

From farmer to wholesaler

How to convince farmers to take matters into
their own hands

Tim van Klarenbosch

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Preface

As a student at the Hogeschool Utrecht, I have spend the last four and a half years studying international marketing management. During this bachelor period, I have gained knowledge of various aspects of international marketing and related matters. After spending 4 years in the classroom, the final part of the curriculum consists of a 5 month internship, during which the student is expected to write a graduation thesis.

In April 2011 I received a contract via my mother. This contact was Mr. Tim van Daal, export and strategy manager at Allround Vegetable Processing BV. in Andijk, the Netherlands. We made an appointment to discuss the internship in Enkhuizen, where he lives. During this appointment Tim told me about the company, and learned about my background. After this we arranged a meeting at the headquarters of Allround VP to discuss the internship with the commercial director, Mr. Huib Smit.

During this meeting we discussed my tasks broadly and my ambition to go abroad. As Allround VP has a factory in Ambala, India, Huib told me he would very much encourage me to go to India and see for myself what the company is doing there. He warned me however that my enthusiasm, I wanted to go there for a longer period of time, would get back to me. We agreed that I would make a proposal for the tasks I would be performing during my internship and for the research I would be performing for my graduation thesis.

After receiving the proposal was received by Huib and Tim, some changes were made and we agreed I would start on the 29th of August, 2011. The subject my thesis would, at first, be how Allround VP should sell machines to supermarket chains in India. However, during the internship I have made the decision to change the subject to 'from farmer to wholesaler'.

The first task was to create a calculation tool, which would show the advantages customers have when using Allround VP equipment in money. Furthermore, during my internship I have made presentations for seminars given by either Huib or Tim, maintained the website, written texts for a company leaflet, written plans for cooperating with other companies, did research on CRM systems, collected information on rebuilding a building to become the new headquarters and made offers for clients.

By the end of October, it was time for me to go to India, which has surprised me on many levels. First of all the factory in India, which, from the outside, does not look very impressive. However, when you see the machines that are build there, and the pace in which they are produced, you can only have respect for Allround VP for what is achieved. It seems the only place in India where there is actually organization in the way people work. Furthermore, the smell, intensity of traffic and the enormous crowd surprised me as soon as we left the airport. One could say this country is a real assault to the senses.

In this report you will find a detailed marketing plan with the name 'from farmer to wholesaler'. The idea of this strategic marketing plan is to show the company how farmers are to be persuaded to buy Allround VP machinery, and become wholesalers of their own produce.

To conclude the preface I would like to thank the following people: my mother for setting up contact with Tim and supporting me during my internship. My dad for supporting on many levels during the last 5 months. Tim van Daal for investing time and effort in my internship, and for having me at his house when I did not wanted to drive back to Utrecht. Minousch van der Plas for agreeing with Tim and taking me into her and Tim's home. Huib and Gerard Smit for offering me the opportunity to do this internship. Hans Smit for helping me make offers and for explaining many things.

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Executive summary

Wouldn't it be great if there is a way to improve food quality, reduce the amount of rejects and rotting produce, and offer farmers the opportunity to add more value to their produce? This report will explain the idea that farmers are able to become wholesalers of their own produce by keeping the storage, processing and packing of the produce in their own hands.

In the developing world, the growing population causes pressure on the supply of food. As vegetables are essential in every person's diet, the pressure on the vegetable industry in these countries is becoming greater each and every year. However, the agricultural industry in these countries is far behind the agricultural industry in developed countries like for example the Netherlands. This is caused by a lack of knowledge, a lack of investments in the industry and a lack of equipment to handle the harvest in a produce friendly, effective and efficient manner.

With this problem in mind, this report is written. The aim of the report is to describe a marketing strategy which will communicate the possibility of becoming a wholesaler to farmers by using Allround VP equipment. When using Allround VP equipment, farmers are able to store, process and pack the produce themselves, adding value to the produce as well as to the organization of the farmer. By showing farmers the added value of Allround VP equipment to their company, Allround VP will become a partner for farmers that have the ambition to expand the reach of their company by keeping a part of the supply chain in their own hands.

As there are many farmers all over the world that would suit this profile, this report is focused on the Indian, Brazilian, Russian and Ukrainian market. These markets are currently among the largest target markets of Allround VP, and show great prospect when it comes to the idea 'from farmer to wholesaler'. In these countries, vegetables are still mostly graded and selected by hand, and in many cases the produce is not washed or packed at all. All the indications are there that these countries will have an increased need for quality vegetables, which can only be achieved when handled well.

At this point the question arises: why will Allround VP be able to pull this off? The company has competitive advantages which will be crucial for this marketing campaign to work. First of all, the company is the only one-stop-shop for post-harvest handling. All machines needed for processing vegetables come from one manufacturer, which makes that farmers have one contact, one service point, uniformity in their machines and agreements that count for all machines. Furthermore, the company is the only company in the industry offering integrated processing solutions. These are processing solutions on which different kinds of vegetables can be processed, instead of just one kind. The third competitive advantage which is crucial for this marketing campaign to succeed is the pricing strategy. Customers in developing countries have fewer resources compared to customers in the developed world, and therefore are not able to pay European prices for the machines. Because of the Indian factory of the company is able to adapt a competitive pricing strategy, providing Dutch technology for Indian prices.

With this marketing campaign, I believe there are significant increases in revenues derived from sales to farmers can be achieved. The goal of this report is to generate a 20% increase in complete projects (which include storage, inbound and outbound equipment, processing equipment and packaging equipment and material) in five years. Furthermore, costs can be reduced by reducing the time it takes to make a project proposition. Combined, this will increase profit significantly.

1. Introduction

During the last 6 months, I have been investigating the marketing efforts of Allround Vegetable Processing BV. This is a company based in Andijk, the Netherlands. During these six months, I have been investigating different marketing strategies of which I believed would be a valuable addition to the company's current strategy. After a while it occurred to me that there is a lot possible for the company in intensifying the marketing efforts towards farmers in the developed world.

From this realization, the main question for my graduation thesis derived:

How will Allround Vegetable Processing BV. be able to convince farmers to become wholesaler of their own produce?

In order to answer this main question, I had to form sub questions which combined would answer the main question:

How is the company currently organized?

What marketing tools are currently used?

In what business environment is the company active?

Who are the customers and where are they located?

How will the customers benefit from the proposition of Allround VP?

How will Allround VP reach the customers?

What are the goals and costs of this marketing strategy?

In order to obtain an answer to this question, the first task was to become familiar with the current marketing strategies of the company. This was done by desk research, interviewing the dealers of Allround VP, and finally interview all the people that work on the commercial department of the company, both in the Netherlands and in India.

Furthermore, desk research was conducted on the external environment of the company. In this report, I have focused on three large target markets of the company, India, Brazil, Russia and the Ukraine.

Combining all the efforts gave a clear picture of both the company and the external environment of the company, and I hope I will be able to show this picture in the report.

2. Internal analysis

2.1 Description of the organization

2.1.1 History

Allround Vegetable Processing BV. has derived from the company late Huib Smit owned. Huib Smit is the father of the two owners of Allround VP, the brothers Gerard Smit and Huib Smit junior. In the 1950's, Huib Smit opened a workshop for agriculture machines. In this workshop he invented and built machines, and maintained machines from other manufacturers. Mr. Smit is the inventor of several machines which, even today, are still in used in an evolved form. Examples of these are the Onion Topper, which is used to top the tail of the onions, and the Chain Grader, to sort for example flower bulbs according to size.

In this period of time, Mr. Smit was one of the leading technicians in the field of agricultural machines. However, as a technician, Mr. Smit lacked in commercial knowledge, which led to a business which was innovative, but never got big. That Mr. Smit had knowledge from machines is something that could not be denied. This is also where Gerard Smit, one the owners of Allround VP, gained his knowledge of machinery, which lead to Gerard Smit Landbouwmachines V.O.F.

Huib Smit junior on the other hand, does not have the technological knowledge Gerard Smit has. On the other hand, Huib Smit has gained experience in the field of marketing and sales for over 15 years before he and Gerard Smit started Allround VP.

This combination of technological knowledge and commercial knowledge of the two brothers has lead to the decision to start their own factory in agricultural machines and Allround Landbouwmachines BV. was born. However, with the name of Allround landbouwmachines BV. there was only thought of the Dutch market. After a while it came apparent that the biggest market for Allround was not in the Netherlands. Therefore the name changed again, into Allround Vegetable Processing BV.

In 2006, Allround VP made the decision to start a second factory. The company decided to start a joint-venture with Nu-Tech, which was situated in Ambala, Haryana, India. This meant that Allround and Nu-Tech where both owners of the Ambala based company called Allround Nu-Tech. The idea behind this joint-venture was that Dutch engineering could be offered with a pricing strategy that is suitable for the Indian market. After a while however, it became apparent that the partner, Mr. Malek Shivon, was not the right business partner for Allround VP and Allround Nu-Tech was stopped.

Now the decision had to be made whether to push through with this strategy of producing abroad, or that the company should take its losses and continue with the Andijk factory only. Gerard and Huib Smit knew that the scope in India was too big to ignore, and the daring decision was made to start a factory completely in the hands of Allround VP. Therefore, a factory was rented, and employees, mostly from Nu-Tech, where hired. In 2008, Allround VP was in total control of the production in India.

In October 2011, a new company was founded called Allround Netting BV. which is a trading organization for netting solutions. The company sells packaging solutions for processing companies in the vegetable industry, and bulb netting which is used for the planting of flower bulbs.

2.1.2 Current organization

Today, Allround Vegetable Processing consists of the following legal entities:

- Allround International Holding BV. which is registered in the Netherlands
Gerard Smit holds 50% of the shares, as well as Huib Smit. Allround International Holding is the organization in which all other companies are situated.
- Allround Vegetable Processing B.V. which is also registered in the Netherlands
- Allround India Vegetable Processing Pvt. Ltd. which is registered in India
- Allround Netting BV. which is registered in the Netherlands

With these four companies, Allround is aiming at offering the best equipment that is available in the market, at a very competitive pricing strategy.

Besides these companies, Allround Vegetable Processing currently has dealerships in 62 countries. In **appendix 1** a map is to be found which shows all the countries in which Allround is represented by dealers.

There are a few points in the current situation that need to be attention. As Tim van Daal, export and strategy manager at the headquarters of Allround VP says: "Allround VP is a company which is in its puberty". The essence of this statement is found in a few aspects of the company.

The first and major aspect, the most visible as well, is the main office in Andijk, the Netherlands. The office is situated in the corner of the production plant, on the second floor. The size of the office is about 45m², and houses 5 FTE's. this means that there is very little room, and when there is more than one person on the phone, the room is noisy and it is hard to hear the person one is talking to.

Furthermore, when taking a tour around the factory in the Netherlands, it becomes apparent that the company has grown organically. There are three locations on one business park. There is a production plant (1), an assembly hall (2) and dispatch hall (3). Furthermore, there is another hall a few hundred meters down the road, where machines are stored.



The third indicator of the puberty of Allround VP is the fact that there is CRM (customer relationship management) system in the company. Offers are made in Microsoft Excel, and customers are in folders on the company server. This makes it very hard to find customers if there you have limited knowledge of the customer. Currently, the structure of the customer files is as following: the customers are sorted by the country they are situated. Then, if there is a dealer, these are first sorted and in the file of the according dealer the customer is found. As there are many steps to take, it takes a lot of time, and if one does not know the dealer responsible, or the country where the client is situated, it is very hard to find the customer one is looking for.

In total, there are currently about 30 people working for the company in the Netherlands. This figure contains 5 people in the office, and about 25 to 30 people in the drawing room, technical office and factory.

In India, the situation is comparable to the Netherlands. However, Allround India is situated on one location. This is currently a rented factory, where the company has about 30 people working as well. In total, there are 6 people working in the office, and about 25 in the drawing room, technical office and the factory.

2.1.3 Future plans

Allround VP is currently growing rapidly, especially because of the fact that third world countries can now be served from India. Therefore, solid plans have to be made concerning the future.

The first is that Allround VP has acquired a piece of land in Ambala, India. On this piece of land a complete new factory will arise. The whole building will be 5000 m², of which 4500 m² will be factory floor and 500 m² will be office space. The aim of this new factory is to improve the productivity and capacity of the factory and professionalize the Indian management staff.

Furthermore, in this new factory there will be office space for other companies. These companies will be selected for the addition their product range can be to the existing Allround VP product range. In this way, Allround VP wants to create a knowledge center for companies, giving new entrants a jump start on the Indian and Asian market.

In the Netherlands, a new building has been acquired in February. This building will be the new headquarters of the company. This new building will represent the level the company has achieved. It will have a very modern and industrial look, there will be a large cafeteria for all staff, a large conference room and working stations for up to 10 to 12 people.

Besides the new headquarters, the company is also developing new types of machines. One of these machines will be a seed potato grader, which sorts seed potatoes according to square size. This new grader will mean that the company will be able to actively pursue the seed potato market, whereas today, the company is not yet able to do this full strength.

2.2 Marketing mix

2.2.1 Product

The products that Allround Vegetable Processing sells are post harvesting machines for the processing of flower bulbs and vegetables. The machines, compared to the competitors, excel in their simplicity, easiness to use and the long lifetime. However, Allround is selling more than just machines.

Complete (integrated) processing solutions

Allround vegetable Processing is capable of designing complete processing solutions for customers in the vegetable processing industry. This means that Allround VP is able to deliver processing lines that are capable of handling different products on the same line. As one can image, an onion takes a completely different way of processing compared to a potato, which requires different machines.

However, when a company has to buy separate lines for each of his products, the costs increase dramatically, as well as the space that is needed for the processing lines. Therefore, having completely integrated processing lines is a major advantage for processing companies.

Inbound and outbound lines

Inbound and outbound lines are sets of machines which are used to fill and empty storage facilities. Allround VP offers a complete range of inbound and outbound machinery, which is to be found in **appendix 2**.

Processing machinery

The foundation of Allround Vegetable Processing BV. is the processing machinery the company builds. These processing machines are designed to be very durable, easy to use and produce friendly. In **appendix 3**, the complete range is described.

Storage solutions

Allround VP has a strategic cooperation with QTP, a company based in Geldermalsen, the Netherlands. Director and owner of this company is Mr. Jaap van der Tas. Mr. van der Tas works for Allround in India, where he is in charge of the storage department of Allround. Outside of India, the two companies work closely together.

The storing of produce is done in cold stores, where the produce is kept in a certain temperature in which they are not spoilt or do not rot. This means that the produce can be held in storage for a long period of time, in most cases over 9 months. This means that the client has the possibility to sell their produce up to 9 months after the harvesting season, meaning that the produce can be sold at a much higher rate. In developed countries, like for example the Netherlands, this is already common practice. In the developing world however, this is still a market which is developing.

Netting

In 2011, Allround VP started a new department, Allround Netting. Allround Netting is a retailer in high quality Raschel netting and other forms of packaging materials, called consumables.

2.2.2 Price

Allround Vegetable Processing has a very distinctive pricing strategy. The aim of the company is to be competitive in every market it is active in. In terms of quality this is achieved. Pricing on the other hand is something different. Allround VP is striving for being one of the most competitive priced companies on the market. Especially with production in India, this can be achieved.

The pricing strategy for machines produced in India is that prices are between 15% and 20% lower compared to the prices of the machines that are made in Holland. With this in mind the developing countries can be served in the same manner Allround VP has done in the developed countries.

Looking at the price dealers pay for the products of Allround VP, there are three different degrees in discounts dealers get. There are the bronze dealers, which get a 5% discount. The silver dealers receive 10% discount and the gold dealers receive 15% discount. This discount is also their bargaining power to customers, which is completely paid for by the dealer.

Payment terms are that an offer is finalized with a 25% prepayment, and the rest of the money is paid at delivery. The delivery terms are ex-works, meaning that the product is delivered at the factory door, and the customer is responsible for the transport.

As most machines come in different varieties, sizes and with several options, the internal price list of the company is over 10 pages long. Therefore, it is best to give some examples. These examples will be the machines Allround VP sells most. The model is randomly chosen, and no options are taken into account:

Machine	Model	Price
Washing machine	UK-450	€38,940.00
Radial grading machine	R120-70-4 st.90	€31,730.00
Onion topper	A2	€19,365.00

2.2.3 Promotion

There are various promotion strategies Allround VP is utilizing in order to get in contact with the customers.

