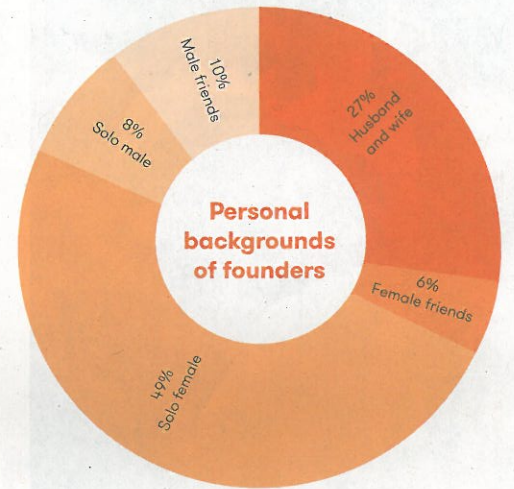
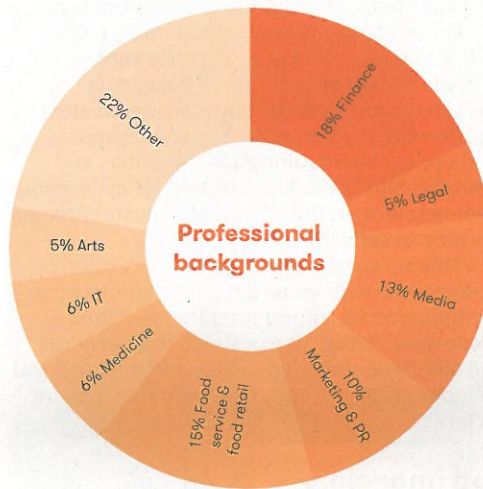




Who are the food founders?

Monique Borst is a specialist consultant for food startups. She's advised over 130 founders and reveals her top four findings.

- 1** Marketers have a natural advantage as they possess skills to create a brand, customer segmentation, communications, social media and PR. However, there's a risk of over design and excessive strategising, which can sometimes impact the charm of an authentic food startup.
- 2** People with a food service/food retail background tend to be do-ers who understand food, the long hours involved and what it takes to thrive in the competitive retail sector. The risk here is they don't have the freshness of someone from outside the industry.
- 3** Founders of food businesses coming out of finance often have funding to development stage, and access to start-up capital. However, they typically struggle to engage others into their idea because they're used to a world where secrecy is very important. In food, you want to get your idea out there, get advice, build up noise and contacts.
- 4** Most common reasons why 75% of food startups fail in their first year:
 - No real demand
 - No business plan
 - Growing too fast
 - No plan B (or C or D)
 - Excessive start-up costs



Supermarket leap

Despite the success of small brands and farmers' markets, supermarkets still dominate where consumers buy food. *Courier* spoke to Waitrose buyer, Oliver O'Mara, about supermarkets and startups.



COURIER: *Have independent food startups pitched more products to be ranged in Waitrose in recent years? If so, can you give us a picture of whether it's up, down or stable compared to previous years?*

OLIVER O'MARA: We sell over 2,500 locally and regionally sourced products from 600 suppliers. In the last three years, the number of locally sourced lines we sell has increased by 25%, so we've been incredibly busy.

C: *How actively are you engaged in identifying potentially new independent food brands and bringing them to Waitrose customers? What do you do to find them?*

OO: We work with regional food groups to set up a 'Meet the Buyer' event to meet potential suppliers. We also go to events like food shows so that we know what is out there and are always on the look

out for the next big thing. Our strategy remains to build our business with existing suppliers as we open more branches in their areas and to source more suppliers in new territories.

C: *What are the main attributes you look for in a new food brand?*

OO: Products that are quintessentially British do particularly well; people love the authentic flavours. So ice cream, beer, pickles, cheese, jams and chutneys are always popular.

C: *What are the common pitfalls food startups make? What advice would you give to would-be new brands that want to be ranged in Waitrose?*

OO: Lack of success comes when a supplier doesn't understand every detail of their cost structure, right from the raw ingredients, to production, to delivery to ensure they have the correct food safety accreditations for their category and customer. We give guidance at every step to help avoid this.

C: *Have you adapted your buying approach to accommodate new brands?*

OO: We nurture small suppliers to help them make the step up to selling their products on a larger scale. We offer our small and local suppliers lots of support to help make their product a success. This includes sales information to help them manage their relationships with branches, line specific point of sale to advertise the provenance of the product, flexible payment terms, reduced fees for online images, and the opportunity for in-branch sampling.

C: *What's your outlook for the prospects of smaller food brands?*

OO: For the right brands, with the right quality products that our customers expect, it's a rapidly expanding market. Local ranges are always more successful when suppliers have really understood the customer and their preferences. We are constantly being introduced to innovative new ideas that fill a gap in the market so it's a very exciting time for us.

THE ONE THAT STARTED IT ALL



Innocent Drinks

A pioneer in its heyday; now Coca-Cola owned and valued at £320m.

Innocent first tested its products at a music festival in 1999, and was up against the market leader, 'PJs', operating since 1994. Pepsi bought PJs in 2005 only to ditch it four years later.

Founder Richard Reed says: 'We had a brand that was more confident, clear and authentic. That emphasis on natural products and transparency has guided everything for us - from our suppliers to our bottles to the font we use.'

The company's irreverent tone and marketing techniques were radical when it launched. 'We couldn't afford advertising so we were doing everything ourselves. We stole the van idea from the film *Dumb and Dumber* and taking copy from films like *Kingpin*.'

He says the tone was just a natural way he and his two fellow founders looked at things. 'We benefited from our limitations. We had a freshness and authenticity because we didn't use an external communications agency.'

It has since launched kids products, orange juice and veg pots. The person who led a tiny 'veg pots' team operated outside the main business. 'I told him: "steal everything from Innocent and exploit any advantage from the fact you work here, give nothing back to us for the time being". We wanted to inject it with that disruptive startup culture that can cause havoc.'