are selling – for example product formats or pack sizes
- But be willing to listen to the buyer's needs or suggestions for alternatives

Know Your Business



Be Prepared

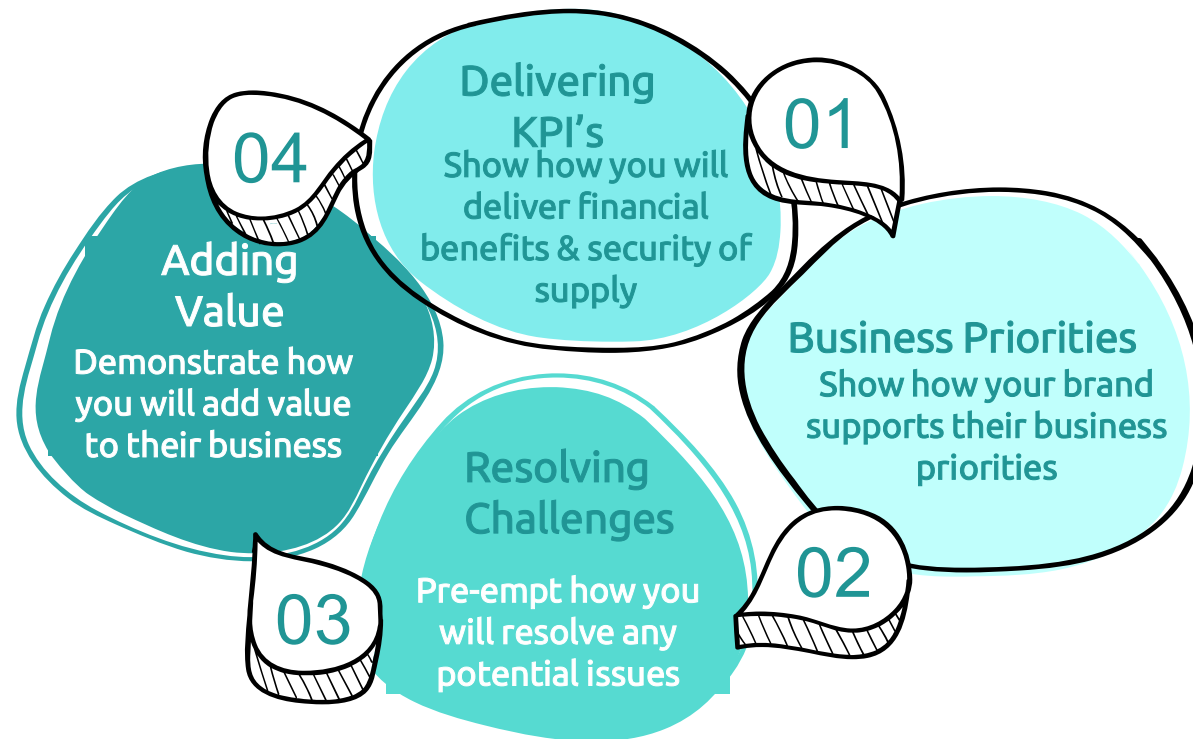
- Know your production capacities & lead-times, procurement abilities and logistics options
- Be prepared to answer probing questions



Be Convincing

- The buyer will need to be confident that you can deliver against their expectations
- So be convincing about your robust management capabilities

Know Your Buyer's Business



Know Your Buyer's Business

- Always visit the Buyer's store or food service outlet before meeting & presenting to them.
- Talk to the staff, watch the customers shopping or review menus and think about how what you learn relates to your product
- Visit their competitors and conduct a gap analysis
- Can you show how your product fills that gap and define the size and scope of the sales opportunity?
- Use the information you gather to show you understand who their customers are, whether this is a diverse group of consumers or a specific, niche demographic.



Know Your Buyer's Business

- Explain the “fit” of the buyer’s customer profile & that of your brand or products – why would *their* customers buy *your* offer ?
- Highlight where the product would fit in their range and what gap it would fill – what extra dimension does it bring ?
- Which fixture or menu area does it suit and how will it sit in their pricing hierarchy of value to premium or “good, better, best” ?
- How can you show that you have anticipated potential operational issues (e.g. shelf life/ order to service times/ staff skill set) and that you have suggestions to address these ?
- These points are also relevant to on-line retailers – research their sales platforms, understand their customer targeting, social media & marketing strategies and promotional tactics.



Know Your Buyer's Business



Delivering KPIs

- Understand what KPIs the buyer has to achieve
- Cash margin, % margin, turnover or market share growth?
- Inbound % target?
- Supply base rationalisation vs. offering locally produced goods?



Business Priorities

- What corporate policy priorities does their business have?
- How could your product support their objectives?
- What CSR initiatives might your offer help them deliver?



Resolving Challenges

- What commercial or other challenges are they facing?
- How can your offer help address these?
- What makes your offer compelling?

Know Your Buyer

- Research the person you are meeting beforehand to see what you can find out about them – use online resources like LinkedIn, trade press or your network of business contacts.
- Who are they & what is their background?
- Are they an experienced specialist in your sector who will ask you specific and detailed questions?
- Or more of a generalist, or new to their role, who will require you to provide context and information about the sector?
- Ensure that you check that your product is **definitely within their buying scope** – there is nothing more frustrating for all of you than presenting to a Buyer who does not hold responsibility for your type of product!