Trade fairs/exhibitions

First of all, trade fairs are very important in this business. At these events, the whole industry comes together to see all new developments, meet with dealers and with suppliers. The largest trade fairs in the industry are:

- The Agri Technica
The largest exhibition for agricultural innovations. The event attracts over 340,000 visitors from all over the world, there are 2,000 exhibitors present and the exhibition is held in Hamburg, Germany.
- The Fruit logistica

The Fruit Logistica is one of the largest events in the fresh produce industry. Over 2,300 exhibitors attend the event which is either held in Berlin, Germany or in Hong Kong, China.

- The Potato Europe

The Potato Europe is an event which is completely dedicated to the potato. The event is not the largest exhibition in the business, but attendance is obligatory for companies that are (partially) specialized in potatoes. The event is held either in Belgium, the Netherlands or Germany.

- International Agriculture Show

The international Agriculture show is an event in Paris, France which is specialized in the agri-industrial sector.

- Krishi

The Krishi exhibition in Nashik, India is one of the leading exhibitions in India in the agri-industry. The region of Maharashtra, where Nashik is in, is one of the largest onion producing regions in the country, which shows at the exhibition. Over 225,000 people visit the Krishi trade fair each year.

Besides the exhibitions mentioned above, there are many smaller exhibitions in this industry. However, a company cannot attend every trade show in the industry it is active in. These smaller events, which are usually for a specific country, are mostly attended by the dealers of Allround, because these events cover their local market.

Furthermore, Allround VP is also active at the BEJO days. This is an event organized by one of the largest seed producing companies in the world. The head office of this company is in Warmerdam, the Netherlands. Each year BEJO BV. organizes an event where they showcase their latest varieties, where people can get a tour through the factory and where other companies can showcase their products. At this event, vegetable growers from all over the world come together to learn about the development in crop growing and handling.

The website

Besides the attending of exhibitions and trade fairs, Allround VP is utilizing the company website to gain new orders. On this website, customers can send a request for quotation to the customer, which can then be used by the sales team to make an offer. In this way the company is able to respond faster, and for customers it is easier to obtain a tailor made quotation.

Furthermore, all the machines Allround VP is building are on the website, as well as different examples of processing lines the customer can opt for. However, at this moment Allround VP is very busy reinventing the website, as it is not easy to use, it does not look good and it contains too much large pieces of text.

Showcase technology

Another major promotion tool is to showcase technological knowledge at the factory and at existing clients. When a potential client is serious about buying Allround VP equipment, they are invited to the factory to show how the machines are made, and how the factory is set up. Besides the factory, clients get the chance to meet existing clients of Allround, whom are usually very welcoming and willing to show the processing equipment they have acquired from Allround VP. Using these visits is of major help when potential customers need a last push to convince them in buying Allround equipment.

The sales team and the dealer network

In this industry, the most important marketing tool is the quality of the sales team and dealer network. As the product is often a machine or complete line of machines, it is not something a potential customer takes lightly. Therefore it is common that clients find you instead of the other way around. This makes that the most important thing is how you help your clients, instead of how you find them.

The calculation tool

Recently, Allround VP has developed a calculation tool gives the customer an insight in the costs that are involved when acquiring Allround VP equipment. In this tool, the costs are compared to the costs a company would make when processing by hand. Furthermore, the costs per kilo are given, which gives the customer more insight in the cost structure of the company when using the equipment.

Bidbooks

When Allround engages in larger products, the company makes a bidbook. These books contain offers, explanations of the equipment, advice for the acquiring party, the calculation tool and various other documents. With these BidBooks Allround is aiming to give the customer more insight in what Allround is capable of, and what its view is of the project at hand.

2.2.4 Place

In the vegetable processing industry the place is very important. Being present in countries which are developing makes a big difference. Therefore, Allround VP has dealerships in 62 countries on every continent where vegetables are grown. Allround VP is always looking for new dealers that are able to represent the company in a way that is suiting the Allround strategy. Furthermore, the fact that Allround VP is present in India now makes that it is easier for the company to serve markets like Kazakhstan, southern Russia and the south east pacific.

The vegetable processing industry is an industry in which there are not a lot of manufacturers of machinery, meaning that most clients already know the name of Allround. Combined with the dealerships Allround has in 62 countries, a large part of the market can be served from the two factories.

2.2.5 Personnel

When looking at personnel, the best way is to look at each of the different companies that work under Allround Holding BV.

Allround Vegetable processing has 35 people working in total. The majority are factory workers. In the office, there are four people working, Huib Smit, Tim van Daal (export and strategy manager), Hans Smit (sales manager) and Gon Smit (financial administration). Marco Doedes is a specialist in electric engineering, and also responsible for purchasing. In the drawing room there are David Ayal and Gerard Haakman. Besides making drawings they are responsible for the factory planning.

Allround India also has about 35 people working. In this case the majority are factory workers as well. In the office, there are six people working. Maheshwar Dutt Sharma is the CEO of Allround India. H.P. Vij is the financial director, and together with Kanuprya Goyel responsible for the financial administration. Satvinder Singh is the commercial manager, and together with Rajesh Bhatia he is responsible for the commercial part of Allround India. Sukhwinder Singh is the technical head responsible for production. At the moment, due to the full production schedule, Allround India is looking for new factory laborers.

Allround Netting has two people working. CEO is Tim van Daal, also working for Allround Vegetable Processing. Responsible for sales is Nico Wiering.

2.3 The dealer interview

In order to find out more about the organization of Allround VP, and how the company is seen by people that are able to tell something sensible about Allround, but who are also neutral in their opinion. The perfect group of people for this research are the dealers. This interview was made on the website www.thesis-tools.com. As it was not possible to have face-to-face interviews, the interview was sent by email. In total, 33 dealers received the interview, and 15 dealers filled in the complete interview. In the **appendix 4** all the questions in this interview are to be found.

Question 1		
How did you get into contact with Allround VP?		percentage
Internet	4	26,67%
Mutual relations	4	26,67%
Exhibitions	3	20,00%
Clients	1	6,67%
Other	3	20,00%

The answers show that the most common ways for current dealers to get into contact with Allround VP are via the internet or via mutual relations. This shows that the dealer either was actively looking for the possibility of representing a company that builds machinery for post harvest processing, or was

introduced to Allround VP by a mutual relation who had the opinion that it the company or person would be suitable as a dealer for Allround VP. Furthermore, the fact that exhibitions account for 20% of the first contact that has lead to dealership shows that the social aspect, as well as the meeting aspect of exhibitions is a large one, and that these events are very important when meeting people who can be of assistance for the company.

Question 2
For how long have you been dealer for Allround VP?

1 year	2
2 years	1
3 years	
4 years	1
5 years	2
6 years	3
7 years	1
8 years	2
9 years	1
10 years	2
Average	5,87 years

The fact that the average time our current dealers are selling Allround equipment shows that the dealers are loyal to Allround VP. As stated earlier, the company only exists for 15 years in its current form, and as one can imagine the company did not start exporting directly. Therefore, the fact that companies stay dealer for Allround VP for a longer period of time shows that the dealers are content with the cooperation.

Question 11

I value Allround VP in the following way, 1 being very poor and 5 being excellent.

The quality of the machines	4,50
The quality of the AutoCAD drawings	4,38
The quality of the quotations	4,00
The given warranty	3,86
The accuracy of the quotations	3,75
The delivery time	3,75
Complete processing solutions	3,75
The price - quality ratio	3,71
Reaction time	3,63
The transparency of communicating	3,50
The manner of communicating	3,50
The service level	3,43
The installation possibilities	3,14
Average	3,76

Question 11 of the dealer interview is one of the most interesting for the internal analysis. This shows what aspect of Allround VP the dealers value most, and which they value least. The average grade of 3,76 out of 5 shows that the dealers are very happy with how Allround VP is working. However, the dealers have some remarks as well. Question 13 of the dealer interview was: 'do you have any suggestions for Allround VP?'. The most common answer of the dealers was that Allround VP has to

improve the communication and the service level. This is something that shows in the graph above as well, as these points are valued least.

On the other hand, question 12 stated: 'what do you think are the USP's of Allround VP?'. The answers where the following:

- Allround Integrated Processing Lines
- Washing machines
- Radial grading machines
- Complete solutions
- Open minded
- High quality
- Price/quality
- Reasonable information on capacities
- Great machines, simple designs

To conclude, the dealers of Allround VP are quite happy with the company. They say the machines work very well, the price is right and on average they stay dealer of the company for quite a long time. This means that the dealers are happy with this cooperation.

2.4 Financial situation

When analyzing the financial situation, there were concerns the bookkeeper has for using the financial data. As various changes have been made the last couple of years, for example the foundation of Allround India, the company has received postponement for the publication of the financial statements of 2010, which will be published in the week this report is due. As 2010 is a much more representative financial year for the current situation compared to 2009, I found it very important to use figures from this year.

Therefore, the bookkeeper requested that ratios would be used instead of real figures, as these are not definitive yet, and therefore still confidential.

The first ratio in the report will be the gross margin. The gross margin is calculated in the following way: (net sales – cost of goods sold)/net sales

$$\frac{\text{Net sales} - \text{COGS}}{\text{net sales}}$$

The figure that derives from this ratio is 0,5434, or 54,34%. This means that the gross margin is 54,34%. The ratio in effect shows the value which is added by the company to the materials used in production.

To put the gross margin in perspective, the following ratio is the profit margin. This margin shows the profit relative to the turnover.

$$\frac{\text{Net profit}}{\text{Net sales}}$$

The figure that derives from this is 0,1696, or 16,96%. This figure shows the profit margin the company has over its products. With a margin of almost 17% it shows that Allround VP has quite a high safety margin, meaning that, on average, the company made €16,96 over every €100,00 in turnover.

The following ratio is the return on assets. There are two ways to calculate this ratio, in this report the DuPont ROA analysis will be shown:

$$\text{ROA} = \frac{\text{Net income}}{\text{Sales}} \times \frac{\text{Sales}}{\text{Total assets}} = \frac{\text{Net income}}{\text{Total assets}}$$

The figure derived from this is 0,3322, or 33,22%. This figure indicates that the company is able to transform assets into profit.

The following ratio is the current ratio. The current ratio measures whether Allround VP has enough assets to pay its debts over the next 12 months. It is calculated in the following way:

$$\text{Current ratio} = \frac{\text{Current assets}}{\text{current liabilities}}$$

The figure that is derived from the current ratio is 1,560. This indicates that the company is able to pay its short term debt 1,5 times. This indicated a very healthy financial situation.

All in all the financial situation of Allround VP shows to be very healthy. The company is able to convert material into profit, turnover into profit, assets into profit, and the company is able to pay for the short term debts.

2.5 Strengths and weaknesses

To conclude the first part of the report, the strengths and weaknesses of the company shall now be defined.

Strengths

- Over 50 years of experience in the machinery industry in the Smit family
- The company has two factories, one of the two in a country where labor costs are low. This combines technological knowledge with low production costs
- Active in 62 countries
- The company has a strong financial position, giving the opportunity to invest in the organization
- Integrated processing lines
- Being a one-stop-shop for all the equipment needed for post harvest handling
- The highly competitive pricing strategy, both from Holland and India
- The price-quality balance
- A reliable and committed dealer network
- Reliable machinery

Weaknesses

- The very small office at the headquarters, not providing maximal productivity
- The different locations of manufacturing in the Netherlands, limiting efficiency
- The lack of a CRM system
- The amount of time it takes to find a customer in the current filing system
- The sometimes difficult manner of communicating
- The service level, of which dealers feel it should be better

3. External analysis

3.1 MESO analysis

The MESO analysis is designed to analyze the target market. This is done by performing a customer analysis, a branch analysis, Porter's 5 forces model and a competition analysis.

3.1.1 Customer analysis

Segmentation

In the following part of the report the customers are described, categorized in different segments.

Farmers

Farmers may decide to take on the processing of their produce themselves. The processing of vegetables adds value to the product, which would give a higher selling price, and a higher margin as well. In Western Europe this is already common practice for farmers. In the developing countries on the other hand, this is something which is relatively new. Only 10 to 15 years ago, farmers sold all their produce as soon as it came off the land. However, by storing and processing the produce, higher prices can be achieved for this group.

Allround VP has sold machines and processing lines to farmers all over the world. Allround VP, after receiving the request for quotation, asks for the space that is available for the machine(s) or line. When Allround has insight in the available space, the offer is made, an AutoCAD (technical lay-out) drawing of the setup is made and the client is able to decide. Now, the customer has all the information needed to make a decision.

Associations of farmers

Associations of farmers are a group of smaller farmers that have joined forces in order to increase investment strength. This leads to a more efficient working method, and a better market position. For associations of farmers, the advantages are the same as for farmers, offering them higher margins, higher selling price of their produce, and integrated processing solutions offering a flexible solution, suiting every need. Associations of farmers that decide to engage in processing are more common in the developed world. However, Allround VP noticed that in the developing world, farmers that engage in associations are becoming more common.

In every case, Allround VP needs to know the amount of space that is available for the machine(s) or line. When this information is known, Allround makes an offer and an AutoCAD drawing of the setup of the line, and the client is able to decide. Now, the client has all the information to decide.

Processing factories

Worldwide, processing factories are the largest clients. In the case of Allround VP, these companies are usually manufacturers of for example French fries or potato chips. These processing factories are found all over the world, and usually opt for a large processing line. When a processing factory is built from the ground up, the client may also opt for storage equipment and inbound and outbound lines. In all cases, Allround makes an AutoCAD drawing of the complete project, an extensive offer made and usually there are several visits arranged. Furthermore, the Allround VP calculation tool will be filled in to show the customer the advantages of using Allround equipment. Accompanied with a description of the line and of the storage and inbound and outbound equipment, the customer receives a complete BidBook for the project, and therefore has all the information to decide.

Cold storage

In recent years, cold storage companies are becoming larger clients. This is mostly due to recent developments in the product range of Allround VP, and the increased need for stored vegetables. The inbound and outbound lines Allround has developed in recent years, are replacing manual labor in third world countries. These cold storages may therefore opt for cooling (related) equipment to replace the old equipment, inbound lines to transport the produce from the trucks to the cold store, outbound lines to transport the produce from the cold storage to either the processing line or the trucks that transport it to the desired location. Cold stores are situated all over the world, as this is the only way to store produce for a longer period of time. When a project for a cold store comes up, it is key to exactly find out what the dimensions and needs and wants of the customer, which usually requires a visit. When this is known, Allround makes a drawing of the project, and an offer. Furthermore, descriptions

of all the equipment are made and the calculation tool is filled in. All this information is put together in one BidBook, which makes that the customer has all the information needed to make a decision.

Investment companies/investors

In the recent years, Allround VP has seen a major development in the market. The clients that account for the largest projects, where Allround is responsible for not only the processing line, but, in most cases, the complete project. These large projects are often powered by investment companies. Investment companies have seen in recent years that for example trading on the stock market is a very risky business, and this has led some of them to a switch to a business which will always have demand, the food industry. These kind of projects are usually found in developing countries in regions like south America, eastern Europe and Asia. Usually these projects are build from the ground up, and therefore planned well in advance. When the first contact is made, Allround VP needs to know the wishes the client has, in order to make a complete offer. When all needs and wants of the client are clear, Allround starts making AutoCAD drawings for the project. In this drawings the cold storages, inbound and outbound lines and the processing and packaging is included. Together with drawings an offer is made, the calculation tool is filled in and descriptions are made. Together with possible additional information a BidBook is presented personally to the client.

Supermarket chains

However common in the western world, supermarkets are a phenomenon that is still gaining ground in developing markets. Whether a supermarket chain can become a client of Allround VP, depends on the supplier that supermarkets choose. Some may choose to process themselves, others may choose their supplier according to the fact that the produce is processed, and others may ask the farmers to clean and grade the produce for them. In the more developed world, the farmers usually process the produce. In developing countries, supermarkets either set up their own processing plant or they hire processing equipment. The supermarkets that decide to store and process the produce themselves, may opt for storage equipment, processing equipment and packaging equipment. When the first contact is made, Allround VP first needs to know the desired capacities of all the equipment, and of the building. Based on this drawings and offers are made, the calculation tool is filled in and descriptions of the line are made, which is combined into a BidBook. In this way the client has all the information needed to reach a decision.

