

**CAMILLA PHILIP**  
**2006 NUFFIELD SCHOLAR**

**GROWTH OF CATEGORY MANAGEMENT  
AND SUPPLY CHAIN EFFICIENCIES**



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**NUFFIELD**  
**AUSTRALIA**  
**FARMING SCHOLARS**



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# MY FAMILY – Andrew, Madison, Anabeth, Savannah and Hugh...THANK YOU





**SP EXPORTS**



**Field grown as nature intended**

# WHAT IS CATEGORY MANAGEMENT?

**“A STRUCTURED AND DEFINED PROCESS FOR MANAGING PRODUCT CATEGORIES AS STRATEGIC BUSINESS UNITS PRODUCING ENHANCED BUSINESS RESULTS BY FOCUSING ON DELIVERY CONSUMER VALUE” -F.M.I-**



# **SIMPLY STATED – A PARTNERSHIP BETWEEN RETAILERS, SUPPLIERS AND CONSUMERS**



# WHY CATEGORY MANAGEMENT?

To give consumers satisfaction 100% of the time



**freshlink**  
MARKETING LTD



# WHAT MAKES CATEGORY MANAGEMENT SO DIFFERENT IN THE HORTICULTURAL INDUSTRY COMPARED TO OTHER CATEGORY MANAGED PRODUCTS?

- 🍅 Seasonality
- 🍅 Linking season to achieve all year round supply
- 🍅 Changing category on seasonal basis
- 🍅 Fruit and vegetable category can't buy their shelf space








# HOW DO WE ACHIEVE CATEGORY MANAGEMENT?

-  Relationship Building
-  Category management planning
-  Customer focus

A WIN - WIN FOR ALL PARTNERS INVOLVED



# BENEFITS TO THE RETAILER AND THE SUPPLIER

-  Increased turnover
-  Higher Gross Profit
-  Lift % of consumers
-  Less suppliers within the category – less competitors
-  Opportunity for development of more product lines



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# WHAT ARE THE DRIVERS OF RETAIL TRENDS?

- 🍅 Buyer behaviour changes
- 🍅 More food outside the home
- 🍅 Supply chain focus









**FOODTRUST** of Prince Edward  
Island Limited



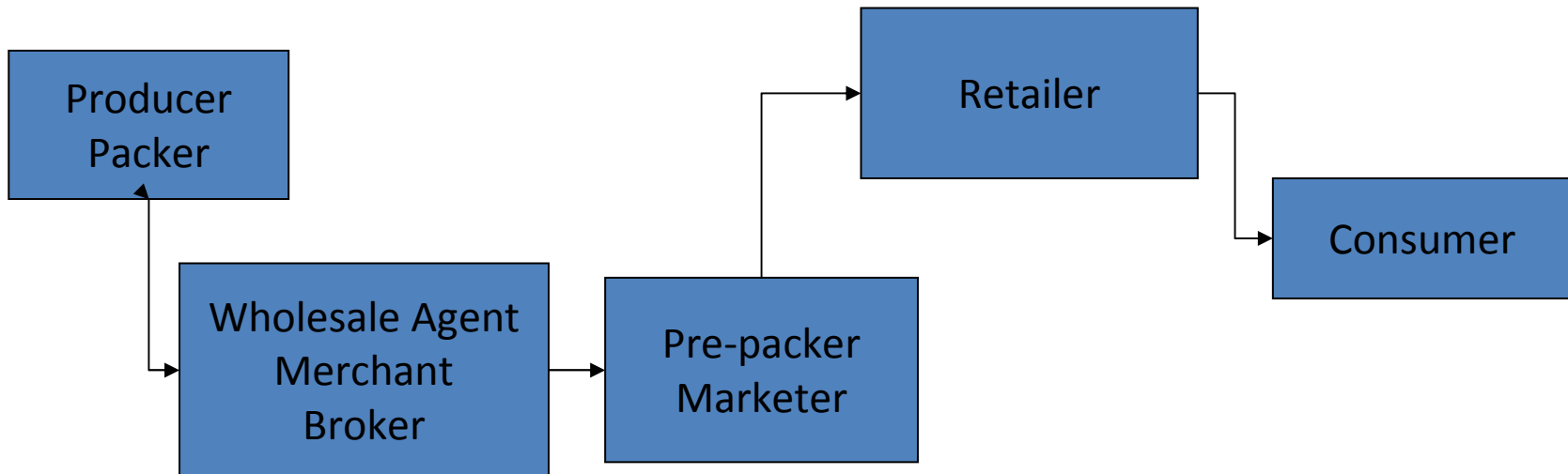


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ONE VOLUME BUSHEL. PRODUCE OF U.S.A.

# SUPPLIER MODELS

-  Vertical integration
-  Marketing company
-  Cooperative
-  Traditional – Individual grower/packer/shipper/marketer

# TRADITIONAL HORTICULTURAL SUPPLY CHAIN





# VERTICALLY INTERGRATED SUPPLY CHAIN



# VERTICAL INTEGRATION



**FIRST FRUITS**



**OF WASHINGTON**

**BROETJE ORCHARDS**



# SO WHY IS VERTICAL INTEGRATION A MODEL THAT IS SO SUCCESSFUL?



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# FROM PADDOCK TO PLATE



# AUSTRALIAN RETAILING





- 🍅 2 major supermarkets
- 🍅 Independents
- 🍅 International retailers
- 🍅 Small local independent green grocers



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# WHERE TO FOR ME,INDUSTRY AND OUR BUSINESS?

-  Relationships
-  Commitment
-  Passion
-  Having the right people



# THANK YOU

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