Plan Your Meeting

- It is important to understand key aspects of your scheduled meeting – and be prepared accordingly.
- Be clear how long you have got to present and ensure that you can deliver your pitch with this time.
- Who from the customer side will be in attendance?
- Will it be a 1-2-1 meeting, or will there be a wider team present ?
- If so, plan your presentation content and ensure your knowledge will address the interests of each of the participants.
- At the meeting try to assess the team dynamics and identify who are the key decision makers and gate keepers to securing a listing.
- Who might be advocates for your business?
- Or who are the likely the road-blocks!
- Ensure you have tailored your offer to be compelling to all the key people in the audience at your meeting.



Plan Your Meeting



- Confirm where the meeting will be held
 - Will it be in an office or meeting room?
 - What facilities will be available?
 - Can you show your product offer to the best advantage within this environment ?
 - Should you request a presentation kitchen?
- For Food Service presentations in particular
 - Will the customer expect you to have a chef to prepare and present your food products?
 - Does the customer just want to see your specific product, or do they expect you to present it in the context of a finished meal?
 - Views vary considerably on this depending on the customer and taking the wrong approach can seriously undermine your presentation – so ask in advance.

Compelling Selling !

Ultimately your presentation needs to lead the Buyer to believe that you and your product offer will add value to their business.

You want them to feel that they are missing an important opportunity if they do not list your products !

Pitch with confidence and ask meaningful questions – most Buyer's love to discuss their business and share their opinions and category insights !

Rehearse what you are going to say – Practice makes Perfect !

The Buyer needs to believe in You, Your Products and Your Brand

Bring Your Brand to Life

- ✓ You should bring the ethos & personality of your brand to life
- ✓ You can be original and memorably quirky - but not too flaky !

Passionate Yet Realistic

- ✓ You should be passionate about your offer
- ✓ But be realistic & respectful to the buyer's point of view and prevailing business circumstances

Clear & Knowledgeable

- ✓ You should demonstrate practical wisdom in your sector
- ✓ Be clear about the attributes of your brand, your offer and your USPs

Decisive & Ready to do Business

- ✓ You must be ready, able and willing to make decisions promptly from a position of knowledge

They must believe you will be good for their business



If your pitch has been successful you will:

- have convinced them that your customer demographics are aligned with theirs
- have demonstrated that your offer fits their range aspirations, range tiering, selling price architecture and desired profit margins
- have shown you understand their business – its aspirations, ambitions, needs and challenges
- have convinced them your company will be a valuable business partner for them to work with

They must also believe you are ready to do business with them

They will need to be convinced that

1. Your internal management is robust, skilled and strong enough to meet their needs in all aspects of the business interactions required
2. Your food safety, corporate governance, environmental and ethical standards meet their expectations
3. Your production capabilities, procurement systems and distribution network can cope with their order lead-times, volume capacity and delivery logistics
4. Your financials are secure – that you can earn a sustainable return and manage your cashflow whilst meeting their margin aspirations, delivery frequencies, inbound targets, payment terms and selling prices – both on & off promotions



Managing Ongoing Buyer Relationships

Customer Management

Your product listing will require your ongoing management and proactive monitoring of your performance. You should always be aware of how your products are performing against the sales, delivery and complaints targets agreed with the customer.

Point of Contact

You should be clear who is the designated point of contact for the customer by nominating a “go to” person in your business. This person must have the authority to deal effectively with any issues or decisions required.

Customer Champion

The Buyer and their colleagues will want to feel confident that this person will respond to them promptly & be a “champion” for their business – promoting their interests inside your business.

Managing Ongoing Buyer Relationships

Market Intelligence

Buyers – and the wider customer team - will expect you to be proactive in monitoring your products performance and keeping them up to date on how the market is evolving in your sector.

Sales Development

They will require your participation in developing sales together – this might be in supporting marketing or PR initiatives, funding promotional activity or bringing new or updated products to market.

Prompt Action

They will also require prompt & efficient responses to - and resolution of - any issues they raise with your business – these might be delivery queries, customer complaints or information requests, invoice discrepancies, media issues or food safety or food security scares.

Tips from the Buyers

- ✓ *Work back from the customer and know your products and the need they solve.*
 - ✓ *Know the market segment you operate in*
 - ✓ *Know who is winning sales and why*
 - ✓ *Clearly explain your point of difference*
- ✓ *Understand the Retailers business - where can you add value?*
 - ✓ *Walk the store, physically, online or both.*

Buyer : Amazon

- ✓ *Know the Company you are pitching to*
- ✓ *Know the business you represent*
- ✓ *Be empowered to make decisions*

Buyer : Convenience Sector

- ✓ *Walk the store – what gaps exist that you can fill?*
- ✓ *How is what you offer better – who could you replace?*
- ✓ *Will your product stand out on the fixture – or do you need to change the colour, fonts or orientation?*

Buyer : Major Supermarket Chain

- ✓ *Back up your claims with consumer research and market data*
- ✓ *Give the Buyer confidence you are the expert in your sector*
- ✓ *Show how your product will attract new customers or higher sales*

Buyer : Major Supermarket Chain



We hope that you have found this training module a useful and helpful support to your healthy food and drink innovation.

This training module is one of a number of training opportunities, organised into themed training programmes to support SME's (small & medium sized enterprises) in the participating regions of Wales, Northern Ireland, Ireland, Spain, Portugal and France to successfully bring new and reformulated healthy food and drink products to market.

The training was created by the partners within the AHFES project which is a quadruple helix Atlantic area healthy food eco-system for the growth of SME's funded by the European Union under the Interreg Atlantic Area Funding Programme.

This programme promotes transnational cooperation among 36 Atlantic regions of 5 European countries and co-finances cooperation projects in the fields of Innovation & Competitiveness, Resource Efficiency, Territorial Risks Management, Biodiversity and Natural & Cultural Assets.

For more information about other training available [please click here](#).



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