Governmental organizations

In various cases, governments offer support programs for the food industry in order to have more efficiency in the business. These programs are usually meant for companies that would otherwise not invest in new equipment. In this case, the government subsidizes a part of the project, and a company pays for the rest. For these projects there is usually a tender where various companies compete for the assignment. These projects are usually found in the developing world, especially in India Allround VP has a lot of experience in these government projects. When such a project occurs, Allround starts with makings drawings and offers for the project. Accompanied with these documents, Allround makes descriptions of the complete project, and fills in the calculation tool, making a complete BidBook for the project.

Wholesalers

Wholesalers are also one of the larger customer categories of Allround VP, and are usually the first adapters of machinery. It occurs quite often that wholesalers decide to set up a cold store, in order to be able to provide the customer with fresh produce all year long. These kind of companies are found all over the world. In the developed world, these companies are common and in the developing world these companies are gaining ground. When a project like this comes up, Allround makes offers and drawings according to the liking of the customer. After making this, Allround fills in the calculation tool and makes descriptions of the complete project. When this is done, the complete BidBook is presented to the customer.

The dealer interview

In the dealer interview, which is discussed in the internal analysis as well, the dealers where asked several questions concerning the value of different segments of clients for their business when dealing in Allround VP equipment.

Question 3

Which clients account for most turnover when selling Allround VP machines?

(the dealers could give a grade from 1 to 5, 5 being the highest, these are the averages)

Farmers	4,5
Wholesalers	2,9
Associations of farmers	2,5
Government organizations	2
Supermarket chains	2
Processing factories	1,6

The graph above clearly indicates that the most valuable clients for our dealers are, by far, farmers. Also wholesalers, which are usually the first adapters of post harvesting machinery, are big clients of our dealership network.

There is a discrepancy however in these answers. Processing factories, for example potato chips factories are, worldwide, the largest customers of Allround VP. It may be possible that dealers do not acknowledge the opportunities that are present in this industry.

Current performance

At the moment, Allround is doing very well. The question is, why is Allround VP performing this well, while there is a crisis going on in the home market?

First of all, Allround is one of the very few companies that is offering completely integrated processing lines. This means that different products can be processed on one processing line. Until a few years ago, this was something that was hardly ever requested, because companies were usually specialized in one particular product, for example onions. However, in recent years there has been a shift, especially in eastern Europe. Big processing factories were built and they requested processing lines that were capable of processing different products. As Allround is one of the very few who was capable of doing this, a lot of orders derived from this unique selling point.

Another major strong point of Allround is the lifespan of its machines. Depending on conditions, the machines can last for 20 years without major repairs. However, when something does break down, the machinery is designed in such a way that it is very easy to repair. For example the electric motors used on Allround equipment can be bought anywhere in the world.

The third unique selling point of Allround is the cost quality relation. Allround is striving to be competitive in every market it is active in, in terms of quality but also in terms of price. Especially with the factory in India, Allround is able to compete in every country in the world in terms of pricing.

The world wide coverage is another major advantage for Allround. The company is active in 62 countries, and because Allround is very well known in the business, there are also requests coming in from outside these 62 countries. Usually these offers are handled by the dealer that is closest, or by the company itself.

Future

Looking at the future of the food processing industry, there are a few trends which are very likely to push through in the coming years.

The projects that Allround VP is engaged in lately, are becoming larger and more demanding. Large projects are built from the ground up, demanding cold stores, all inbound and outbound equipment and often several processing lines.

Furthermore, the mechanization in developing countries is likely to push through. As labor is becoming more costly, mechanization is the only alternative for companies and farmers that want to maintain their position in the market.

3.1.2 Branch analysis

Size of the market

The size of the market is impossible to define, as there are numerous farmers and associations of farmers that are large enough to become wholesalers of their own products.

Distribution in the industry

Distribution in the industry is mostly done either via dealers or directly from the factory to the client. In the case of dealers, there are two distribution options. In most cases, the dealer orders from the factory when a machine, or line of machines, is sold. The other, least likely case is that the dealer has products in stock. All transport is done either on trucks or in containers, depending on the location of the client.

Growth

Without hesitating we can say that the market is growing rapidly, especially in developing markets like South America, the former Soviet countries and Asia. Until a few years ago processing vegetables was not done at all. Customers were not aware of the benefits of processing vegetables. At this moment however, Allround VP is receiving requests for quotations in a rate that the company has never seen before, and production is full until the spring of next year. However, it is not possible to give an exact figure of the growth of the industry, because these figures are not available.

Life cycle

Looking at the product life cycle of Allround VP it is safe to say that mechanization in general is in the growing phase. Customers are aware of the product and the Allround name and there are competitors in the market. However, most of the competitors do not have the same product range as Allround, and therefore they do not have the possibility to handle the large project which Allround VP is.

Trends

Some major trends can be identified in the market:

Government subsidies

In some countries, like India, the government is pushing very hard to reduce the amount of losses in the food industry. By storing and processing this number can be reduced dramatically and therefore the Indian government has decided to give subsidies to companies that are planning on building cold stores. In the Indian program, the government pays 40% of the total cost of the facility, and the company that is initiating the project pays 60%.

Large processing plants

Second major trend in the vegetable industry is the rise of large processing plants. Companies are building large facilities to store and process different products at the same time. The reason for this major increase in large processing plants is the need to be able to eat vegetables not only when the right season is there, but all year long. This can only be achieved by building a cold store.

Supermarkets

In India, there is another trend in the vegetable industry, which is the rise of supermarkets. In the developed world supermarkets are to be found in every city or village, one could not image a world without these supermarkets. However, due to government policies in India the expected flood of supermarkets has not occurred yet. At the moment, a supermarket is required to obtain 89% of their products from India, which restrained large retail chains like Carrefour from France and Wal-Mart from the United states to enter the rapidly growing Indian market. Recently the discussion started in the Indian parliament to change this to 52% which should lead to the entrance of these large chains.

The reason why this is such an important development is that supermarkets have completely changed the buying behavior of customers in the developed world. Before the rise of supermarkets, people bought their products at small, specialized stores or markets which were often seasonally dependant. Nowadays, people go to the supermarket and are able to buy most products all year round. The reason for this is the pressure supermarkets apply to their supply chain. When a supermarket is buying for example potatoes, it demands that these potatoes are washed, graded and packed. This is a remarkable change of pace compared to the markets or small stores Indians buy their food today. There, the product is unwashed, sometimes graded and rarely packed. This means that with the rise of the supermarkets, the complete supply chain of vegetables changes.

Seasonal dependency

In the world of machine building, the seasonal dependency is quite low. The only product Allround India has to offer that has some dependency from the season are transport belts. In developing countries it still occurs that workers carry the 50 Kg. bags to the storage facility. However, because fewer people are willing to do this gruesome task, and because it is often cheaper to mechanize this, more and more companies are ordering transport belts, usually in the months before the harvesting season.

Dependency of economical development

As one can imagine, Allround is very much dependent of economical development. However, compared to companies that are for example based only in western Europe, Allround can use the economical development for its benefit. This is due to the fact that Allround is active in 62 countries, which makes that the company is able to serve almost every market in the world. At this moment the European economy is struggling due to countries like Greece, Italy, Spain, Portugal and Ireland, Allround is aiming at countries where the economy is still growing with rates Europe has not seen in decades. Especially with the strategy of being competitive in third world countries due to the factory in India, Allround has an unique opportunity to utilize the growth shift that is now happening, with the economies declining in the west and growing in the rest of the world.

Geographical factors

Geographical factors in the vegetable processing industry are of less importance compared to other industries. As the industry is relatively small, with only few competitors, which are all active all over the world, geographical factors are of less importance.

3.1.3 Porter's 5 forces analysis

The 5 forces analysis by Michael Porter is a way of describing the market using 5 different factors.

The threat of entrance of new competitors

When looking at the threat of entrance of new competitors, we first need to describe what would exactly be a competitor for Allround VP.

A competitor for Allround VP in farmer to wholesaler projects would be a company, or group of companies, that is able to realize the following:

- Complete (integrated) processing equipment
- Processing machines
- Complete storage projects
- Inbound and outbound lines

When looking at the three different needs, it is fairly easy to say that the threat of the entrance of new competitors is quite low, as there are only very few companies that are able to deliver this. There are a lot of companies that are able to deliver one part, or part of one part, but for complete projects like this, there are only very few.

Therefore, the threat of the entrance of new competitors would be very low, as it is almost not possible for companies to do this within the foreseeable future. In the 5 forces diagram, the threat of the entrance of new competitors would be rated a 2 out of 5.

The threat of substitute products or services

Looking at the threat of substitute products or services, we can safely say that there is only one substitute for mechanical processing, which is manual labor. Manual labor is very cheap in the target countries. When taking into account that a lot of money is needed to acquire machines, we can safely say this is a big threat. However, as the target countries are developing quite rapidly at the moment, there will be fewer people available that are willing to work for the minimal salary. Therefore, this threat, which is now very big, will become less when time is passing.

However, this is only half of the story. When farmers decide to become the wholesaler of their produce, the products will need to be stored for a longer period of time, which would require a cold store. Therefore the customer would still need to realize this part of the project.

Therefore, the threat of substitute products or services would be rated moderate, because of the fact that this threat is becoming less for processing equipment, and for storage equipment, there is no threat. In the 5 forces diagram, the threat of substitute products or services will be rated a 3 out of 5.

The bargaining power of customers

In the industry of vegetable processing machines, the bargaining power of customers is quite large. The customers have room for bargaining, which is already taken into account by the supplier.

The strength of the customer depends on a few factors. First and upmost is the possibility the customer has to buy the product from another party. In this case, the customer has the possibility to go to several other companies that are able to deliver (a part of) the complete project.

This is why the bargaining power of customer will be rated a 4 out of 5 in the 5 forces diagram, which shows this threat is quite high.

The bargaining power of suppliers

Before we go into detail on the bargaining power of the suppliers, it is key to identify the suppliers first. Because Allround VP is a production company, the most important suppliers are those that supply the following products:

- Steel
- Paint
- Electric motors
- Air compressors
- Machinery
- Miscellaneous parts like nuts and bolts

As we look at the list above, we can safely say that there are many suppliers available that offer these sort of products. As an example we take a look at paint. The quality of paint for example can deviate quite a lot. Therefore, not all suppliers offer the standard Allround is looking for. However, there are still many companies that offer paints of good quality, and manufactures might settle for lesser quality, therefore the bargaining power of suppliers is quite low.

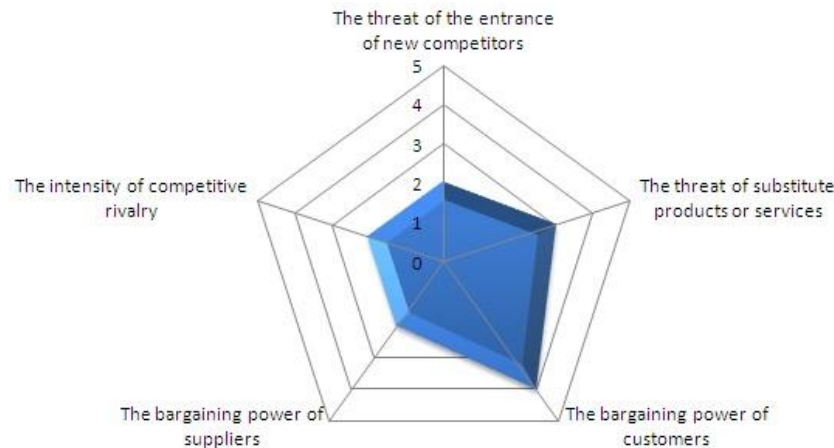
Therefore the bargaining power of suppliers will be rated 2 in the 5 forces model, because there are a lot of suppliers for all the parts needed to make the machines.

The intensity of competitive rivalry

The intensity of competitive rivalry in the industry of post harvesting machinery is dependent of the amount of competition in the industry. As concluded earlier, and shown in the competition analysis, the competitive rivalry in the industry is quite low because there are only very few companies that are able to handle (parts of) complete post harvesting projects.

Therefore, in the 5 forces model the intensity of competitive rivalry will be rated 2, because there are few companies that are able to deliver complete projects.

The 5 forces of porter graph



3.1.4 Competition analysis

Identifying the competition

Because of the fact that the industry for food processing machinery is not very big, we took into account the largest companies in the business, that have a similar product range compared to Allround VP.

Companies that offer the same

Looking at companies that offer the same as Allround VP does, the distinction is to be made between companies that offer complete lines as well, and companies that are specialized in one or a few machines. In this report, only companies that offer complete processing lines will be taken into account.

APH

APH is a group of machinery manufacturers that offers a complete range of equipment for the food industry. The company is based in Joure, the Netherlands. The product range is mainly focused on the production of potatoes. Varying from planters, cutters, harvesting machines, storage technology, grading and post-harvest handling and weighing and packaging machines.

EKKO

EKKO Maskiner A/S is a Danish company situated in Vejle. EKKO offers complete processing lines for the vegetable processing industry. With dealers in 23 countries EKKO is an established name in the international vegetable industry.

ERC Machinery

ERC Machinery is a company specialized in processing equipment for onions. The company is situated in Emmeloord, the Netherlands. ERC Machinery offers onion toppers, pre-sizers, grading lines, box tippers and box fillers for the onion industry. All of these machines combined make a complete onion line.

Wyma Solutions

Wyma solutions is a company based in New-Zealand. The company is, in terms of processing equipment, comparable to Allround VP. The product range is a little bit smaller, and the company is not as wide spread as Allround VP, with dealerships in 26 countries. However, Wyma is one of the very few, if not the only company that is able to offer the same standards as Allround VP concerning processing equipment.

Other alternatives

Manual labor is the only alternative for the processing of vegetables. In many countries, for example India, manual labor is still common practice when processing vegetables, mainly because labor is very

cheap in these countries. When processing manually, there are some differences compared to processing by machinery.

When processing by hand, harvesting is done by hand as well. Of course, there are different harvesting techniques for different vegetables, but in most cases, the vegetables end up on big piles in the field, where an army of workers is sitting to manually grade and select the produce. In this scenario, the washing of the produce is not possible. Based on experiences from the past we can say that workers select the following amount of produce per hour, per person:

Potatoes:	200 Kg per hour, grading and selecting
Carrots:	250 Kg per hour, grading and selecting
Red beet:	250 Kg per hour, grading and selecting
Onions:	100 Kg per hour, grading, topping and selecting
Cabbage:	400 Kg per hour, grading and selecting

Based on the data above, we can fairly say that a large workforce is needed to reach any capacity. Even the smallest grading machines Allround VP offers, reach at least 3 tons per hour, which would mean that at least 7,5 people should be employed to reach the same amount. And obviously, the larger the amount that is to be processed, the more people are needed and the better it becomes to process mechanically.

Goals and strategies of the competition

APH

The goal of APH is to offer customers complete solutions for the agricultural sector. Within APH, all knowledge is available to offer customers everything needed to plant, harvest and handle the produce. Furthermore, with an extensive dealer network all over the world APH is able to cover a large part of the potential global market.

EKKO

As a company, EKKO has the focus on maintaining market share in current markets. The company has very little marketing efforts. As the company is located in Denmark, the location is ideal to serve the European market.

ERC machinery

ERC machinery is a company that is aiming to expand its vision abroad. The company is currently active in Spain, Switzerland, North America, South Africa, Australia, New Zealand and Latin America. It is not a large factor in the industry, but the company has the will to grow in the future.

Wyma Solutions

Wyma Solutions is one of the most renowned names in the industry. The company has dealerships in over 20 countries, and the quality of the machines is high. The company is aiming at continuous improvement of their machinery and their coverage. The strategy of Wyma is called 'our fresh thinking story', which is aiming to radiate a young and vibrant image to the customers.

SW-analysis of the competition

APH

Strengths

The major strength of APH is the fact that the company is able to deliver all equipment needed for the field, cold stores and processing. Furthermore, the company is active in many markets, which gives them the possibility to cover many markets. Furthermore, the company is able to combine the knowledge of different manufacturers in each project.

Weaknesses

As a conglomerate of companies, APH has very long communication lines. As one could imagine, different people within the companies in the conglomerate have the same responsibilities, meaning that regular meetings are required in order for everyone to have the required knowledge of all activities. Furthermore, the company has to be sure that the quality of the machines delivered by the conglomerate are the same. If there is a discrepancy in the quality, customers might have reservations of the conglomerate because checking the quality is hard within this organization.

