



Retailer Says, 'Jump.' Store-Brand Manufacturer Asks, 'How High?' IPM Provides a Boost

It's challenging for a consumer products company to launch a product line into a new international market, and even more so to enter several new countries at the same time. Now do it on someone else's timeline and specifications.

This is the case when a consumer packaged goods (CPG) manufacturer partners with a retailer to produce its store brand. Not only does the retailer control the product formulation, branding, and packaging, but it also dictates where and when the products need to be on the shelves. Consumers have become increasingly receptive (and loyal) to store brands, so it's a lucrative business for both the retailer and the manufacturer. But it has also become more competitive.

A DISRUPTIVE REQUEST

IPM worked with a food manufacturer that supplied store brand products to a national chain that wanted to take the line of products into several international markets by the end of the year, which was only five months away. The window of opportunity was small, as the chain turns over products quickly and was anxious to see results. A competitive manufacturer was waiting in the wings, eager for the chance to win business from the retailer. If IPM's client didn't succeed, it risked losing the international business

and perhaps even jeopardizing the relationship with the customer and impacting its domestic business as well.

Though the company was committed, the project was disruptive. The manufacturer had little recent experience with international markets, and it didn't know what had changed. They had no process for supplying international stores or entering new markets (or even learning how to do so). The marketing team typically managed new product launches, but it didn't have the knowledge, skill set, or bandwidth to define and execute an undefined and seemingly complex process. They were spinning their wheels and the company's executive management team was getting increasingly nervous.

LEARNING THE RIGHT STEPS

IPM's first order of business was to get the team aligned on the work to be done by creating a process flow for launching a product in each of 10 international markets. Each market has its own requirements for shelf life, nutrition facts, food safety documentation, and ingredient disclosures such as country of origin, GMOs, dairy and egg pasteurization, and heavy metals testing. Shipping requirements also varied; for instance, pallet sizes differ for exports to different countries, which then meant custom pallet pack patterns were required.

A challenging yet critical aspect of creating the process flow required the interpretation of how the regulations applied in each country. IPM leveraged its deep experience and collective expertise in new product development in diverse and highly regulated industries to apply the necessary knowledge and guide the discovery efforts.

The project team mapped the process in detail and identified interdependencies among R&D, marketing, supply chain, vendor management, regulatory, sales, operations, customer relations, packaging, and quality assurance. Armed with this information, the team was able to build a comprehensive project plan and execute in a predictable and efficient manner.

HELPING TO FULFILL FUTURE REQUESTS

Beyond documenting a thorough process flow, a new international product playbook was created that includes a documented checklist for each country, task time estimates and critical deadlines, communication plans, functional roles and responsibilities, and a method to proactively identify and mitigate risks.

In the end, the food manufacturer succeeded in supplying the products on time to the customer's international facilities with the required labeling, packaging, palletizing, and customs documentation for each market. And the playbook has provided a tool to guide future international product launches for both store brands and the manufacturer's own branded products. ■

