



FOOD PROCESSING & FOOD SERVICES

The Old Recipe — Tried and true?

In a mature, slow-growth sector, the basic recipe for success has hardly changed...

- KNOW — your market
- TARGET — your product
- MARKET — your brands
- LOWER — your costs
- STREAMLINE — your operations
- DISTRIBUTE — effectively

- IMPORTS are capturing a LARGER SHARE of Canadian demand
- Canada UNDER-PERFORMS THE U.S. in growth, productivity and ROI
- Canadian companies still focus on the domestic market, FOREGOING OPPORTUNITY
- Factor productivity in Canada's food sector is 75% THAT OF THE U.S.

■ **Tried and true methods...
...TO SELL**

A New Mix — Poised for growth?

In fact, it's a radically new setting, and everything has changed...

- A fragmenting, volatile, and demanding market
- Targeting well requires on-target intelligence
- Global branding and sewn-up niches squeeze the middle players
- Lowering your costs means extending your reach, recognition and your value-add
- Streamline to integrate processes and optimize the supply chain from sourcing to sale
- Effective distribution requires strategic positioning, on-the-button product development/marketing, and seamless efficiency

DOMESTIC MARKET

Projected Growth:
\$1.4 billion per year
to
\$65 billion by 2005

EXPORT MARKET

Targeted Growth:
\$1.8 billion per year
to
\$40 billion by 2005

Food Processing Sector —
Source: Agriculture Canada, Food Bureau

■ **New times call for new measures...
...TO SUCCEED**

EVERYBODY NEEDS TO EAT, RIGHT?

Sure, but not your product.

When so much is up for grabs—from commodities sourcing to technical product development to consumer dynamics...

There's a world of opportunity...

COMPLACENCY WILL NOT WORK.

Challenges— A Sector in Transition

1 International Trade

Increasing exports, invasive imports, new players, new customers, new threats, and new opportunities

2 Industry Consolidation

Food sector giants with global reach, global brands, global production, global efficiency

3 Demographic Shifts

A market fragmenting by age, income, ethnicity, locale

4 Techno-Business, Techno-Foods

From functional foods to just-in-time deliveries, the food sector goes high-tech

5 Industry Hot Buttons

Health Foods, GM, the environment, fair trade

Issues— Threats and Opportunities

- 1**
- In 1998, imports captured 10% of the Canadian market. TODAY, THEY CAPTURE 20%. Canadian firms are losing ground domestically.
 - The industry's 2000 target for processed food exports (\$20b) was met in 1996—four years early. The new target for 2005 is \$40b.

- 2**
- MNE's dominate globally—with the advantage of world brands, economies of scale, high-end R&D, and worldwide distribution systems.
 - Canadian firms have easy U.S. access, reasonable costs and productivity, and a history of responsive change; they are well positioned for growth.

- 3**
- Traditional business methods must yield to consumer focus and seamless efficiency—a move from product, price and promotion to cost, competitiveness and consumer.
 - Niche players have key targets and strategic potential in a differentiated market.

- 4**
- Tension exists between the cost-effectiveness and productivity of food technology, vs. the adverse reaction and unease of consumers.
 - Technical production processes nevertheless offer great potential for product development and productivity gains.

- 5**
- Consumer reactions & trends, can blindside even brilliant improvements by established players—but this opens up room for those who can anticipate a diverse market.
 - The best customer is still an educated customer: Today's buyers are more demanding, but the market allows for profitable niches & specialties.

SBR is a low cost, full service professional services provider and one of Canada's fastest-growing companies. We provide rapid, effective, customized solutions to a Fortune 500 client base across all sectors.

We offer a full suite of services across the agri-food industry to help you meet the challenges, avoid the threats, and seize the opportunities.

LOGISTICS AND SUPPLY CHAIN

The changing dynamics of sourcing, distribution and sale provide opportunities to squeeze costs and raise productivity.

MARKETING AND SALES

Product development, differentiation & positioning, customer loyalty programs, cross-selling, portfolio management, market analysis... all with a keen eye to the competition.

IT SERVICES / BUSINESS PROCESSES

Integration of IT & soft systems allows for streamlined, responsive operations. The key is effective process design & seamless integration of artificial & human intelligence.

RESEARCH AND COMPETITOR INTELLIGENCE

Effective marketing and strategy are impossible without a sound analytical base. Ensure you know your customers, competitors & challenges before you plan or execute.

OPERATIONS SUPPORT / ENGINEERING

From HR development to quality control, strengthen and improve your core business operations. Key operational fixes can catapult you ahead.

RETAIL SUPPORT / ANALYSIS

From location, location, location to labeling, labeling, labeling, your retailing strategy and operations need continuous evaluation and adaptation to stay cutting-edge.

FINANCE AND REGULATION

Support services to your main business—from accurate cash-flow analysis to compliance with labeling laws—are vital to its success. Detail and rigor are key.

SALES AND NEGOTIATION SUPPORT

Your dealings with suppliers and your dealings with customers can benefit dedicated evaluation/training/response.