Another weakness of APH is that the machines delivered by the conglomerate all have a different identity. One machine might be blue, the other red and the next one green. This looks sloppy and makes that the client has, to the eye, a inconsistent machine park.

EKKO

Strengths

One of the major strengths of EKKO is their image of being reliable. The company is a trusted partner in the European vegetable processing industry.

Weaknesses

One of the major weaknesses of EKKO is that the company is not focused on marketing. The company is mainly aiming to maintain the current market share, instead of increasing.

ERC Machinery

Strengths

One of the strengths of ERC machinery is that the company has a high standard in the machinery they build. Furthermore, the company makes machines for other agricultural products, like potatoes and flowers. Besides this, the company is active internationally, especially in North and South America.

Weaknesses

One of the major weaknesses of ERC is that the company focus is almost completely on onions. The company does deliver machinery for potato handling and flower handling, but these do not cover all that is needed to process this. Furthermore, the company is quite small, meaning that, if they want to compete in large projects, it is likely that the company has difficulties in making sure the capacity is large enough.

Wyma

Strengths

The major strength of Wyma is the fact that the quality of their machines is very high. The company has a young and vibrant image reflecting in their 'fresh thinking' story. Furthermore, the company has an extensive dealer network, covering over 20 countries.

Another major strength of Wyma is the fact that they deliver complete processing solutions for various products, like carrots, potatoes and red beet. This gives them a larger possible market compared the for example ERC.

Weaknesses

The first weakness becomes clear after finding out where the company is from. The company is situated in New Zealand, meaning that they are very far away from the largest markets. This gives a few difficulties. The company is very limited in their choice of dealerships. Only companies with an experienced technical support unit are eligible, because it is not possible for Wyma to send mechanics all over the world to fix issues with the machines. Furthermore, when clients want to visit the factory of Wyma the client has to travel very far to reach the factory. Also the transport costs will be considerably higher compared to companies situated in Europe or for example Asia or North or South America.

After describing the strengths and weaknesses of the company, it is key to quantify the companies based on different criteria's.

Competitor analysis	Weighing	APH		EKKO		ERC machinery		Wyma solutions	
Pricing	0.20	6	1.2	6	1.2	6	1.2	7	1.4
Product range	0.15	8	1.2	6	0.9	4	0.6	7	1.05
Globally active	0.15	9	1.35	5	0.75	6	0.9	6	0.9
Image	0.15	7	1.05	5	0.75	5	0.75	8	1.2
Production facilities	0.10	7	0.7	7	0.7	6	0.6	7	0.7
Innovation	0.10	6	0.6	5	0.5	5	0.5	8	0.8
Economy of scale	0.10	8	0.8	6	0.6	5	0.5	7	0.7

Company location	0.05	4	0.2	8	0.4	8	0.4	5	0.25
Total score:	1.0	55	7.1	48	5.8	45	5.45	55	7

Based on the competitor analysis, it becomes apparent that the major competitors are APH and Wyma solutions, mostly based on their product range, expertise and strong image.

3.2 DESTEP analysis

The following part of the report is a DESTEP analysis. A DESTEP analysis is designed to give a quick insight in the general features of the target country, based on demographics, economics, socio-cultural features, technology, ecology and politics.

3.2.1 Demographic features

India

Inhabitants

India is one of the largest countries in the world. In fact, it is the 7th largest country in the world, however, looking at inhabitants, it is the 2nd largest country, with over 1.2 billion people living in the country. Looking at the age structure, it shows that the country is rapidly growing. Age structure, education and origin are to be found in **Appendix 5**.

Brazil

Inhabitants

Looking at inhabitants, Brazil is the 5th largest country in the world with an estimate of 203,429,773 inhabitants in the country. In Brazil, the same is happening as in India, the number of inhabitants is growing. The age structure, origin and education are to be found in **appendix 6**.

Russia

Inhabitants

In terms of square meters, Russia is the largest country in the world. In terms of inhabitants, the country is number 9. Estimated is that in 2011, there were 138,739,892 people living in the country. Contrary to India and Brazil, the number of inhabitants in Russia is declining. The population growth rate in 2011 was estimated to be -0,47%. To put this figure into perspective, over 1000 Russian citizens, there were 11.05 births and 16.04 deaths.

An indication for this low birth rate shows in the median age, which is 38.7 years old. However, the difference in median age of women and men is also striking. The median age for men is 35.5 years old, and women 41.9 years old. Origin and education are to be found in **appendix 7**.

Ukraine

Inhabitants

In the Ukraine, the same trend shows as in Russia. The country has an estimated 45,134,707 inhabitants. However, the country has a noticeable decline in the growth rate of the number of inhabitants. The population growth of 2011 was estimated to be -0.622%, with 9.62 births and 15.74 deaths per 1000 inhabitants. The age structure, origin and education are to be found in **appendix 8**.

3.2.2 Economic features

When taking a look at the economical features of the 4 countries, the most important data is shown in the graph below.

Economical features	India	Brazil	Russia	Ukraine
GDP	\$1.538 trillion (2010 est.)	\$2.09 trillion (2010 est.)	\$1.465 trillion (2010 est.)	\$136,4 billion (2010 est.)
GDP (purchasing power parity)	\$4.06 trillion (2010 est.)	\$2.172 trillion (2010 est.)	\$2.223 trillion (2010 est.)	\$305,2 billion (2010 est.)
GDP per capita (purchasing power parity)	\$3,500 (2010 est.) \$3,200 (2009 est.) \$3,000 (2008 est.)	\$10,800 (2010 est.) \$10,200 (2009 est.) \$10,400 (2008 est.)	\$15,900 (2010 est.) \$15,300 (2009 est.) \$16,500 (2008 est.)	\$6,700 (2010 est.) \$6,400 (2009 est.) \$7,500 (2008 est.)

GDP per sector	Agriculture: 52% Industry: 14% Services: 34%	Agriculture: 5.8% Industry: 26.8% Services: 67.4%	Agriculture: 10% Industry: 31.9% Services: 58.1%	Agriculture: 9.4% Industry: 33.6% Services: 57%
GDP growth rate	10.4% (2010 est.) 6.8% (2009 est.) 6.2% (2008 est.)	7.5% (2010 est.) -0.6% (2009 est.) 5.2% (2008 est.)	4% (2010 est.) -7.8% (2009 est.) 5.2% (2008 est.)	4.2% (2010 est.) -14.8% (2009 est.) 1.9% (2008 est.)
Inflation rate	12% (2010 est.) 10.9% (2009 est.)	5% (2010 est.) 4.9% (2009 est.)	6.9% (2010 est.) 11.7% (2009 est.)	9.4% (2009 est.) 15.9% (2008 est.)
Unemployment rate	10% (2010 est.) 9.7% (2009 est.)	6.7% (2010 est.) 8.1% (2009 est.)	7.5% (2010 est.) 8.4% (2009 est.)	8.1% (2010 est.) 8.8% (2009 est.)
Population below poverty line	25% (2007 est.)	26% (2008)	13.1% (2009)	35% (2009)

The graph indicates growth rates for all of the 4 chosen countries. As 3 of the 4 countries (Ukraine is not a part of these) are part of the 'BRIC countries', in other words, the 4 fastest growing economic superpowers. In this report, the choice was made to not include the 4th 'BRIC country', China, as this is a market which Allround VP is not targeting at the moment.

One of the main conclusions that can be drawn from the graph above is that the economies of all the target countries is currently growing. All countries showed a growth rate in GDP. However, Russia and the Ukraine also show quite a brittle economy. In 2010 there was an increase in GDP for both countries, however, both countries also showed quite a large decrease in 2009, when the credit crunch launched the developed world into an economic crisis. Brazil also shows a small decline in GDP in 2009, but as this was only 0.6%, this economy shows to be relatively stable compared to Russia and the Ukraine.

3.2.3 Socio-cultural features

When looking at socio-cultural features, the most important features for doing business abroad are the business etiquettes which are common practice in these countries.

India

- Greet the eldest person first
- A lot of getting-to-know-you talk
- Send a detailed agenda prior to a meeting

More detailed information on business etiquettes in India are to be found in **appendix 9**.

Brazil

- Persons are more important than the company they are working for
- Never insult a Brazilian
- Confirm an appointment in writing

More detailed information on business etiquettes in Brazil are to be found in **appendix 10**.

Russia

- Expect a lot of socializing
- Meetings are very slow
- Be aware of the fact that Russians can be very rude

More detailed information on business etiquettes in Russia are to be found in **appendix 11**.

The Ukraine

- Expect informality
- An agenda is merely a rough guideline during meetings

More detailed information on business etiquettes in the Ukraine are to be found in **appendix 12**.

3.2.4 Technological features

India

Technology is one of the major drivers of the Indian economy. Due to the fact that English is commonly spoken, India is the preferred country for companies that decide to offshore their IT-services. The sector is estimated to grow with 19% in 2011, leading to a revenue of approximately \$76 billion. Of this figure, \$59 billion is accounted for by exports, meaning that 26% of the total export is in this sector.

Looking at communications, India is one of the fastest, if not the fastest growing country. Mobile telephone subscribership is growing with 15 million new subscribers every year.

Brazil

In Brazil, the technological revolution meant a complete change in the communication methods of the people of Brazil. About 80% of the people in Brazil make use of cellular phones, and this figure is growing each year. The usage of internet is still underdeveloped in the country; in 2008 there were 64.948 million internet users which is quite a low figure compared to the population of Brazil.

Russia

In Russia, the technological development has left its marks in the communication method of the country. In 1998, there were only 1 million cellular phones in use. In 2010, this figure had increased to a whopping 238 million.

The internet usage is also becoming more and more available. In 2009, there were 40,853 million internet users active in the country.

Ukraine

In the Ukraine there is a similar story when looking at technology. There are 53,929 million mobile cellular phones in use, saturating the market in a fast manner. At the moment, there are 120 phones per 100 people in the country.

Looking at internet users, there are 7.77 million internet users in the country. This means that currently the internet usage rate is a little over 1 in every 5 persons.

3.2.5 Ecological features

India

The major challenges in India are:

- Rapid growth of inhabitants
- A rapid decrease in biocapacity

More detailed information is to be found in **appendix 13**.

Brazil

The major challenges for Brazil are:

- Rapid deforestation
- Rapid growth of inhabitants

More detailed information is to be found in **appendix 14**.

Russia

The major challenges for Russia are:

- A large heavy industry
- A late reaction from the government

More detailed information is to be found in **appendix 15**.

The Ukraine

The major challenges for the Ukraine are:

- Deforestation
- The supply of drinking water

More detailed information is to be found in **appendix 16**.

3.2.6 Political features

Looking at the political features of the 4 chosen countries, the major features are described in the graph below.

Politics	India	Brazil	Russia	Ukraine
Political system	Federal Republic	Federal Republic	Federation	Republic
Capital	New Delhi	Brasilia	Moscow	Kyiv
Head of state	President Pratibha Devisingh Patil	President Dilma Rousseff	President Dmitriy Anatolyevich Medvedev	President Viktor Yanukovich
Head of government	Prime minister Manmohan Singh	President Dilma Rousseff	Premier Vladimir Vladimirovich Putin	Prime minister Mykola Azarov
Government location	New Delhi	Brasilia	Moscow	Kyiv
Legal system	Common law system based on the English model	Civil law system	Civil law system	Civil law system

3.3 Opportunities and threats

To conclude the external analysis, it is now time to sum up the opportunities and threats that are defined in the previous part of the report.

Opportunities

- A large group of potential clients
- Increasing potential of integrated processing solutions
- Increasing mechanization
- Increasing size of the projects
- Government subsidies
- Economical developments in large target markets
- Low threat of the entrance of new competitors
- Decreasing threat of substitute products
- Low bargaining power of suppliers
- Low intensity of competitive rivalry

Threats

- Dealers that do not acknowledge all available opportunities
- The brittle economy in large target markets
- The high bargaining power of customers

4. SWOT analysis

Based on the internal and external analysis, the following part of the report contains a SWOT analysis, describing the strengths, weaknesses, opportunities and threats of Allround Vegetable Processing. At first, strengths, weaknesses, opportunities and threats will be given in short bullet points. After this, a weighted SWOT analysis will be performed, after which a strategy can be formed, based on the current SWOT analysis.

4.1 Strengths

- Over 50 years of experience in the machinery industry in the Smit family
- The company has two factories, one of the two in a country where labor costs are low. This combines technological knowledge with low production costs
- Active in 62 countries
- The company has a strong financial position, giving the opportunity to invest in the organization
- Integrated processing lines
- Being a one-stop-shop for all the equipment needed for post harvest handling
- The highly competitive pricing strategy, both from Holland and India
- The price-quality balance
- A reliable and committed dealer network
- Reliable machinery

4.2 Weaknesses

- A very small office at the headquarters, not providing maximal productivity
- Different locations of manufacturing in the Netherlands, limiting efficiency
- The lack of a CRM system
- The amount of time it takes to find a customer in the current filing system
- The sometimes difficult manner of communicating
- The service level, of which dealers feel it should be better

4.3 Opportunities

- A large group of potential clients
- Increasing potential of integrated processing solutions
- Increasing mechanization
- Increasing size of the projects
- Government subsidies
- Economical developments in large target markets
- Low threat of the entrance of new competitors
- Decreasing threat of substitute products
- Low bargaining power of suppliers
- Low intensity of competitive rivalry

4.4 Threats

- Dealers that do not acknowledge all available opportunities
- The brittle economy in large target markets
- The high bargaining power of customers

4.5 The confrontation matrix

In the confrontation matrix, the three most important strengths, weaknesses, opportunities and threats are chosen. These most important SWOT elements are chosen according to what the clients find most important.

Strengths:	Weaknesses:
Two factories, one of which is in a low labor cost	The lack of a CRM system

country	
Being a one-stop-show for post harvest handling	The difficult manner of communication
The competitive pricing strategy	The service level
Opportunities:	Threats:
Increasing mechanization	Dealers that do not acknowledge all available opportunities
Increasing size of projects	The brittle economy of the large target markets
Economical development in large target markets	The high bargaining power of customers

4.6 Weighted confrontation matrix

		Opportunities			Threats		
Weighted confrontation Matrix		Increasing mechanization	Increasing size of projects	Economical development in target markets	Dealers not acknowledging opportunities	Brittle economy of target markets	High bargaining power of customers
Strengths	Two factories	5	5	5	1	1	1
	One-stop-shop	3	5	3	5	1	3
	Competitive pricing strategy	3	3	5	3	5	5
Weaknesses	Lack of a CRM system	1	3	1	5	1	3
	Difficult manner of communicating	3	3	1	5	1	1
	Service level	1	5	1	1	1	3

4.7 Strategy questions

Based on the matrix above, strategy questions that derive from the matrix can be asked. This is done by taking the weighted confrontation matrix, look at which comparisons are found most important, and then as the following questions:

- How do we use our strengths to anticipate to opportunities?
- How do we use our strengths to fend off the threats?
- How do we strengthen weaknesses to anticipate on opportunities?
- How do we strengthen weaknesses to fend off the threats?

4.7.1 Strengths vs. opportunities

The first question in this part of the report is how Allround VP will be able to use the strengths of the company to make full advantage of the opportunities that were identified earlier.

Two factories vs. increasing mechanization

The fact that Allround VP has two factories, one of which in Ambala, India, means that the company has a great position to target markets which are now mechanizing. In countries like the former Soviet countries all potential customers are aware of the fact that manual processing will not be the way to continue the business in the coming years. In countries like India on the other hand, where labor is very cheap, potential customers still need to learn about the advantages of mechanical processing compared to manual processing.

In order to teach these customers of the advantages of mechanical processing, Allround VP has built the calculation tool. With this tool, the company is able to show customers how much money is saved when processing mechanically, quantifying a statement which is a bold claim in countries like India.

Therefore, Allround VP has the opportunity to apply a very offensive strategy, being very aggressive in the market.

Having two factories vs. the increasing size of projects

As projects in the industry are showing a significant increase in size, Allround has a large advantage in having two factories. With these two factories, Allround VP has the flexibility in production that is required in large orders. Furthermore, these two factories, especially when the new one in India will be finished, the company has a very large production capacity, which will make it easier when coping with large projects.

