



Indway International – How a Mango Marketing company survived the crisis.

Indway International has managed to consolidate their presence in the European market for organic fruit pulps during the 5 years of the CBI export coaching programme (from 2007 to 2011), successfully facing the difficult period of 2009 and 2010, when the financial crisis turned into an economic crisis and hit the market hard. This story shows us that successful penetration of the European market requires lots of dedication, relevant knowledge and stamina to survive a crisis and come back stronger. **Find out how Indway has managed!**

1. What were Indway's key success factors?

Export figures grew with 10% within 4 years. Between 2007 and 2011 export figures grew from 241000 euro till 350 000 euro.

Indway is organically certified. Indway International is India's first certified company to produce organic processed and packaged Mango Puree for the international food ingredient industries.

Indway contributed to sustainable environment. With its support to farmers Indway contributes to a sustainable environment and lifts communities out of poverty.

Indway grew from a small to a medium enterprise in four years. Indway started with less than 10 employees and currently has around 40 people employed.

2. What were Indway's key learning points?

#1 Exporting is risky business. Indway started its export activities in 2007 and managed to consolidate its presence in the Dutch and German markets. When the financial and economic crisis hit Europe the hardest in 2008, Indway saw its export figures collapsing by almost 40%. Here CBI steps in and provides Indway with advice on how to create a smartly designed back- up plan.

CBI advised to sell its surpluses in India and to produce less the following year. This prevented Indway from collapsing and they kept a low profile for a few years. It was only in 2010 when Indway managed to nearly produce as much as before and sell its produce again on the European markets.

#2 Good communication is key. Indway was well on its way with its carefully performed market research. JP- the marketing man- concluded this into an export marketing plan but did not put enough focus on the buyer strategy and a sound communication plan. This led to several misunderstandings with buyers.

Indway sources different types of mango's from different Indian regions. These types differ in quality and subsequently in price. The type of mango's bought differed from the ones agreed on in the contract. Also, exclusivity was promised to several buyers from the same region in which they became each other's competitors. Thankfully, after some clarifications and coaching from CBI did both deals go through.

3. Indway before CBI stepped in



Indway is situated in Bombay and is led by three directors; one specialised in financial issues, one with knowledge of the fresh fruit market and one specialised in the organic markets. Jaya Prakash – JP for friends- has extensive knowledge of the organic certifications and is responsible for all marketing issues in the company. JP saw a niche in the market when he realised there were no companies marketing organically certified mango's. JP decided to unite farmers, plants and marketing activities and integrate its value chain. This strategy was less risky and less cost intensive.

He has been in the organic mango business for 15 years when CBI steps in. JP depicts his company as already having a foot in the right direction but with a need to crystallise focus. Plus points for Indway included the already obtained organic and food safety certification for both the EU and USA markets.

However, Indway needed to work on a clear buyer strategy. Moreover, minor quality problems in the past had cast some doubts about the companies' ability to deliver as promised. This led to reluctance with European buyers to enter into long-term commitments. And with the financial and economic crisis lurking, Indway's near future did not look so rosy. All in all, the above mentioned uncertainties led to a hampering production planning.

4. Journey of Development

JP was glad when CBI steps in to lend a helping hand. Since the management of the company was already an expert in the organic market for fruit pulps, CBI decides to act as a 'sounding board' for the managers.

Strategize your buyers. The main goal was to bring back some focus in the company by setting up a buyer strategy. JP had not yet differentiated between key buyers and additional buyers and was therefore randomly supplying to any buyer asking for mango's. This worked well until two buyers from the same region found out when supply of a special type of mango could not be delivered. To avoid losing business CBI and Indway set up a buyer strategy in which buyers were identified and categorized in preferred-key- buyers and additional buyers.

Enter into long-term contracts with suppliers and buyers. Buyers usually prefer short term over long term contracts, mainly for flexibility and financial reasons. With the help of CBI Indway managed to discuss possibilities of long term supply with preferential treatment for a few key buyers. Indway now supplies these key buyers with top quality mango's in return for a long term contract.



Be present in the main hub. CBI coached and guided Indway to be able to present their products at Europe's main fruits and vegetables trade fair: the Biofach in Germany. Indway's reliability was fortified when they frequently

source: www.b-for.com started to exhibit at trade fairs. Living up to commitments is key for buyers.

Obtain relevant certificates. The Naturland Fairtrade certificate promotes organic agriculture and social responsibility within this sector. It is one of the major farmers associations and obtaining this certification did a great deal for Indway. It enforced its credibility with European buyers. Certification is especially important in the organic markets. It is of utmost importance to guarantee traceability of the mango puree, especially when the you do not own a farm of a processing company. Moreover, Indway uses different varieties sourced from all over India and because the quality of mangoes determines taste and flavour of puree and hence the price, certification is key in guaranteeing quality.

Source: www.naturland.de



Freek Jan Koekoek, CBI expert Food Ingredients: "The CBI coaching program assisted Indway in general and JP in particular in building confidence and gaining experience on the EU markets. JP was already very skilled but still he was open for advice and ready to discuss company strategy."

5. Nearing the sustainable future

2011 has been a relatively good year for Indway, through increased sales with their established clients in Germany and Holland, and with a new client in Austria as from 2010.

In 2011, Indway renewed the Organic Certification for the USA in addition to the European certification. Sales to USA are currently valued at €60 thousand, but are expected to increase in response to their increasing market share.

Indway also obtained Naturland Fairtrade certification, thus underlining their social mission. Indway responded with the certification to the "Organic Plus" trend and increased its credibility on the global markets.

JP has extensive relations with its farmers. He pays them regular visits and tries to see what they need in terms of support. He also does regular quality check-ups.

Indway tried to develop some new products in 2011, such as pineapple concentrate and IQF frozen fruits. However, this initiative was not pursued further for lack of funds. JP adds that this could be improved in the coaching program. CBI should add a learning element into their program such as 'guidance to funds' or the 'search for (micro)credits'.

Nowadays, Indway assists local farmers in acquiring necessary certifications and setting up efficient logistical bases. Indway pays these preferred suppliers a premium prices for their produce. All this keeps the farmers motivated in continuing with organic farming and working with Indway International.

Useful sources

<http://www.indwayorganic.com/>

<http://www.naturland.de/welcome.html>

http://ec.europa.eu/food/food/biosafety/hygienelegislation/index_en.htm

http://www.usda.gov/wps/portal/usda/usdahome?navid=ORGANIC_CERTIFICATIO