Being a one-stop-show vs. the increasing size of projects

One of the major trends in the industry is that projects are becoming larger and larger. In recent years, various projects were completed which were the largest in the history of the company. This switch in the industry meant that companies that are able to deliver complete projects have a competitive advantage compared to companies that are only able to deliver a part of a project.

As Allround is able to deliver the cooling, the inbound and outbound lines and the processing equipment there is a major competitive advantages when competing for a big project. As shown in the competition analysis, the only competitor in this area is APH, the conglomerate of companies.

This shift in trends means that Allround is able to be very aggressive in competing for large projects. When a company decides to set up a project like this, Allround VP is one of the very few companies able to deliver the required result.

The two factories vs. the economical development in target markets

As shown in the DESTEP analysis, the economies of the large target markets are developing rapidly. With the factory in India, Allround VP is closer to the 'action' when it comes to the domestic Indian market. Furthermore, despite the economical development, customers in these countries are often not able or prepared to pay European prices for their machines. Therefore, the factory in India is able to combine the strengths of Allround VP machinery to the low production costs of India, providing a unique position for the company.

This means that Allround is able to adopt a very aggressive strategy when it comes to handling the target markets of Brazil and India, out pricing the major competitors. Russia and the Ukraine are usually served by the factory in the Netherlands.

The competitive pricing strategy vs. the economical development in large target markets

In large target markets, like former Soviet countries, India and Brazil, the economy is, in contrary to the west, growing rapidly. As these countries are developing rapidly, the demand for food is growing as well. Especially food that is handled and processed in a responsible way will be demanded more and more.

However, companies in these countries do not yet have the financial strength companies in the developed world have. Therefore the price of the equipment is more important in these countries. That is why Allround VP has decided to apply a very competitive pricing strategy, making sure the company is able to gain a solid market position in markets which are developing. This pricing strategy is a very offensive one, trying to become one of the very few western companies able to compete in markets where the emphasis is very much on price.

4.7.2 Strengths vs. threats

The second question is how Allround VP can use its strengths to fend off the threats that were identified in the SWOT analysis

Being a one-stop-shop vs. dealers that do not acknowledge all available opportunities

As shown in the dealer interview, the dealer network of Allround VP sometimes seems to miss opportunities with possible clients. When the dealers focus on one specific element of Allround VP, for example only the processing, dealers miss the opportunity for that exist in the storing of produce.

It is very hard to check how the dealers are working, on which areas and clients the dealers are focusing and how they acknowledge the opportunities that exist in their area.

Therefore, the only way for Allround VP to change this is to teach the dealers of the opportunities that exist in all the areas of expertise. However, as this required a lot of specific knowledge, this is a very expensive and time consuming effort. At this moment, the most favorable strategic option is to wait and see how the dealers are doing. When it shows that the dealers do not have the required knowledge, or miss opportunities, Allround VP is able to react to this situation.

Competitive pricing strategy vs. the brittle economy of target markets

As shown in the DESTEP analysis, the economy in target markets, especially in the Russian and Ukrainian markets, is quite brittle. One year these economies may show an impressive GDP growth, the next year there might be a large decline in the GDP. Therefore, the customers of Allround may be weary in periods of economic decline.

Therefore, Allround VP is able to use the competitive pricing strategy, together with the marketing tools like the calculation tool, to show the customers the advantages of processing their produce with Allround VP machinery.

Competitive pricing strategy vs. bargaining power of customers

The bargaining power of the customers in the agricultural industry is relatively large. When having a competitive pricing strategy, this may lead to margins which are relatively low. However, this bargaining power is accounted for in the pricing strategy of every company in the business. On the other hand, the pricing strategy takes into account the bargaining power the customers have. Furthermore, because of the scarce competition, Allround VP has the possibility to pull the plug from deals when the customer is bargaining more than the company is willing to give in.

4.7.3 Opportunities vs. weaknesses

The third question is how Allround VP should strengthen its weaknesses to anticipate to opportunities that were identified in the SWOT analysis?

Increasing size of projects vs. service level

When projects become larger and the turnover per project increases, there is more pressure on the service level. When something goes wrong with a machine, this needs to be fixed. Within the warranty period, Allround VP has to bear the costs. Outside of the warranty these costs are for the customer. When something goes wrong, a mechanic needs to travel to the location of the machine to make sure the machine is working again. Especially in large projects, where the machines are likely to work for a longer period of time during the year, the effect of having to stop because of a fault in the machinery is larger compared to smaller companies. Therefore, the pressure on the service level is larger in these projects.

4.7.4 Weaknesses vs. threats

The last question is how Allround VP should strengthen its weaknesses in order to fend off threats that were identified in the SWOT analysis?

The lack of a CRM system vs. dealers not acknowledging opportunities

Having a CRM system means that a company had a system which has all the information concerning dealers and customers under one roof. This makes communication with dealers and customers a lot easier, giving access to all the necessary data. Not having this means that Allround is very likely to miss opportunities in supplying dealers with the adequate information, as the company does not have a clear overview.

This difficulty is easy but rather expensive to solve. A CRM system, with implementation and support from the supplier is an expensive but often this is a necessary investment.

Difficult manner of communicating vs. dealers not acknowledging opportunities

As stated in the previous topic, it is vital for Allround VP to supply the dealers with adequate information, to make sure the dealers have all knowledge they need to do their job. As shown in the dealer interview, the company has difficulties in communicating with dealers. Therefore, it has occurred that dealers were not informed about new machines. Therefore, Allround VP needs to be more adequate concerning the communication towards dealers. Which can be achieved by adopting a CRM system.

4.8 Strategic options

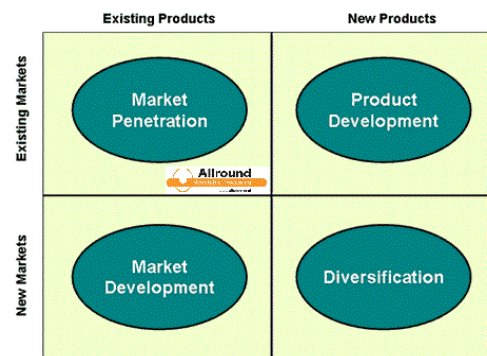
Based on the SWOT analysis, it is now vital to take a look at the strategic options that derive from the analysis. This will be done by looking at the Ansoff matrix.

The Ansoff Matrix

The Ansoff matrix is designed to easily show the best strategy for the company in the market. It looks at the what products are emphasized in the marketing plan and which market will be targeted.

As shown in the picture, Allround VP will be offering existing products in markets in which the company is already active. Therefore, the company will use the strategy of market penetration.

Market penetration is a strategy which contains four different objectives a company can strive for.



The first objective is to maintain or increase the market share of current products. This is what Allround will be doing by focusing on the market of farmers becoming wholesalers of their own produce. In effect, this is not a new market, as, especially in the developed world, farmers have been storing and processing their own produce for years. However, in the developing world, this is a strategy that farmers have not adapted. Therefore, this marketing plan is designed to show the customers the advantages of keeping the processing and storing in their own hands, adding value to the product.

Having a strategic marketing plan defining the strategy concerning farmers, will have a major advantage in securing dominance in the developing markets, which is the second objective. At this moment, Allround is one of the dominant factors in the market of food processing. Extending marketing efforts by offering a complete proposition for specific target groups like farmers, will help maintain, and expand the dominance of the company.

These two objectives are the most important in the strategy of Allround VP. The idea is that this marketing plan will show the farmers what advantages they can expect from using Allround VP machinery for processing, which will secure dominance for the company in selling machinery to farmers.

5. Strategic marketing plan

In this part of the report the strategy will be formulated. This shall be done by formulating the goals of the strategy, the positioning and the communication plan will be described. This part of the report is based on the SWOT analysis in chapter 4, which showed that Allround VP will be able to use a market penetration strategy. As shown before, this strategy will allow the company to use a very aggressive marketing strategy.

5.1 The marketing goals

Allround VP has seen the development of farmers in the target areas. Where in the past farms were small family companies that grew their produce on a relatively small piece of land. However, due to economical, agricultural and technical development farms increasing in size. The change from small farming operations to larger operations means that the company has more produce to sell. This can either be done by selling the produce to a wholesaler, a processing factory or any other company that processes or sells vegetables.

However, in this report a plan will be described to communicate the advantages for farmers to not sell their produce directly from land, but to take the post harvest process in their own hands, effectively becoming a wholesaler of their own produce.

The goals of this marketing strategy are the following:

- Showing the farmers the advantages of becoming a wholesaler
- Showing the customer what financial benefits they will get by using Allround VP machinery
- Showing how to communicate this message
- Realizing a unique proposition, where Allround VP leads the way in showing how farmers can become a wholesaler

The following quantifiable results are the measurable goals of this marketing plan:

- In the coming years, the following increase in projects with cooling equipment, inbound and outbound lines and processing equipment. All is compared to 2011:
 - 2012: 5%
 - 2013: 7,5%
 - 2014: 10%
 - 2015: 15%
 - 2016: 20%

This shall be measured by counting the total amount of orders in which there were machines for cooling, in and outbound and processing in 2011. After each year, the company will compare the data from that year to 2011, and the results will be evaluated.

- Simplifying the way to show customers the advantages of being a wholesaler of their produce
 - Realize a system with which the sales team of Allround VP can make a proposition based on the data of the customer within three days

At this moment, making a proposition for a client, including the calculation tool and further descriptions and information. At this moment, it takes a lot of time make this, as most of the data is not available in standard formats. By the end of 2012, the company should have these formats and work in an effective way in order to prepare these propositions.

- An increase in offers for farmers, compared to 2011
 - 10% in 2012
 - 12,5% in 2013
 - 15% in 2014
 - 17,5% in 2015
 - 20% in 2016

In 2012, the goal is to increase the offers made for farmers by 10%. In order to check this, Allround needs to evaluate the number of offers made for farmers in 2011, and compare that to the data of 2012.

- A decrease in the amount of time it takes to make an offer
 - Realize a system in which a custom made offer can be made in one hour

At this moment, Allround VP makes the offers in excel, cutting and pasting the different elements in a document. This is a very time-consuming effort, which leads to a lot of time loss in the office.

5.2 Segmentation and targeting

What part of the market is most attractive for Allround VP?

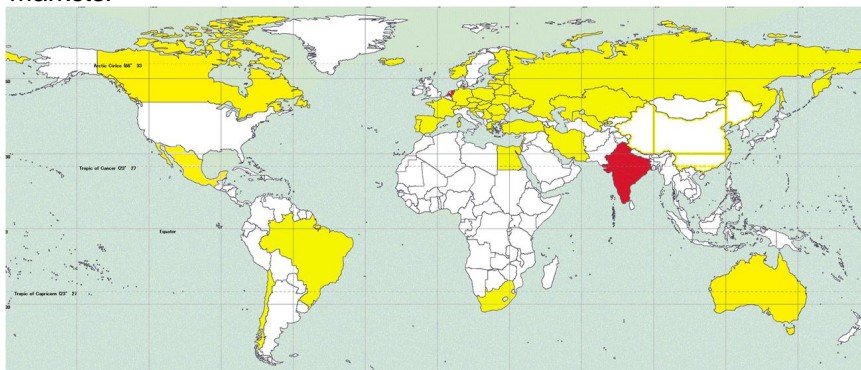
When looking at the vegetable processing machinery market, there are various segments that can be identified. In this part of the report the segments Allround VP is targeting are described.

Geographical segmentation

When broadly looking at the market for vegetable processing machinery, there are broadly eleven markets which can be identified:

- North America
- South America
- Africa
- Western Europe
- Eastern Europe
- Russia
- Central Asia
- China
- India
- South East Asia
- Oceania

These 11 markets are very different to one another, and it is almost impossible for a company with the size of Allround VP to be active in every market. Therefore, Allround has chosen for the following markets:



In the picture above, the countries in yellow are the countries in which Allround VP has dealerships. The countries in red are the countries in which Allround VP has factories, and is responsible for sales. As is visible in the picture, the countries in which Allround is active in are spread

throughout the world. This is due to the fact that the market for vegetable processing machinery is a very global one, with only limited competition.

Demographical segmentation

When looking at demographical segmentation, the customers of Allround VP are all in the same area, vegetable processing. The group of customers is not very different from one another, Allround VP is able to focus on all the target groups mentioned in the internal analysis.

Situational segmentation

Looking at situational segmentation, there are a few very important segments in the market on which Allround VP is focusing more compared to the competition. The first and major segment is to be found in the integrated processing solutions Allround VP offers. Most of the companies within the target group are engaged in processing different kinds of vegetables. Therefore, Allround VP invented integrated processing solutions, offering customers a processing line on which various kinds of produce can be processed. This offers the customer more flexibility and fewer costs because the customer now needs fewer equipment.

Furthermore, Allround VP is also aiming at obtaining larger orders. This shows in the mentality of the company. Most competitors are selling machines or processing lines, Allround offers processing solutions, providing the customer with everything needed for processing. As there are various advantages for large customers to buy from one supplier, the company has a unique position in this market.

5.3 Points of parity

Points of parity (POP's) are associations that are not unique to one brand, but associations that may be shared with other brands. There are two basic forms of POP's that can be identified:

Category points of parity

Category points of parity are associations customers view as essential in an offering. In the industry of vegetable processing machinery, the category POP's are the following:

- Providing machinery adequate for the purpose
- Offering installation possibilities
- Providing advice on processing

Competitive points of parity

Competitive points of parity are designed to match the competitors points of difference. Reaching parity with the points of difference of the competition gives the company a competitive advantage in the positioning of the brand. The following points are the competitive points where Allround VP should reach parity with the competition:

- The service level
Improving the service level is one of the most challenging POP's Allround VP has. Because of the fact that most of the sales are done by dealers, a large part of the service is not in the control of the company. Furthermore, the policies concerning service are not defined clearly, which causes confusion among customers.
- The image
Even though the image of Allround VP in the vegetable processing industry is quite good, one of the competitors has made an effort to change their image of a machinery manufacturer into a strong brand, which is Wyma. This effort shows in the website of the company and the company leaflet. As Allround VP is not on this level yet, the company has to make an effort to reach parity with Wyma.

5.4 Points of difference

Opposite to the points of parity, the points of difference (POD's), are the unique associations customers have with the brand. The most important POD Allround VP emphasizes is the fact that the company is a one-stop-shop for post-harvest handling. As the company is the only supplier for machinery that is able to offer everything needed for handling produce after harvesting, the consumer views the company as a very strong brand.

Furthermore, the company offers integrated processing lines, which are able to cope with different kinds of produce on one line. As this is not offered by any other company in the branch, Allround VP has created an image of inventiveness and technological knowhow not matched by any of the current competitors.

The last POD is the pricing strategy Allround VP is able to execute. As the company has a factory in India, the manufacturing costs are significantly lower compared to manufacturing in the Netherlands. This means that the company has the opportunity to be more aggressive in the market, as no other competitor will be able to match the prices of Allround. Also the machines that are produced in the Netherlands are priced competitive compared to the competition.

5.5 Positioning

The unique proposition of Allround VP

When looking at the positioning of Allround VP, the most important feature of this part of the project is to define the proposition Allround VP offers the clients. This proposition will be the basis of how the company is positioned in the mind of the customer. Therefore, it is vital for Allround to use the strengths of the company, defined in the SWOT analysis, and translate them into the positioning of Allround VP.

As defined in the SWOT analysis, the basis of Allround VP is the company Huib Smit senior owned. Therefore, the foundation of the company is over 50 years old. Furthermore, in his days, Mr. Smit was one of the leading innovators in the agricultural business. This still reflects in the company today, as Allround VP is one of the only parties in the business offering everything which is needed for post harvest handling. Besides this, the company is the only company offering integrated processing

solutions, processing lines which are able to process multiple kinds of vegetables on one line, with very reliable and low maintenance machinery. Furthermore, as Allround VP is very competitive in the pricing strategy, the company has the unique position to be an innovator as well as a competitive force in terms of pricing.

The company is active in 62 countries on every continent on which vegetables are grown. Therefore, the company is present everywhere. This is done mostly by a reliable and committed dealer network. Besides these 62 countries, the company regularly receives requests from other countries, like recently Afghanistan. The advantage for customers is that Allround machinery is found, wherever the customer might be located.

Combining the strengths of Allround VP, it gives an image of a strong and reliable player in the machinery market, combining all the necessary equipment for post harvest handling with a competitive price.

5.6 Marketing communication

In this part of the report, a detailed description will be given of how Allround VP may communicate the message 'from farmer to wholesaler' to the farmers. In order to get a detailed description of the communication strategy, there are several points that are to be addressed.

Communication target groups

The first part of the marketing communication plan is the communication target groups. In essence, this part describes everyone who needs to hear the message Allround conveys. This group does not only consist of farmers. There are more people that need to hear the message Allround is spreading.

Farmers and associations of farmers

The most important communication target group in this marketing strategy are the farmers and associations of farmers. The difficulty with these farmers is that this is a very broad group, farmers which are large enough to become wholesalers are found everywhere in the world.

Dealers

The dealers, or potential dealers of Allround VP are the second most important target group in this marketing campaign. The dealers are the link in the chain which connect the farmers to Allround, and therefore it is very important that they have a very detailed insight in the message Allround will be conveying to farmers.

Governments and international organizations

Governments and international organizations are very important strategic partners for Allround VP. Governmental and international organizations are in charge of subsidies, giving farmers the possibility of expand their business. The organizations Allround VP wants to convey the message to are the agricultural department of the European Union, agricultural departments of countries Allround is active in, and Dutch embassies in target countries.

5.7 Communication objectives

In the following part of the report, the objectives of the communication strategy are described. These objectives will set the goals for the marketing communication strategy. These goals can be divided into three categories: coverage, process and effect objectives.

Coverage objectives

The coverage objectives for this marketing campaign are divided into the different communication target groups. The objectives are the following:

- All Allround VP dealers should have knowledge of the goals of Allround VP concerning farmers. The dealers should be aware of the fact that Allround VP is offering farmers and associations of farmers the possibility of becoming a wholesaler for their own produce. Furthermore, the dealers are expected to actively contact farmers and show them the proposition of Allround VP. All dealers should be contacted using Skype to explain the idea of 'farmer to wholesaler'. After the explanation, an email should be sent to the according dealer with the brochure that is to be made to explain in detail the idea. The dealer is then able to have the brochure translated into their language and distribute it among customers.

- As it is not possible to give an amount of farmers that are large enough to become wholesaler for their own produce, it is very hard to give a coverage target for the main target group. However, what is possible is that Allround VP, or the dealers depending on the location of the customer, sends the brochure 'farmer to wholesaler' to all the known farmers, showing them the advantages. Furthermore, at exhibitions or other events where Allround meets the clients, they should be informed about the possibilities Allround VP has to offer.
- Government organizations are among the most valuable strategic allies. Governmental organizations give out subsidies in the agricultural business in order to mechanize and optimize the procedures in the industry. As Allround is very keen on these subsidy projects, it is very important that these organizations are aware of the message 'from farmer to wholesaler'. Therefore, it is key that Allround VP contacts the contact persons the company has at these organizations to discuss and explain the idea.

Process objectives

The key processes in developing this campaign will be mentioned:

- The first and major task is to develop the communication tools Allround VP will be using in this marketing campaign. The most labor intensive task at hand will be making a brochure, aimed at farmers. This process will take several weeks and should be finished before July 2012. Furthermore, a complete test case should be made, which should include an offer, drawings, the calculation tool, descriptions of the lines and information on how the farmer becomes wholesaler. Therefore, the objective is to have everything ready before July 2012.
- After the development of the campaign is complete, the information has to be distributed to the dealers. This should be done, first of all by Skype or telephone, in order to give the dealers the appropriate explanation, and to answer questions the dealers may have. The goal is to have the dealers informed in the month of June.
- After the dealers, the governmental organizations need to be informed. This will be done in the month of July and all will be done by telephone.

Effect objectives

The key effects objectives of this campaign are mentioned:

- The first and major effect objective of the marketing campaign is to show farmers the possibility of becoming wholesaler for their own produce. The effect should be that the customer has insight in the advantages of keeping the storing and processing of their produce in their own hands.
- The dealers should be aware of the message of Allround VP that farmers are in the possibility of realizing a larger profit by processing and storing the produce themselves. Furthermore, as farmers do not have sufficient knowledge concerning processing, the dealers should be aware of the fact that Allround VP is able to advice the customer on the best way of processing.
- The third effect objective is the proposition. Allround VP, with this strategy, is aiming to offer farmers a complete business plan when becoming a wholesaler. With all the information the customer receives from Allround, the customer should be able to go to the bank and show what the advantages are, and why they should get a loan in order to realize the project.
- All these effects should result in a different idea customers have of Allround VP. Instead of being a manufacturer of quality machinery, the customer should view Allround as a partner in growth, becoming a company that actively helps customers with the best solutions for processing equipment, facilitating their switch not only in terms of machinery, but also in terms of information needed for the financing of the project.

5.8 Communication strategy

The following part of the report contains the communication strategy of the marketing plan. In this part of the report there will be described how Allround VP will communicate the message to the customers.

The communication strategy is based on the positioning of the company. As defined before, Allround VP positions itself as a partner for complete project handling, being affordable and delivering high quality. Therefore, the chosen communication strategy is an informational strategy. The informational strategy focuses on the differentiating benefits the company has to offer. Therefore, Allround VP will focus on the following differentiating benefits:

- The Allround VP integrated processing lines
- Being a one-stop-shop
- Offering high quality for competitive prices

These differentiating benefits are the core of the marketing campaign. Because Allround VP is able to offer integrated processing lines, together with all the equipment needed for post harvest handling, Allround VP is in the unique position to offer the customers the possibility to set up a complete project, using one manufacturer.

As established before, the company mainly uses the dealer network to obtain leads. As we know, there are three kinds of dealers, the 'bronze' dealers, the 'silver' dealers and the 'gold' dealers. The silver and the gold dealers handle the contact themselves, the bronze dealers only obtain the first lead, and then let Allround VP handle the rest.

In both cases though, the dealer is responsible for the first contact. At the first contact, the dealer should make sure the 'farmer to wholesaler' message clear. This should be done in the following way:

- The dealer searches actively for farmers that have the capacity to become wholesaler of their own produce. Expected is that the dealer will be physically present in the area where the potential customer, the farmers, are. The dealer should be active in making appointments with potential customers to show them the idea. This is because of the fact that this marketing strategy is completely different compared to the current sales method. In the current sales method, the customer is usually the first to actively look for machines. In this case, Allround VP offers the customers a new business plan, something the customer probably never thought of.
- When the first contact is made, the dealer is expected to explain the idea 'from farmer to wholesaler'. This idea will be strengthened by a brochure explain the idea and a test case to back the idea up. In this brochure, QR codes with links to specific parts of the website will be added. This will make the brochure and the website interact, and gives the customer the possibility to directly find more information on the topic that interests him/her.
- The communication will be done to clients individually, as every customer is different. Furthermore, the idea is that the customer is explained the idea in a personal way, giving space for answering questions and giving opinions. This can only be done in a personal conversation.
- When the customer is interested after the first conversation, the customer will have the possibility to receive the project proposition. This project proposition will contain offers, descriptions of the equipment people get, the calculation tool to justify the costs of the project and a detailed plan of how the project will be handled. This will give the customer all the information needed to reach a decision.

5.9 Marketing communication mix and media choice

The marketing communication mix will describe all the different marketing resources that will be used in the marketing campaign, and how the mix will be communicated to the communication target groups. As different resources will be used to target different communication target groups, the matrix below shows which resource is used for which communication group:

Marketing resources:	Farmers / associations of farmers	Dealers	(inter)governmental organizations
Informing partners concerning the campaign		X	X
Communication on the Website	X	X	X
The brochure: 'from farmer to wholesaler'	X	X	X
Personal conversation	X	X	X
The Allround VP calculation tool	X		
The test case	X	X	X
The project proposition	X		
Exhibitions	X	X	X

Now is established which target groups are targeted with which resources. However, it is still necessary to define how these resources are to be used.

Informing the partners

When all preparations are made, the first task is to inform partners of Allround VP about the campaign. This shall be done by email. An email will be sent which will state the aim of the campaign and an explanation of the communication objectives. This email will be accompanied by a digital version of the brochure 'from farmer to wholesaler'. With this email, the objective is to have all the partners of the company be aware of this new marketing campaign. However, there will be some differences between the emails.

The dealers will be informed about the way Allround VP would like them to approach customers which do not yet process their products. With this explanation, the goal is to achieve a uniform approach among dealers towards customers. Even though clients of different dealers are not very likely to run into each other, having a uniform approach, which is designed by Allround, will strengthen the brand experience.

Towards (inter)governmental organizations the approach is different. This email should emphasize the advantages farmers gain by becoming wholesaler of their produce. In this way, Allround VP is creating awareness among these (inter)governmental organizations that there is still a lot to gain in the field of agriculture and post harvest handling. As (inter)governmental organizations very often organize meetings, give out subsidies and promote progress in the business, emphasizing the advantages for farmers will lead to better relations between Allround VP and these organizations.

Communication on the website

The idea of 'from farmer to wholesaler' is also something that is to be emphasized on the website. This part of the website should be published at the same time as the partners are informed. On the website, the idea should be explained in the same way as the information that will be given out to the (inter)governmental organizations. An explanation of the advantages for farmers will be central in this part of the website.

The brochure 'from farmers to wholesalers'

Vital in the communication strategy is the brochure 'from farmer to wholesaler'. This brochure will explain the advantages, the process and the role of Allround VP in this process. This information will be accompanied by visuals that strengthen the idea the company has. The brochure should reflect the company style, and visualize in a very direct and quick way what the message is Allround will convey with this marketing strategy.

As more information is to be found on the website, the customer has the possibility to directly visit the website part which corresponds to the part that interests him by scanning a QR code. So on every page, a small QR code is added to the brochure to increase the interactivity of both the brochure and the website.

Personal meetings

Personal meetings in this marketing strategy are vital in explaining the message Allround VP will convey. When meeting with dealers, the marketing team will explain what the company wants to achieve with the campaign. Furthermore, meetings with (inter)governmental organizations are to be held, where Allround VP will show these organizations what the company wants to do, and in these meetings the various ways these organizations are able to help should be emphasized.

The Allround VP calculation tool

Another very important aspect in the marketing strategy is the Allround VP calculation tool. This tool shows the customer, in very straightforward calculations, what the company gains by using Allround VP equipment. Furthermore, the costs for the customers are also shown, which gives the customer a better insight in the costs of the machinery. In **appendix 18** some screenshots of the calculation tool are added.

The test case

Allround VP will also make a test case, which shows, from A to Z, how Allround VP handles projects. In this case study, the complete process will be shown. This will be a showcase for prospects and a tool for the marketing team to back their proposition for the customer.

The project proposition

If the prospect is impressed by the proposition Allround has for them, the company will make a project proposition for this customer. This proposition will include calculations, descriptions of the lines, explanations of the equipment, drawings of the lines and offers for the customer. This project proposition will be very extensive, and make a complete business plan for the future. With this proposition, the customer should be able to go to a financier to opt for a loan.

Exhibitions

Exhibitions play a vital role in the marketing process of Allround VP. Allround attends various exhibitions each year, where the company meets dealers, (potential) customers and other partners. Therefore, these exhibitions ideal for conveying the message Allround VP will be sending. At these exhibitions, when a potential customer comes by the stand, the sales team first find out to what category this customer belongs. After it turns out this prospect is a farmer interested in processing, Allround is able to show what the company can do for this customer. With this conversation, the brochure will be presented to the customer.

5.10 the 4 p's

In order to sum up the strategy of the company, the 4 p's will be described in the following part of the report.

5.10.1 Product

As described before, the product Allround VP is offering its customers can be divided into three different product categories:

1. Storage equipment
2. Inbound and outbound lines
3. Processing machinery

With these three product categories, Allround VP is able to offer all the machinery needed at a site where vegetables are stored and processed. In the western world, this is often all done at the farmer. However, in the developing world, it is most likely that a farmer directly sells its goods to a wholesaler or a processing plant. However, as this report has described before, Allround VP believes it has the key to show the farmers the possibility of taking these steps into their own hands, adding value to the produce as they go.

5.10.2 Price

In my opinion, the current pricing strategy, as described in chapter 2, is the one to use in this market. Allround VP strongly believes it is highly important to offer a pricing strategy which is competitive in every market. As the company has a factory in India, it is able to offer this competitive pricing everywhere in the world.

Especially for farmers in the developing world, this is a very important aspect. The spending power of these companies is still a lot lower compared to the spending power of large processing plants or wholesalers, and therefore this is a very important aspect of the strategy.

5.10.3 Place

The place in which the company is active is also described before, in chapter 2. The company is active in over 60 countries worldwide, which makes the company one of the largest players in the business. Looking at the distribution of the products, the machinery is mostly sold using a wide network of dealerships. These dealers actively look for clients in their region, and distribute to them. Contact to the customers is mostly done by dealerships, as well as the importing of the goods.

However, when a very large project is coming up, the company switches to another strategy. In this scenario, Allround VP takes all the responsibility of the project, has various meetings with the clients and the company prepares all aspects of the project.

5.10.4 Promotion

The promotional part of the 4 p's has already been described in chapter 5.8 and 5.9 of the report. The most important marketing tools for the company are:

1. The website
2. The brochure 'from farmer to wholesaler'
3. Personal meetings
4. The calculation tool
5. The test case
6. The project proposition
7. exhibitions

5.11 Communication budget

Now the communication mix is defined, the budget for the marketing mix is to be defined.

Media	Budget
Informing partners concerning the campaign	
- Designing the email	€25,00
- Cost of labor	€200,00
Communication on the website	
- Writing the content	€1500,00
- Designing the visuals	€2.500,00
- Server space	€100,00
The brochure 'from farmer to wholesaler'	
- Writing the content	€1.000,00
- Designing the brochure	€2.000,00
- Printing 1000 copies	€750,00
The Allround VP calculation tool	
- Cost of labor	€450,00
- Cost for the visuals	€500,00
The test case	
- Cost of labor	€500,00
- Cost of materials	€100,00
The project proposition	
- Cost of labor (per project)	€500,00
Exhibitions	
- The Agritechnica	€12.500,00
- The Fruitlogistica	€12.500,00
- The potato Europe	€7.500,00
Total:	€42.125,00
10% unforeseen expenses	€4.212,50
Total with unforeseen expenses	€46.250,50

5.12 Projected pay-back

Based on the financial projections above, it is now important to calculate the payback period of this investment. In chapter 2.4 the profit margin was already calculated, 16,69%. Based on the communication budget above, Allround VP has to sell a project worth ($€46.250,50 / 16,69\%$) €272.703,00 to earn back the investment on communication tools. In my opinion, this is not only feasible, but an even more encouraging figure to apply this strategy. This is mainly due to the fact that €272.703,00 is a large amount of money, but when the storage equipment, inbound and outbound lines, and the processing equipment are sold by Allround VP, this figure will be quite easy to reach. Therefore, I think this marketing strategy will repay itself within one year.

5.13 Evaluation and control

Now all the targets and methods are described, the way in which the performance of the marketing campaign is to be defined. The following targets are defined:

Objective	Target	Finished	Measured at
Increase in complete projects	5% increase 7,5% increase 10% increase 15% increase 20% increase	2012 2013 2014 2015 2016	January 2013 January 2014 January 2015 January 2016 January 2017
Decrease in decision making time	Decision reached within 3 months after receiving the offer	December 2012	2013
Simplifying the way customers are shown the advantages	Realize a system in which a proposition is finished in 5 hours	October 2012	December 2012
Increase in offers to farmers	10% increase 12,5% increase 15% increase 17,5% increase 20% increase	2012 2013 2014 2015 2016	January 2013 January 2014 January 2015 January 2016 January 2017
Decrease the amount of time to make an offer	An offer made in 1 hour	August 2012	September 2012
Increase the service level	Change the service level from a weakness to a strength	2013	2013
Change the company image	Have the website and leaflet updated	November 2012	November 2012
Learning the dealers the 'from farmer to wholesaler' proposition	Inform all dealers	August 2012	August 2012
Inform (inter)governmental organizations about the 'from farmer to wholesaler' proposition	Inform the Russian, Indian, Brazilian and Ukrainian governments, the UN and the Dutch embassies in these countries	August 2012	August 2012
Develop communication resources	Make a brochure	September 2012	September 2012
Distribute the communication resources to dealers	Inform the dealers	July 2012	July 2012

These targets are measurable, and should therefore be checked by the marketing department of the company. As these objectives are all measurable, the marketing department will be able to check the results.

However, the evaluation of the marketing campaign is less measurable. This mainly has to do with the opinion of the decision making unit (DMU, in the case of Allround VP the directors and the marketing department) of Allround VP, and how they feel the results measure up against the costs and effort of the marketing campaign. Therefore, preliminary annual evaluations are to be scheduled in order to see whether the campaign is according to the liking of the DMU. During these evaluations the company is to check the effectiveness of the campaign, and decide whether to make changes in the campaign. With annual evaluation of the campaign, the company has a lot of insight in the workings of the campaign, making sure it meets expectations.

6. Conclusion

From farmer to wholesaler, a utopia or a realistic marketing strategy? In this report a detailed explanation is given how Allround Vegetable Processing BV. will be able to show the customers the advantage of keeping a large part of the vegetable supply chain in their own hands.

As the quality of vegetables increases when handling the produce in the right manner, the number of rejects and rotten products will decrease drastically. Furthermore, as farmers will now sell clean, graded and packed products, the selling price, as well as the bargaining power, of farmers will increase as well.

The key to success in this marketing campaign is to be more effective when it comes to preparing a proposition for customers. As this is currently quite a slow process, a lot of benefits will derive from a more effective sales process. In these propositions, a clear explanations, as well as calculations relating to that specific customer need to be shown. It is of utmost importance that the dealers will be able to work with these marketing tools, and understand and communicate the idea 'from farmer to wholesaler'.

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Marketing management	First edition	Philip Kotler Kevin Lane Keller Mairead Brady Malcolm Goodman Torben Hansen	Pearson education	9780273718567
Marketing communication strategy	Fifth edition	Drs. J.G.M. Floor Prof. Dr. W.F. van Raaij	Noordhoff uitgevers	9020733338

Allround Vegetable Processing BV.:

Document	Author	Location
Competition overview	Huib Smit	Internal server
Customer database	Huib Smit, Hans Smit, Tim van Daan	Internal server
Machine database	Huib Smit, Hans Smit, Tim van Daal	Internal server/website
Preliminary Financial statement 2010	Nico van de Gulik	Omniacc accountants

Quantitative research:

Interview	Interviewed	Company	Country
The dealer interview	Christos Karathanasis	Novatec	Greece
	Maxim Kobetz	Rusbana engineering	Russia / the Ukraine
	Ekatarina Babayeva	Interagro	Russia
	Jan Vonk	M.E.P.	Canada
	Guntars Ceravs	Abilita Sia	Latvia
	Ludo Wentholt	Novum	Finland
	Arno Klijbroek	AJK	The Ukraine
	Julia Hanchar	Polymya	Belarus
	Heinrich Raidoja	Schetelig	Estonia
	José Amaral	Cimembal	Portugal
	Michal Stachlewski	KMK	Poland
	Mordechai Mushkat	Mushkat	Israel
	Yasser Essam	Nile valley trading agency	Egypt
	Arend Langer	Carrotech	South Africa
	Yaroslava Detochenko	Agrosemcenter	Russia

Qualitative research:

Interview	Interviewee	Job title	Location
The management interview	Huib Smit	Commercial director	Andijk, the Netherlands
	Hans Smit	Commercial manager	Andijk, the Netherlands
	Tim van Daal	Strategy & export manager	Andijk, the Netherlands
	Maheshwar Dutt Sharma	CEO	Ambala, India
	Satvinder Singh	Commercial manager	Ambala, India
	Rajesh Bhatia	Marketing	Ambala, India
	Vij Prakesh	Financial manager	Ambala, India

The internet:

The complete report:

- www.allroundvp.nl

The internal analysis:

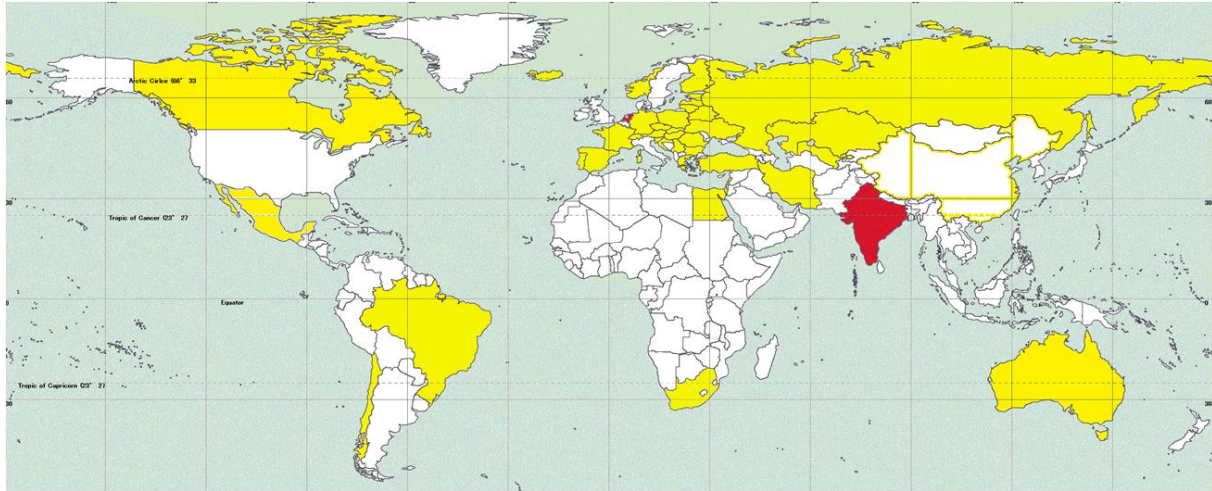
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Appendices

Appendix 1. Overview of dealer locations



Appendix 2. Inbound and outbound lines

Inbound lines

Allround Vegetable Processing produces high standard inbound lines for storage facilities. Allround VP inbound machinery is designed to give the client the maximum amount of flexibility for the storing of the produce. Allround VP produces the following inbound equipment:

- Hoppers
- Duo telescopic conveyor belts
- Space Finders
- Box fillers

This equipment will store the produce in the most efficient matter, making sure all parts of the storage facility is utilized.

Outbound lines

Allround VP outbound lines are designed in such a way that the stored produce is picked up from bulk storage facilities. Allround VP produces the following outbound equipment:

- Pick-Up scooters
- Duo telescopic conveyor belts

This machinery ensures that the produce is picked up from the cold store in a safe and product friendly matter. Furthermore, the equipment is designed in such a way high capacities are reached.

Appendix 3. Processing machinery

Infeed machines

Allround VP infeed machines are designed to feed to processing line in such a way that the product flow is even and in the exact amount you want from your processing line. Allround VP produces the following infeed equipment:

- Box tippers
- Cabbage box tippers
- Hoppers
- Storage chutes

These infeed machines are extremely product friendly, making sure that the line is fed with the amount of produce that is desired.

Product belts

Allround VP produces product belts in all shapes and sizes. For all produce and capacities Allround VP produces the appropriate product belts. Whether cleats are desired, height needs to be overcome or waste needs to be transported, Allround makes the right belt.

Washing and cleaning machines

One of the most important jobs in processing is the washing and cleaning of the produce. This ensures the produce to be hygienic and dirt free. Allround VP is very proud to be one of the leading producers of vegetable washing and cleaning equipment. Allround VP produces the following washing and cleaning machinery:

- Pre-soaking tanks
- De-stoners
- Drum barrel washers
- Potato dryers
- Potato brushes

All this equipment is designed in such a way that the machines are especially suitable in any environment, making sure the produce is cleaned all year long.



Onion toppers

Allround VP produces machines that top the tail of the onion in such a way that the product itself is not harmed. Allround VP produces onion toppers that are capable of extraordinary capacities, are extremely user friendly and very low in maintenance.

Polishers

Allround Vegetable Processing has developed vegetable polishers for the produce meant for the demanding consumer market. Allround



polishers give the produce a quality and luxury feel, and make sure the produce does not need to be washed before eating. Furthermore, small imperfections in the produce will disappear in the machine.

Selection tables

When processing the products, it is key that the produce is checked for faults. The most efficient way of selecting produce is with the Allround VP manual selection tables. Allround produces two kinds of inspection tables, roller inspection tables and belt inspection tables. These tables make sure that the produce is clearly visible and within reach of the workforce, which are able to work comfortably at Allround selection tables.

Grading machines

Grading the produce is highly important for all companies that are in the business of vegetable processing. Selecting according to size makes that weighing is more accurate, and the produce can be sold or processed further according to their size. Allround VP produces, and has produced for many years, the following grading machines:

- Radial grading machines
- Length graders

Allround VP grading machines are extremely produce friendly, making sure the produce is not harmed in the process of grading. The experience Allround VP has in grading equipment makes the graders leading in the market.

Cooling machines

When processing and storing carrots, it is highly important that the produce is cooled before storing, to make sure that the produce stays fresh. For this purpose, Allround VP has developed Hydrocoolers. These Hydrocoolers are designed in such a way that carrots are cooled in a fast and product friendly matter. When acquiring a Hydrocooler, most important is the difference in temperature to calculate the model required.

Weighing machines

Allround VP produces weighing machines especially designed to weigh the produce as effective as possible. These weighing machines can weigh from 2 Kg. to 50 Kg. at once. These weighing machines have an accuracy of 2% to 3% in the smallest weighings, making the machines highly efficient.

Packaging machines

Allround VP has developed packaging machines for fully automated packaging in Raschel bags. This machine is designed in such a way that the weighing is done automatically, the packing is done automatically, and the Raschel bags are sewed shut. The produce comes out of this machine in any desired weight.

Appendix 4. The dealer interview

Research on Allround VP dealers

Dear Allround VP dealer,

I am a student at the Hogeschool Utrecht in the Netherlands and I am currently working as an intern at Allround Vegetable Processing.

I am doing research on the marketing & sales processes in the food processing industry. This research will be my thesis, and if it is up to standards I will graduate with this thesis.

This questionnaire is ment to give more insight in the cooperation between Allround VP and its dealers. With the data from this questionnaire, I hope to write a report which contains recommendations which will help improving the performance.

I would like to ask you kindly if you would like to help me with this research, it will only take 5 minutes.

Thanks in advance!

Best regards,

Tim van Klarenbosch
Allround Vegetable Processing

Start

www.thesistools.com

Research on Allround VP dealers

1.

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Please complete the field below

Name:
Date of birth: 1 1 2011
Country of origin:
Dealer in (country/region):

2.

How did you get into contact with Allround VP?

3.

For how long have you been dealer for Allround Vegetable processing?

- | | | |
|-------------------------|--------------------------|--------------------------|
| <input type="radio"/> 1 | <input type="radio"/> 6 | <input type="radio"/> 11 |
| <input type="radio"/> 2 | <input type="radio"/> 7 | <input type="radio"/> 12 |
| <input type="radio"/> 3 | <input type="radio"/> 8 | <input type="radio"/> 13 |
| <input type="radio"/> 4 | <input type="radio"/> 9 | <input type="radio"/> 14 |
| <input type="radio"/> 5 | <input type="radio"/> 10 | <input type="radio"/> 15 |

Next page

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Customers

4.

Which clients account for most turnover when selling Allround VP products?

	Small part				Large part
Wholesalers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Big farmers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Associations of farmers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Processing factories	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Governmental organizations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Supermarket chains	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5.

The initiator in the sales process (who makes the first contact) is usually

- ☐ The customer
☐ The dealer

Next

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6.

My customers find me in the following way (you can divide 100%)

Mutual relations	<input type="text" value="0"/> %
Trade fairs	<input type="text" value="0"/> %
Word on mouth	<input type="text" value="0"/> %
The Internet	<input type="text" value="0"/> %
My previous business	<input type="text" value="0"/> %
Marketing efforts	<input type="text" value="0"/> %
Other	<input type="text"/>
Total	0 %

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7.

I find my customers in the following ways (you can divide 100%)

Trade fairs	<input type="text" value="0"/> %
Demonstrations	<input type="text" value="0"/> %

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Word on mouth	<input type="text" value="0"/> %
Via (business) relations	<input type="text" value="0"/> %
Through the government	<input type="text" value="0"/> %
Other	<input type="text"/>
Total	0 %

Next

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The sales force

8.

How many salesmen are in your organization?

- ☐ 1-3
☐ 4-6
☐ 7-9
☐ 10-12
☐ 13-15
☐ 15+

9.

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My salesmen

	I disagree strongly			I Agree completely			Not applicable
Have the freedom to find their own customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>
Have the freedom to make visits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>
Have the freedom to make offers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>
Have the freedom to offer a reduction	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>
Have targets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>
Get bonuses when targets are met	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>
Make more money than the average wage in this country	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>
Do not have a 9 to 5 mentality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>
Are willing to do something extra for the company they work for	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>

10.

In my experience, in sales it is best to be

- | | | |
|--------------|---|-----------|
| Distant | <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> | Close |
| Flashy | <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> | Modest |
| Businesslike | <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> | Amicably |
| Reactive | <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> | Proactive |

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Trends in the industry

11.

The following industry trends show

	I strongly disagree			I completely agree		
Scale enlargement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Complete processing lines	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The product emphasis is more on price	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The decision making process takes less time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
There is more money spent in the industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Integrated processing lines	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12.

Is there any market or target group you think might be a big scope for Allround VP?

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Manufacturer - dealer relation

13.

I value Allround Vegetable Processing in the following way

	Very poor				Excellent	
The quality of the machines	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The quality of the quotations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The accuracy of quotations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The quality of the drawings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The delivery time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The transparency of communicating	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The manner of communicating	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reaction time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The service level	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The warranty given	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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The installation possibilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The price - quality ratio	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The complete processing solutions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14.

What is in your opinion the most valuable Unique Selling Point (USP) Allround VP has?

15.

Do you have any suggestions for Allround Vegetable Processing?

[Submit survey](#)

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Dear dealer, thank you very much for you cooperation!

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Appendix 5. Inhabitants of India

The age structure of India

0-14 years: 29.7% (male 187,450,635/female 165,415,758)

15-64 years: 64.9% (male 398,757,331/female 372,719,379)

65 years and over: 5.5% (male 30,831,190/female 33,998,613) (2011 est.)¹

Combine the graph above with the median age of the country, which is 26.2 years old, it is safe to say the growth is likely to continue the coming years.

There is a constant growth of inhabitants which started around 1920. In the new millennium, the number of inhabitants of India has grown with almost 200 million people, which is about the entire number of inhabitants of Brazil.

When we look at the origin, it is undeniably important to take a look at religion as well. First the origin of the Indian people:

Indo-Aryan 72%

Dravidian 25%

Mongoloid and other 3% (2000)

The Indo-Aryans are people that migrated to India around 1500 B.C. from central Asia. They settled in the Ganges valley and mixed with the inhabitants that already lived in India. The Dravidians are people that natively speak a language that belongs to the Dravidian language family. They mostly live in the south of the country.

These two cultures mixed after the Indo-Aryans came to India and from this the classic Hinduism most likely derived.

Today, Hinduism is the largest religion in the country. In 2011, it is estimated that 80.5% practiced this religion. Other religions found in India are: Muslimism (13.4%), Christianity (2.3%) and Sikh (1.9%). 1.8% of the inhabitants practice other religions and 0.1% are unspecified.

Education

In India, basic education is mandatory since the 1st of April, 2010. This means that children between 6 and 14 are obliged to take education. With the passing of this act, India joined 134 other countries where education is mandatory. In 2009, there were 8.1 million people that were not receiving education of any form. Comparing this to 2003, when 25 million children did not receive education, the Indian government is making good steps.

However, there are a few factors that are to be considered when looking at education in India. Where 95% of the children between 6 and 14 receive education, only 40% of the Indian population decides/is able to go to secondary school.

In the whole country there are 740,000 formal schools, 6,000 colleges and 175 universities. Despite the amount of schools that are in this country, the literacy level is still quite low. Of the total population, 61% of the people over the age of 15 is able to read and write. 73.4% of these people are men, 47.8% of these people are women. On average, the school life expectancy is 10 years, 10 for women and 11 for men. However, the fact that in 8 years the number of people not going to school is dropped by 16.9 million people shows that education is a major priority for the government.

¹ Source: <https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>

Appendix 6. The inhabitants of Brazil

The age structure of Brazil

0-14 years: 26.2% (male 27,219,651/female 26,180,040)

15-64 years: 67% (male 67,524,642/female 68,809,357)

65 years and over: 6.7% (male 5,796,433/female 7,899,650) (2011 est.)

In Brazil, the median age is 29.3 years old. This is quite comparable to the median age in India, indicating that the growing number of inhabitants is very likely to push through the coming years.

In Brazil, the origin of the inhabitants is harder to specify, as the origins of the people are more diverse compared to India. The origins are:

White 53.7%

Mulatto (mix of black and white) 38.5%

Black 6.2%

Others (includes Japanese, Arab and Amerindians) 0.9%

Unspecified 0.7%

As shown above, most of the Brazilians are white. These people are mostly descendants from colonial and post-colonial Portuguese settlers and Italian, German and Spanish immigrants. The black people are usually descendants from the 4 million slaves that were brought to Brazil until 1855.

From the colonial time there is inheritance that is very influential in the everyday life of the Brazilian people, religion. The vast majority of the Inhabitants of Brazil is Roman Catholic (73.6%). However, also Protestantism (15.4%) is wide spread as well. Smaller religions are Spiritualism (1.3%) and Bantu/Voodoo (0.3%). 1.8% of the inhabitants practice another religion, 0.2% is unspecified and 7.4% of the inhabitants do not practice religion.

Education

Education in Brazil is compulsory for children between the age of 7 and 14. Public education is free for all Brazilians, private schooling is not. This seems like a good basis for a solid education system. However, there is still a lot to gain, especially in the public schooling system. The state of the school is usually very poor, and dropout rates are very high, almost 33% of the children will not finish primary education.

This means that 11.4% of the population over the age of 15 is not able to read or write. Despite, or maybe because of this figure, the Brazilian government is making effort to improve the education system. In 2007, the Brazilian expenditure for education was 5.08% of GDP.

Appendix 7. The inhabitants of Russia

Taking a look at the Russian origin, by far the largest group of inhabitants are descendents from the original inhabitants of the country, Russians.

Russian 79.8%
Tatar 3.8%
Ukrainian 2%
Bashkir 1.2%
Chuvash 1.1%
Unspecified 12.1%

As Soviet rule, during which practicing religion was prohibited, held the country in a firm grip during 7 decades, religion has suffered from this era. Only 15 to 20% of the inhabitants are practitioners of the most widespread religion in Russia, Russian Orthodox Christianity. Furthermore, 10-15% of the people are practicing Muslims, and 2% practices another form of Christianity.

Education

In Russia, education is obligatory for 9 years. Children enter school when they are 6, and are finished with obligatory education when they are 15. Education is free for Russian citizens.

After primary and secondary education, which are obligatory, there is a wide variety of colleges and universities. This organized system of education leads to a very high level of literacy. In Russia, only 0.6% of the people above 15 years old are not able to read.

Appendix 8. The inhabitants of the Ukraine

The median age in the Ukraine is estimated to be 39.9 years old. As in Russia, the median age for men is significantly lower compared to women. The median age for men is estimated to be 36.7 years old, for women this figure is 43.1 years old.

In Ukraine, a wide variety of origins are to be found. The major ethnic group is the original Ukrainian group. However, many more are to be found:

- Ukrainian 77.8%
- Russian 17.3%
- Belarusian 0.6%
- Moldovan 0.5%
- Crimean Tatar 0.5%
- Bulgarian 0.4%
- Hungarian 0.3%
- Romanian 0.3%
- Polish 0.3%
- Jewish 0.2%
- Others 1.8%

With this wide variety of eastern European ethnic groups centralized in the Ukraine, the varieties of religion are also more wide spread compared to Russia. The largest group is the orthodox church, which can be divided into the Kyiv patriarchate (50.4%), Moscow patriarchate (26.1%), Ukrainian Greek Catholic (8%) and Ukrainian autocephalous orthodox (7.2%). Roman catholic (2.2%), Protestantism (2.2%) and the Jewish religion (0.6%) are also to be found. 3.2% of the Ukrainian inhabitants practice another religion.

Education

The educational system of the Ukraine is almost the same compared to Russia. Children are obliged to go to school from the age of 6-7, and are finished between the age of 14 and 16. Obligatory education is free of charge.

In the Ukraine, as well as in Russia, there is a wide choice of colleges and universities a student is able to enroll in. This leads to a literacy rate of 99.4% for people over 15 years old.

Appendix 9. The business etiquettes of India

When doing business in India, there are still etiquettes that are a reminder of the hierarchical social structure of the country. For example, when in a business meeting, it is custom that the eldest person is greeted first. Furthermore, it is very common to shake hands in India, especially in the more developed areas. However, shaking hands with someone from another sex is not generally accepted yet, therefore it is wise to wait until the other person extends his/her hand first.

When dining with business partners, it is key to wait to be told where to sit. Furthermore, one is to use his/her right hand to eat and always leave a small amount of food on the plate, indicating you are satisfied. When setting up a business meeting, there are a few factors to consider. First of all, it is very common that business meetings are rescheduled last minute. Therefore, it is wise to confirm the business meeting by letter about a week prior. In the morning before the meeting, it is smart to call and confirm the meeting. When going to a meeting, make sure you are in time, because Indians are very impressed by punctuality.

Because of the fact that Indians prefer to do business with people they have a long standing relationship with, one should be prepared for a lot of getting-to-know-you talk. Usually in the first business meeting, no business is discussed.

When going to a meeting, make sure that a detailed agenda is sent in advance. Indians like to prepare themselves for meetings, so that they are comfortable with the material. After a meeting, make sure that an overview with what is discussed is sent to all involved people.

Appendix 10. The business etiquettes of Brazil

When doing business in Brazil, the foreigner is likely to get a quick introduction in the culture of the country. Brazil is a country where the people value personal relations very much. The personal relation is more important, even in business, than the company for which people are working. Therefore it is very important for Brazilians to get to know the other party before they can do business efficiently. Businessmen/women should therefore be prepared to deal with a lot of getting-to-know each other.

Furthermore, as Brazil is a group culture, it is vital that one never insults a Brazilian. When in a meeting, one may never criticize another person because this causes both the criticizer and the criticized to lose face. Therefore, confrontations are also to be avoided.

As Brazilians value face-to-face meetings over written conversation, business meetings are very important. When setting up a meeting, it is best to make the appointment at least 2-3 weeks ahead. This appointment should also be confirmed in writing. In Sao Paolo and Brasilia it is important to be on time for meetings, in Rio de Janeiro and other cities it is acceptable to be a little bit late. However, as Brazilians view time as something outside of their control, one should not become impatient, as this is viewed as rude.

Brazilians are known to be very fashionable, therefore clothing is very important for Brazilians. Men are expected to wear dark suits, women on the other hand are expected to be dressed elegant and feminine.

Appendix 11. The business etiquettes of Russia

Contrary to Brazil, Russians do not need long-standing relations before going into business. However, a long period of socializing and getting-to-know each other conversation is to be expected when doing business in Russia. The main purpose is to determine whether the businessmen/women and the company are potentially a trustworthy business partner.

Meetings and negotiations are usually slow as Russians do not like to be rushed. As Russians seek win-lose in negotiating, they may appear rude for foreign people, walking out of meetings, taking too much time in the decision making process, lose their temper and even change contracts to suit their purpose.

Appendix 12. The business etiquettes of the Ukraine

When doing business in the Ukraine, foreigners may be surprised with the informality in business in the Ukraine. However, at first, it is key that communication is subtle and sensitive. As relationships are developing, it is okay to be more frank.

Meetings are not very rigid in the Ukraine. Usually an agenda is made, which serves as a rough guideline for the discussion.

Appendix 13. The ecological features of India

When looking at the ecological factors concerning India, there are a many challenges that apply to the country.

The rapid economic growth, and the growing number of inhabitants is one of the major challenges for India minimize the ecological strain. Experts suggest that, even if the ecological footprint per capita remains the same, the country will have great problems in terms of available resources to accommodate the economic development that is going on in India.

However, the Indian government is aware of the fact that there is an urgent need to reduce the impact on the environment. In 2008, India released its National Action Plan on Climate Change (NAPCC) which outlines eight missions to improve the environment. The nation calls on states to enact their own State Action Plans, based on the National Action Plan. The eight missions are:

- National mission for enhanced energy efficiency
- National mission on sustainable habitat
- National water mission
- National mission for sustaining the Himalayan ecosystem
- National mission for a green India
- National mission for sustainable agriculture
- National mission on strategic knowledge for climate change

With this plan, the Indian government is hoping to realize a greener future for the country, yet remaining the economic developments.

Appendix 14. The ecological features of Brazil

Brazil has the largest rain forest in the world, with a total of 412 million acres. Despite the effort of the government there is still a rapid deforesting in progress. Illegal exploitation of the rain forest is a major problem in Brazil. However, there is still a large surface of land suitable for responsible foresting and this is a major economical sector in the country.

Furthermore, the Brazilian government is very dedicated to improve the ecological footprint of the country. Brazil is for example leading in the ethanol propelled vehicles.

Appendix 15. The ecological features of Russia

In Russia, the major issue in the field of ecology is the pollution coming industry, mining and transportation. These issues have not been addressed to by the government, which only recently is showing some interest in ecological issues. This willingness shows in the words of president Medvedev, who has announced demonstrative punishments for businessmen which do not follow the rules concerning ecology.

Appendix 16. The ecological features of the Ukraine

In the Ukraine, the major ecological challenges lie in the deforestation of the country, the supply of drinking water and the nuclear contamination of the northeast due to the famous 'Chernobyl' accident.

Contrary to Russia, the Ukraine is very willing to improve the ecological footprint of the country, setting goals and allocating large amounts of money to improving the environment.

Appendix 17. Interview for the management team

Subject: Management interview
By: Tim van Klarenbosch
Meant for: Allround VP staff and Hogeschool Utrecht teachers only

This interview is meant for the management of Allround Holland and Allround India. The purpose of this interview is to give me more insight in the current situation and the future of Allround VP. This will help me write my thesis and gain a better knowledge of what the staff of Allround VP finds most important. If there are any questions you cannot answer at this point, please fill in N/A (not applicable)

Name:
Job title:
Total years at Allround:

1. Could you please give a description of your daily tasks?
2. What do you like most about your job?
3. What do you dislike about your job?
4. What was your previous occupation?
5. How often do you travel for professional purposes?
6. How would you value your job (1 being the lowest, 10 being the highest)?
7. What do you like about the communication with dealers?
8. What do you find hard about communicating with dealers?
9. Which dealer you reckon is most valuable?
10. Which dealer you reckon is least valuable?
11. Which of the countries we are currently active in is growing the fastest?
12. Which country is declining in your opinion?
13. Which country/countries, besides the ones we are currently active in, should be targeted in your opinion, and why?
14. What do you think are the major trends in the industry?
15. What developments do you foresee in the future?
16. On which areas should Allround focus more (could be anything)?
17. On which areas should be focused less (could be anything)?
18. Which current marketing tool do you value most?
19. Which current marketing tool do you value least?
20. What marketing tools are missing in your opinion?
21. To what extend is there a need to develop new machines?
22. What new machines should be developed in your opinion?
23. Should Allround differentiate to different areas (besides processing, storage and netting)?
24. What are the company's strongest points (Unique Selling Points)?
25. What do you think are the weak points?
26. What opportunities do you see for the company?
27. What external threats do you foresee?
28. Where do you see the company in 5 years?
29. Where do you see yourself in 5 years?
30. Do you have any remarks that could be beneficial to my research?

Appendix 18: the calculation tool

Below, the most important page of the executive summary is shown. It was not possible to show the entire document in the appendices, but this gives an idea of what the customer will get from Allround VP.

Page 18. The executive summary

The following page of the Allround Vegetable Processing BV. calculating tool features the most essential information. This chart will show the definitive benefits your company will gain by using Allround Vegetable Processing BV. machines.

Manual processing

What are the annual costs of processing by hand?

The first graph is dedicated to manual processing. It shows the amount that is to be processed, the cost per kilo and the cost per year.

18.1

Manual Processing	Annual amount of product to process	Cost per kilo to process	Cost per year
Potatoes	8800	€ 0,011000	€ 96.800,00
Carrots	0	€ 0,008800	€ 0,00
Red beet root	0	€ 0,008800	€ 0,00
Onion	0	€ 0,022000	€ 0,00
Cabbage	0	€ 0,005500	€ 0,00
Other products	0	€ 0,011000	€ 0,00
Total	8800		€ 96.800,00

Mechanical processing

What are the annual costs of processing by hand?

The first graph is dedicated to manual processing. It shows the amount that is to be processed, the cost per kilo and the cost per year.

18.1

Manual Processing	Annual amount of product to process	Cost per kilo to process	Cost per year
Potatoes	8800	€ 0,011000	€ 96.800,00
Carrots	0	€ 0,008800	€ 0,00
Red beet root	0	€ 0,008800	€ 0,00
Onion	0	€ 0,022000	€ 0,00
Cabbage	0	€ 0,005500	€ 0,00
Other products	0	€ 0,011000	€ 0,00
Total	8800		€ 96.800,00

Mechanical processing

What are the annual costs when processing mechanically, when still depreciating?

This graph shows the annual cost when processing mechanically. In this graph, the depreciation is still in the calculation. The graph shows the annual amount to be processed, the cost per kilo and the cost per year.

18.2

Mechanical processing costs in the first period	Annual amount of product to process	Cost per kilo to process	Cost per year
Potatoes	8800	€ 0,008994	€ 79.148,47
Carrots	0	€ 0,000000	€ 0,00
Red beet root	0	€ 0,000000	€ 0,00
Onion	0	€ 0,000000	€ 0,00
Cabbage	0	€ 0,000000	€ 0,00
Other products	0	€ 0,000000	€ 0,00
Total	8800		€ 79.148,47

What would the annual costs be when processing mechanically, after depreciation?

Because the line completely depreciates over a certain period, the running costs are significantly lower. Therefore this second graph dedicated to mechanical processing. However, depreciation is not added to the calculation. The customer can choose the period it takes to completely depreciate every line. This can be done on the pages of the lines, in 'tax depreciation'.

18.3

Mechanical processing costs when financial value is €0	Annual amount of product to process	Cost per kilo to process	Cost per year
Potatoes	8800	€ 0,007078	€ 62.284,13
Carrots	0	€ 0,000000	€ 0,00
Red beet root	0	€ 0,000000	€ 0,00
Onion	0	€ 0,000000	€ 0,00
Cabbage	0	€ 0,000000	€ 0,00
Other products	0	€ 0,000000	€ 0,00
Total	8800		€ 62.284,13

Annual inbound and outbound cost

What would the annual costs be when using Allround VP inbound and outbound lines?

Below one can find the annual cost when using the Allround VP inbound line.

18.4

Inbound cost	Maximum amount to be stored	Total cost per year
Before depreciation	8800	€ 48.341,80
After depreciating	8800	€ 14.344,80

Annual storage cost

What will the annual costs be for the storing of vegetables?

In the graph below, the annual costs of the storing of vegetables is shown.

18.5

Storage cost

Annual storage costs in the first period	€ 70.730,47
Annual storage costs after depreciation	€ 31.055,07

Total cost reduction

What will the total cost reduction when processing mechanically, compared to manually?

In the graph below, you can see the advantage one has when deciding to buy Allround Vegetable Processing lines, compared to manual processing. The first figure shows the advantage when the product is depreciating, the second figure represents the advantage after depreciation.

18.6

Cost reduction

Cost reduction per year in the first period	€ 17.651,53
Cost reduction per year after depreciation	€ 34.515,87

Return on investment

What will be the return on investment, compared to manual processing?

The graph below shows the return on investment the customer can expect when buying Allround Vegetable Processing. All is based on a 12 year running time, as we know our machines will be able to run for at least 12

18.7

Based on a 12 year lifespan

Investment	€ 505.930,00
Profit in the first period	€ 88.257,67
Profit after depreciating	€ 241.611,07
Total profit	€ 329.868,73
Return on investment	0,65

Netting cost

What will be the total netting costs?

The graph below shows the total cost the client can expect per year in consumables, when using Allround Netting.

18.8

Allround Netting cost

Total annual netting cost	€ 15.875,20
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Total annual cost

What will be the total annual costs?

The graph below shows the annual cost the company is making when using Allround Vegetable Processing BV. Machines.

18.9

Total annual cost	Per year
Before depreciating	€ 214.095,94
After depreciating	€ 123.559,20

Notes: