

# InterChina Strategy | M&A Advisory

Company Presentation  
Focusing On Our F&B Solutions

InterChina



英特华

IMAP  
China



# Contents

- By Way Of Introduction
- Who Is InterChina?
- F&B Challenges, Our Solutions
- Our F&B Experience
- Short F&B Cases
- Our Contact Details

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# By Way Of Introduction

We would be happy to talk to you about how we may be able to help

China has become the focus of attention for the world's food & beverage sector. Many F&B players are feeling the pressure to grow, and to grow quickly. This is posing a myriad of strategic challenges, as well as bringing the pursuit of acquisitions to the fore.

Over the past 17 years InterChina has supported many of the leading F&B players in China, from agribusiness to CPG brands to food retailers. We have established a very strong base of satisfied clients and long-term client relationships. We think we can safely say that we are one of the more experienced consultancies in China's F&B sector.

If you are facing challenges or undertaking initiatives similar to those described herein, then we would be very happy to talk to you about how we may be able to help.



Jan Borgonjon  
President



James Sinclair  
Managing Partner  
F&B Group Leader

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- Our Value
  - China specialist.
  - Strategy and M&A advisory
  - Sector expertise.
  - Retained 17 years experience.
- Our People
  - Bicultural partnership.
  - 50 consultants & advisors.
  - Chinese, senior, industrial, technical.
  - Located in China, EU, US offices.



- Our Clients
  - Medium-sized to Fortune 500.
  - 500 strategy projects.
  - 150 transactions (USD 3 bn).
  - 2/3 of projects are returning clients
- Our Reach: IMAP
  - Global mid-market M&A organization.
  - 44 offices, 30 countries, 400 professionals.
  - Over 200 transactions per annum.
  - Exclusive China partner since 2006.



# Leadership

A partnership backbone with Western and Chinese professionals



Jan Borgonjon  
President



James Sinclair  
Managing Partner



Eduardo Morcillo  
Managing Partner



Maria Wang  
Partner  
Human Resources



Wu Zhifang  
Partner  
Finance & Admin



Barry Chen  
Managing Director  
M&A Advisory  
Practice



Simon Zhang  
Managing Director  
Strategy  
Practice



Pedro Conesa  
Director  
Spain



Franc Kaiser  
Director  
China



David Hofmann  
Director  
North America

# Strategy | M&A Advisory

A unique and symbiotic combination of capabilities and services

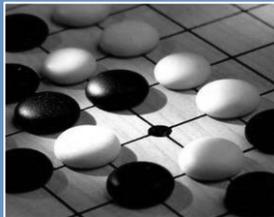
## Strategy Practice



### Strategy Services

- China Entry.
- Market Development.
- Market Penetration.
- Profit Protection.
- Government Affairs.

## M&A Advisory Practice



### Acquisition & Divestment

- M&A Strategy.
- Target Search.
- Due Diligence.
- Deal Structuring.
- Valuation.
- Negotiation Support.
- Deal Making.



### Strategic Alliances

- Alliance Framework.
- Partner Identification.
- Partner Evaluation.
- Deal Structuring.
- Negotiation & Lobbying.
- Deal Closing.

# Strategy Practice

The #1 alternative to the global consultancies, with a practical emphasis

We work with clients to capitalize on top line **growth opportunities** while also addressing long-term **profit protection**.

## Development

Assessment of the opportunity and formulation of the strategy to enter new channels, value segments, application sectors and lower tier cities.

## Penetration

Listening to the voice of the customer to improve customer segmentation & targeting, product & service offering, and route-to-market.

## Profit Protection

Understanding of the cost curve and cost structure 5 years out, and development of the right response to protect profit margins.

## Government Affairs

Design of a modern, proactive and customized approach to government affairs and corporate social responsibility to meet business objectives.

We pride ourselves on being **practical**, developing real understanding through fieldwork, and delivering workable results to an actionable level.



- 3,000 interviews each year.
- Senior, skillful interviewers.
- In-person, in-depth discussions.
- Data gathering + ideas testing.



Our practice of 25 consultants is organized around **sector specializations** with substantial project experience.

## Seniors



- 10~20 years experience.
- 80~150 projects.
- Project supervisor/manager.
- Sector specialization.
- Strategy.

## Consultants



- Ex-global consultancies.
- 5~10 years experience.
- 40~80 projects.
- Workstream leader.
- Fieldwork.

## Associates



- Overseas MBA.
- 3~5 years experience.
- 10~20 projects.
- Team member.
- Analysis.

# M&A Advisory Practice

Working in the client's interests, and known for getting things done

We support clients on **mid-market** buy-side, sales-side, investment and capital raising mandates for both **inbound and outbound deals**.

## IMAP China Partner

We are the China partner of IMAP, the global mid-market M&A organization, which gives our clients global reach.

## IMAP Rankings (2010)

- 4<sup>th</sup> ranking worldwide for values up to USD 100 million.
- 4<sup>th</sup> ranking in Europe for values up to USD 200 million.
- 7<sup>th</sup> in the United States for values up to USD 100 million.
- 4<sup>th</sup> in the Latin America for values up to USD 100 million.

We conduct **~40 mandates p.a.**, providing clients with transparency and control from start to finish, with an **average rate of 4-6 closures p.a.**

## Example Transactions

<p>2011</p>  <p>USD 60 million machinery sector acquisition of</p>  <p>InterChina acted as transaction advisor.</p> 	<p>2010</p>  <p>USD 120 million strategic alliance in downstream chemicals with</p>  <p>InterChina acted as transaction advisor.</p> 
<p>2010</p>  <p>USD 21 million fine chemicals acquisition of</p>  <p>InterChina acted as transaction advisor.</p> 	<p>2010</p>  <p>USD 4 million bakery sector acquisition of</p>  <p>InterChina acted as transaction advisor.</p> 

Our practice of **25 advisors** is comprised of senior Chinese negotiators with strong industrial and financial backgrounds.

## Seniors



- Ex-corporate, PE.
- 10~30 years experience.
- 100~200 projects.
- Project supervisor/manager.
- Negotiation.

## Advisors



- Ex-big 4 (CFA, CPA).
- 5~10 years experience.
- 50~100 projects.
- Workstream leader.
- Search, DD, valuation.

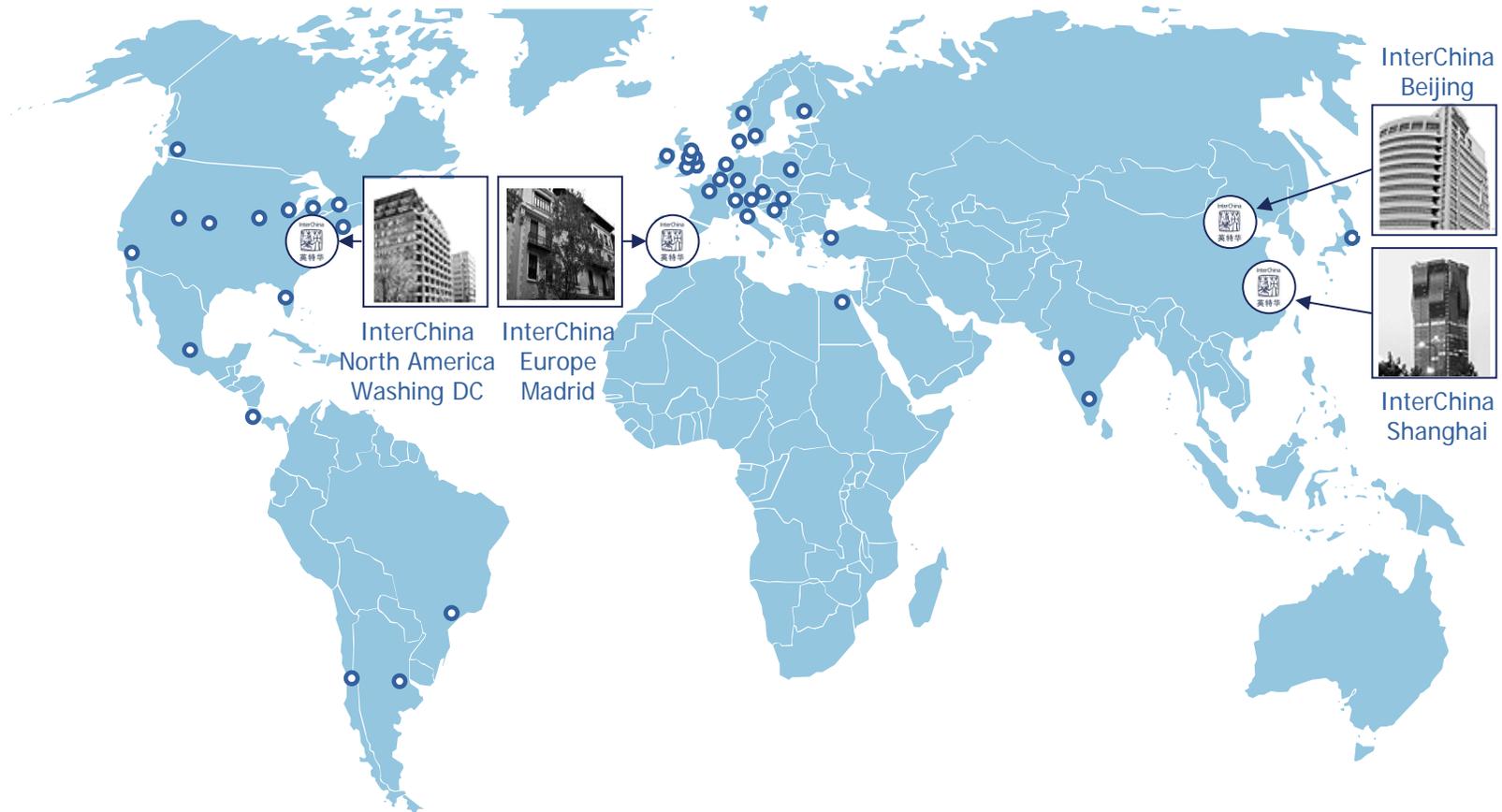
## Associates



- Overseas MBA.
- 3~5 years experience.
- 25~50 projects.
- Team member.
- Analysis.

# Our Footprint

Capacity in China, liaison in EU and US, global M&A reach



 InterChina offices (4)

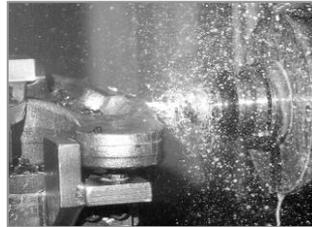
 IMAP offices (40)

# Sector Expertise

Experience, insight and networks in China's major growth sectors



Energy &  
Infrastructure



Machinery &  
Equipment



Chemicals



Automotive &  
Components



Healthcare



Food & Beverage

# Our Differentiators

We know what it takes to succeed in China, and our clients benefit as a result

As China is a country where experience counts:

- We're among the first advisory firms on the Mainland.
- Stable senior backbone means retained experience.
- With a combined 250 years in China business.

→ Makes for a very solid foundation.

When investment in the long-term has benefits in the short-term:

- We treat each issue as unique, taking a fresh and tailored approach.
- Communicate openly, getting clients engaged, and showing flexibility.
- Provide an independent opinion, while working with client reality.

→ First client is still our client, and 2/3 of our projects are returning clients.

Provided that strategy and M&A are symbiotic capabilities:

- Strategy with an execution mindset, based on fieldwork.
- M&A with a strategic mindset, using sector expertise.
- Excellence in core competencies: fieldwork, negotiation.

→ Results in smart choices, actionable results, and getting things done.



Given that current resources are a legacy of past projects:

- >500 strategy projects.
- >30,000 interviews.
- >150 transactions.
- >USD 3 bn investment.
- Broad, strong, senior network.

→ An advanced starting point for each new project.

Where only China specialists really get the China perspective:

- All our projects deal with China issues.
- All our methodologies developed in China for China.
- All our consultants/advisors have China-based careers.

→ Provides the real understanding needed for sound judgment.

As business complexity should be reflected in team diversity:

- Career histories in services, industry and government.
- Traditional veterans paired with modern technicians.
- Held together by a deliberately strong company culture.

→ Results in a diverse yet functional team.

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# F&B Sectors

We work up and down the value chain on inter-related issues

## Agribusiness



Dairy



Animal Protein



Horticulture



Grain

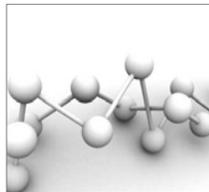
## Ingredients



Processed



Modifying Additives



Nutritionals & Functionals



Blends & Formulations

## Finished

Nutrition Facts	
Serving Size 1/2 cup (about 82g)	
Servings Per Container 8	
Amount Per Serving	
<b>Calories 200</b>	<b>Calories from Fat 130</b>
<small>% Daily Value*</small>	
<b>Total Fat 14g</b>	<b>22%</b>
<b>Saturated Fat 9g</b>	<b>45%</b>
<b>Trans Fat 0g</b>	

Packaged/Branded



Pet Food



Consumer Health



Medical Food

## Distribution

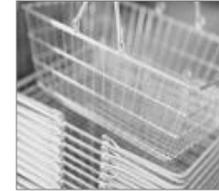


Logistics



Distribution

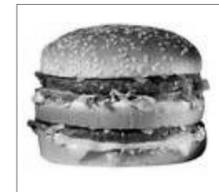
## Channels



Bricks & Mortar Retail



TV, Online & Catalogue



Food Service



Hospitals

# F&B Clients In Evolution

We have a track record of supporting clients as they evolve in China



## China's Significance

- |   |   |  |  |
|---|---|--|--|
| <ul style="list-style-type: none"> <li>Considering whether China could be the next frontier, with international activities elsewhere in the world but none in China.</li> </ul> | <ul style="list-style-type: none"> <li>Regard China as the future growth opportunity, with revenues around USD 5-10 million, and full of potential ready to be tapped.</li> </ul> | <ul style="list-style-type: none"> <li>Regard China as a strategic market for the long-term, with revenues around USD 10-20 million, and potential to keep growing healthily.</li> </ul> | <ul style="list-style-type: none"> <li>Regard China as a core market, with revenues above USD 20 million, and accounting for over 10% of global revenues.</li> </ul> |
|---|---|--|--|

## Current Activities

- |   |  |  |  |
|---|--|--|--|
| <ul style="list-style-type: none"> <li>May have had aborted or unsuccessful market entry attempts in the past.</li> </ul> | <ul style="list-style-type: none"> <li>Exporting a limited range of product lines to China.</li> <li>In value chains that target expats and westernized middle-class in T1 cities via international supermarkets.</li> <li>Working with several distributors, often supported by in-country representation.</li> <li>However, distributors providing little transparency, and thus China remains a black box.</li> </ul> | <ul style="list-style-type: none"> <li>Currently offering a limited portfolio of product lines in China.</li> <li>In value chains that target the middle-class in T1 and T2 cities via modern trade channels.</li> <li>With established in-country supply-chain, production, marketing, sales and distribution.</li> <li>Further business units still to enter China.</li> </ul> | <ul style="list-style-type: none"> <li>Offering a rich portfolio of product lines in China.</li> <li>In value chains that aspire for national coverage via multiple channels and across many city tiers with segmented targeting.</li> <li>Scale achieved both through organic growth and acquisition of local targets.</li> <li>Adding R&amp;D facilities in China to develop new products for the local market.</li> </ul> |
|---|--|--|--|

## Future Objectives

- |  |   |  |  |
|--|---|--|--|
| <ul style="list-style-type: none"> <li>To assess whether to enter the market, and if so, how.</li> </ul> | <ul style="list-style-type: none"> <li>To establish in-country production and take significant market share.</li> </ul> | <ul style="list-style-type: none"> <li>To achieve market leadership, economies of scale and improved profitability.</li> </ul> | <ul style="list-style-type: none"> <li>To drive the evolution of the market and seek new sources of growth.</li> </ul> |
|--|---|--|--|

# F&B Issues

## And supported clients with a myriad of specific issues in China

Our exports to China have been growing in the double digits and it's time to invest in **in-country manufacturing**. In the interest of speed, we would prefer acquisition over Greenfield, and thus need to identify acquisition targets.

Specialty ingredients

We are active in 23 categories in our home market. We now need to **determine an entry point for China**, whether that be a category we know well or a more Chinese category. Either way, the entry point should serve as a platform for growth.

Diversified dry goods

Our aim is to **know and serve the Chinese shopper better** than our peers. The starting point should be our wine & spirits category, where our same store sales growth is lagging, and for which we need a shopper-centric concept design.

Chinese supermarket chain

We intend to build the most competitive and sustainable end-to-end supply chain in China. We have identified a preferred technology partner, and now need an **objective evaluation** of their ability to deliver.

Retailed fruit

3 years ago we were the clear No.1 in our category, but we've lost ground to 2 Chinese competitors that seem to have come from nowhere. We **need to penetrate traditional channels and lower tier cities** where we're being outplayed.

Powder beverages

We plan to acquire a TV shopping business in China, but our **due diligence to date hasn't sufficiently covered the regulatory environment**. We now need to get a better grip on what SARFT is planning and the subsequent implications.

TV shopping channel

With our current international customer base in China, we expect to grow at 20% p.a. for the next 5 years. However, if we don't **tap the emerging Chinese segments**, we risk missing out and even losing share. We need to work out how.

Dairy ingredients

Our sales are driven by **impulse purchases**, but past attempts to improve availability have resulted in poor off-take and financial returns. We need to figure out what it takes to succeed and refine our route-to-market model accordingly.

Confectionery

Given the growth of China's food service sector, we would like to bring our restaurant concept and business model to China. Based on an assessment of the opportunity, we need a **turnkey business plan** and shortlist of strategic partners.

Italian FSR chain



# F&B Solutions (1/2)

## Typical examples of how we bring value to clients

### Tapping Market Development Opportunities

Client Issues	InterChina's Approach	Client Benefits
<ul style="list-style-type: none"> <li>• Size of opportunity.</li> <li>• Categories/segments.</li> <li>• Product offering.</li> <li>• Positioning.</li> <li>• Route-to-market.</li> <li>• Capabilities needed.</li> <li>• Significant risks.</li> </ul>	<ul style="list-style-type: none"> <li>• We use a primary research driven comparative analysis of the categories and segments within scope, considering both attractiveness and the client's ability to compete to select the most promising categories and segments for the client.</li> <li>• In parallel, we develop and test a competitive and workable entry strategy for the client in the selected categories and segments, covering the full range of issues needed for the client to be ready to start implementation.</li> </ul>	<ul style="list-style-type: none"> <li>• Our clients benefit from a turnkey solution in a complex, opaque and challenging environment.</li> <li>• Along the way, we encourage the client to participate in the process, allowing a transfer of understanding to the client, and ultimately the buy-in of the client's organization into the strategy.</li> <li>• Moreover, we place our recommendations within a strategic framework, so that the client has reference points for decision-making not just for the entry point, but also for expansion thereafter.</li> </ul>

### Detailed Modeling Of Blind Spots

<ul style="list-style-type: none"> <li>• Inland provinces.</li> <li>• Traditional trade channels.</li> <li>• Lower tier cities.</li> <li>• New categories.</li> <li>• Unseen competition.</li> </ul>	<ul style="list-style-type: none"> <li>• Given the transformational nature of the sector, we use a primary research driven approach to piece together a picture from the bottom-up of the client's blind spots.</li> <li>• We combine in-depth interviews with value chain players together with our own wholesale market and retail store audits.</li> <li>• This detailed modeling is ready for decision-making, and often feeds into work on tapping market development opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>• Whereas many F&amp;B players suffer from the limitations of their retail audits, our clients gain an understanding of the given category as a whole, from where competitive threats may be emerging, and where their real future growth potential lies.</li> </ul>
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# F&B Solutions (2/2)

## Typical examples of how we bring value to clients

### Leveraging The Equity Of Established Brands

Client Issues	InterChina's Approach	Client Benefits
<ul style="list-style-type: none"> <li>• Current brand equity.</li> <li>• Competitor benchmarking.</li> <li>• Geographic variance.</li> <li>• Resilience to new entrants.</li> <li>• Brand extension options.</li> </ul>	<ul style="list-style-type: none"> <li>• We manage consumer research studies, using both qualitative (e.g. focus groups) and quantitative (e.g. street intercepts) approaches. We design the study, monitor a specialist agency throughout the execution, and interpret the results.</li> </ul>	<ul style="list-style-type: none"> <li>• Our clients enjoy the optimization of their brand potential. This is especially important as F&amp;B players have to invest heavily in building their brands in China.</li> <li>• Alternatively, when a client is considering making an acquisition, we help them assess the value of the target's brands.</li> </ul>

### Design Of Route-To-Market Structures

<ul style="list-style-type: none"> <li>• Direct vs. distributor.</li> <li>• Modern vs. traditional trade.</li> <li>• Territorial coverage.</li> <li>• Channel coverage.</li> <li>• Distributor stratification.</li> <li>• Support and incentivization.</li> <li>• Qualified distributors.</li> </ul>	<ul style="list-style-type: none"> <li>• We design efficient distribution structures based on the target market, sector best practices, the realities of the given category, as well as the competencies of the client.</li> <li>• We also advise on how to build or transition to that distribution structure over time, including the search and selection of distributors.</li> </ul>	<ul style="list-style-type: none"> <li>• The design or redesign of route-to-market structures is relevant both to new entrants and existing players. For our clients that are existing players in China, they profit from having their distribution networks evolve to reach and tap new markets as they come into play.</li> </ul>
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### Quest For Attractive Acquisition Targets

<ul style="list-style-type: none"> <li>• Acquisition strategy.</li> <li>• Ideal target profile.</li> <li>• Available targets.</li> <li>• Best target.</li> <li>• Deal breaking issues.</li> <li>• How to close in China.</li> </ul>	<ul style="list-style-type: none"> <li>• We conduct systematic target searches, adjusting the ideal target profile during the process according to the realities we find, and select the best target using comparative analysis.</li> <li>• We also provide technical services (due diligence, valuation) as well as transaction support (negotiation advisory, deal structuring).</li> </ul>	<ul style="list-style-type: none"> <li>• Our clients have the advantage of us providing continuity from start to finish, putting deal execution within a strategic framework, and thereby increasing the chances of a successful acquisition.</li> </ul>
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# F&B Sector Group

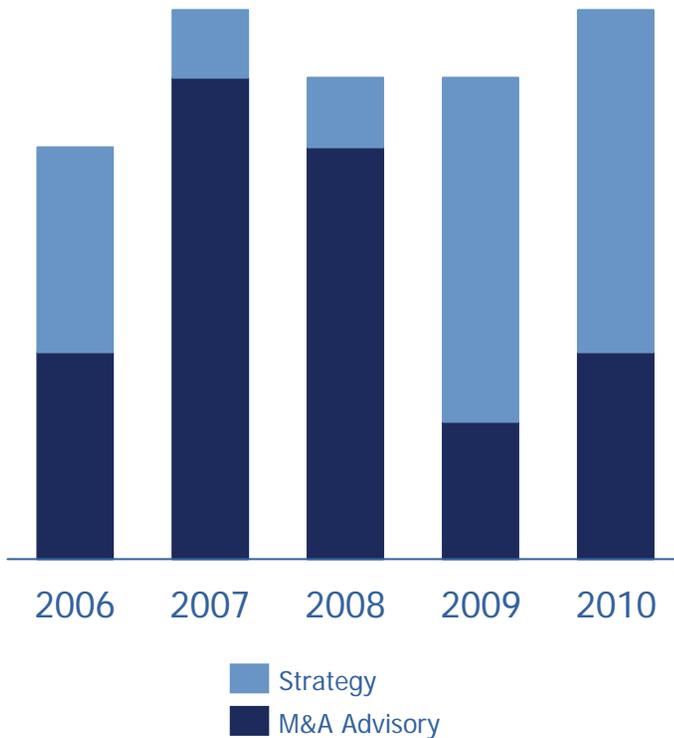
Significant individual F&B experience, including operational F&B backgrounds

	Profile	Experience & Expertise	Qualifications
James Sinclair	 British Managing Partner Shanghai	<ul style="list-style-type: none"> <li>Resident in China since 1997.</li> <li>Joined InterChina in 2004.</li> <li>Specialist strategy consultant.</li> <li>Leader of InterChina's F&amp;B Sector Group.</li> <li>Consultant to the F&amp;B sector for 9 years.</li> </ul>	<ul style="list-style-type: none"> <li>MEng Mechanical Engineering (Durham University, UK).</li> <li>MA Chinese Business Studies (SOAS, London University, UK).</li> </ul>
Huang Qingbo	 Chinese Partner Shanghai	<ul style="list-style-type: none"> <li>Previously with Carlsberg (Marketing Manager).</li> <li>Joined InterChina in 1998.</li> <li>Consultant to the F&amp;B sector for 13 years.</li> <li>Manager of ~25 F&amp;B acquisition projects.</li> </ul>	<ul style="list-style-type: none"> <li>MBA (China-Europe Management Institute, Beijing).</li> <li>BSc Physics (Peking University, China).</li> </ul>
Tom Han	 Chinese Principal Shanghai	<ul style="list-style-type: none"> <li>Previously with Nabisco (Finance Manager).</li> <li>Joined InterChina in 2002.</li> <li>Consultant to the F&amp;B sector for 9 years.</li> <li>Expert in F&amp;B transactions.</li> </ul>	<ul style="list-style-type: none"> <li>China Certified Public Accountant.</li> <li>MBA (China-Europe Management Institute, Shanghai).</li> <li>BSc Science (National Light Industry University, China).</li> </ul>
Jason Zhang	 Chinese Senior Consultant Beijing	<ul style="list-style-type: none"> <li>10 years China consulting experience.</li> <li>Joined InterChina in 2008.</li> <li>Specialist strategy consultant.</li> <li>Manager of ~30 F&amp;B projects.</li> <li>Expert in route-to-market.</li> </ul>	<ul style="list-style-type: none"> <li>MBA (University Of Hull, UK).</li> <li>BSc Chemical Engineering (Hebei University Of Science &amp; Technology).</li> </ul>
Raymond Su	 Chinese Senior Consultant Shanghai	<ul style="list-style-type: none"> <li>5 years with E&amp;Y (Senior Consultant).</li> <li>Joined InterChina in 2008.</li> <li>Expert in F&amp;B transactions.</li> <li>Manager of ~15 F&amp;B target search projects.</li> </ul>	<ul style="list-style-type: none"> <li>China Certified Public Accountant.</li> <li>BSc Finance (Shanghai International Studies University, China).</li> </ul>

# F&B Projects

F&B currently accounts for ~20% of our total project load

Total number of F&B projects has remained steady over the past 5 years ...

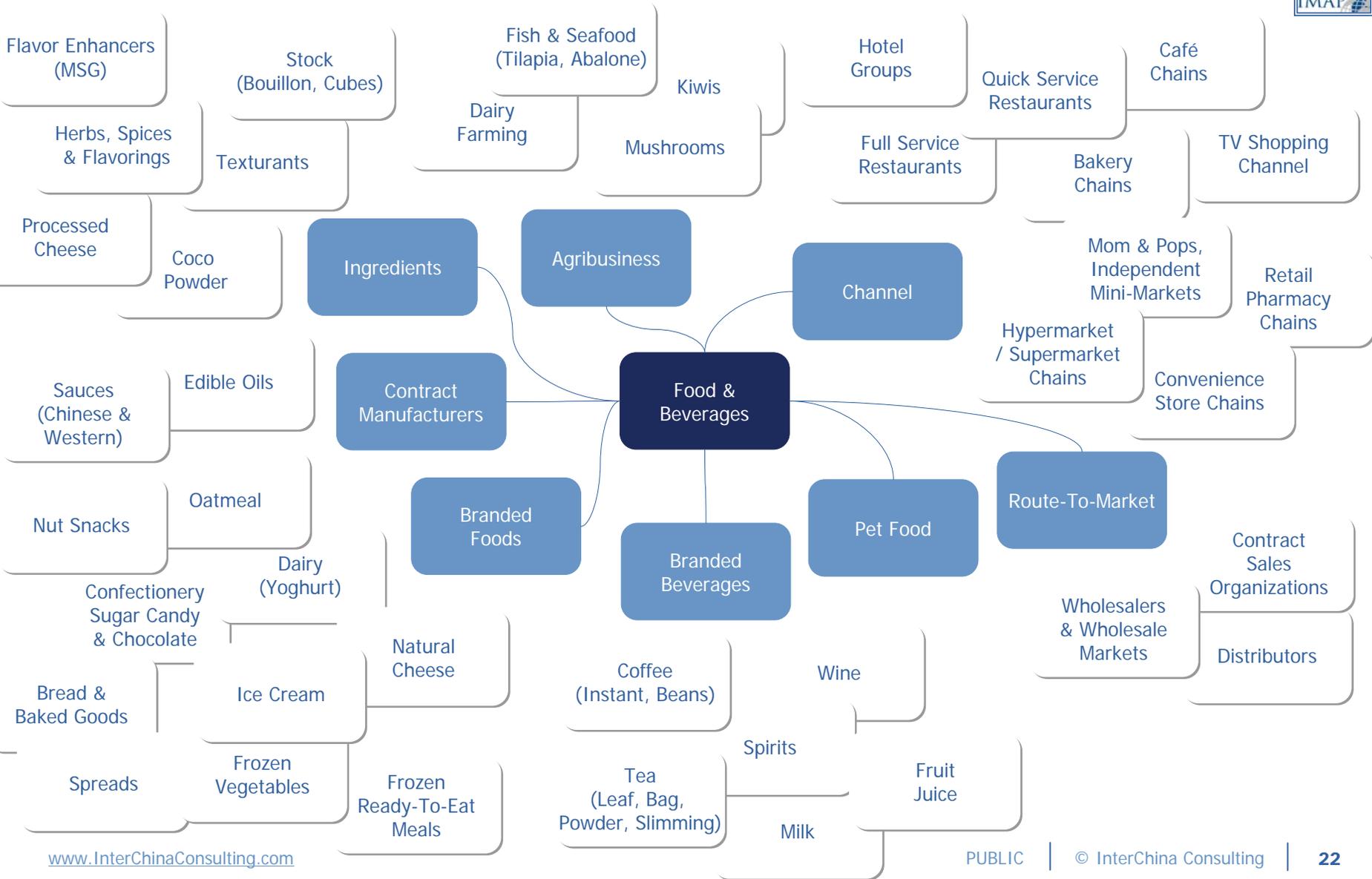


... With around half of our M&A Advisory projects being buy-side mandates



# F&B Categories

Covered a diverse range of categories and channels in the past 36 months



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# Brief F&B Cases: Go-To-Market

Go-to-market issues have become important as the market has evolved

	Relevant To <u>Go-To-Market Issues</u>	
	Indigenous Expansion	Competitor Catch-Up
The Client	Diversified F&B multinational with a 15 year presence in China. The global leader in the given F&B category, but a niche player in the broader category in China. At the project outset, its products had been limited to modern trade channels in T1 and T2 cities.	Diversified F&B multinational with a 10 year presence in China. Was the national leader in the given F&B category up until 3 years previously, but had been overtaken by 2 Chinese players that had entered/ diversified into the category.
Their China Objective	To become a more relevant player in the broader category. As this was indigenous to China, the implication was that a localized product offering and entry into traditional channels, hinterland provinces and lower tier cities would be required.	To regain market share and national leadership. Intended to adjust to the new reality, and strengthen its distribution in traditional channels, hinterland provinces and lower tier cities, which the competitors had managed to bring into play.
The Project Conducted Together With InterChina	<ul style="list-style-type: none"> <li>Selected 2 provinces, one a raw material source and the other not, thereby allowing for focused and deep-drill research.</li> <li>Conducted 80 store checks and 70 face-to-face interviews with processors, distributors, wholesalers and retailers in T2 cities down to T5 counties.</li> <li>For each province (a) mapped the product flows from factory gate to retail outlet with splits between models, products, tiers etc (b) understood the various distribution models, including incentives, margins, pricing etc (c) analyzed structural drivers to forecast future development.</li> <li>Designed and tested what it would take for the client to compete, including the suitability of their existing product portfolio and positioning.</li> </ul>	<ul style="list-style-type: none"> <li>Selected 4 provinces, with varying purchasing power and dietary habits, thereby allowing for focused and deep-drill research.</li> <li>Conducted 300 store checks and 90 face-to-face interviews with the competitors and their distributors, wholesalers and retailers in T3 cities down to T6 towns.</li> <li>For each competitor (a) ascertained national sales and growth (b) mapped typical product flows from factory gate to retail outlet (c) understood the scale and structure of their sales functions, and how they worked with their distributors (d) identified key distribution partners (e) determined overall KSFs.</li> <li>Designed and tested what it would take for the client to better compete, focusing on marketing, sales and distribution initiatives.</li> </ul>
Project Outcome	As the next step, the client worked with InterChina to profile the leading Chinese brand, and assess whether an acquisition would be attractive and feasible.	<ul style="list-style-type: none"> <li>As the next step, the client conducted a usage &amp; attitudes study in the selected provinces to help build out the branding and positioning side of the strategy.</li> </ul>

# Brief F&B Cases: Confectionery (Example)

We develop expertise by conducting many projects in the same category

	Relevant To The <u>Confectionery</u> Category	
	Market Re-Entry	Partner Pre-Due Diligence
The Client	Specialist confectionery multinational, active mainly in candy and chocolate, with revenues of USD 2 billion. Had been exporting candy to China since the mid-1990s, but due to weak brand building and channel control, sales declined and withdrew from the market a decade later.	Snack multinational, active in bakery, cookies and confectionery, with revenues of USD 6 billion. The client had a stronghold in one region, and was now intent on expansion through a third party partnership. A potential partner specialized in confectionery had been identified.
Their China Objective	To re-enter the China market. Due to its historical failure, wanted to learn from current best practice in China. However, also wanted to remain close to global strategy, which was medium-end positioning to generate high volumes.	To conduct a pre-due diligence study on the potential partner to assess its suitability, and to carry out the research confidentially without the potential partner becoming aware. Based thereupon, to develop the best partnership model for the client (e.g. M&A, JV, alliance).
The Project Conducted Together With InterChina	<ul style="list-style-type: none"> <li>Conducted 60 face-to-face interviews with brands, distributors, wholesalers, retailers and experts where confectionery manufacturing and consumption were concentrated.</li> <li>Assessed the opportunity for the client (a) the size of the addressable market (b) the segments that were both attractive and where the client had an ability to compete (c) the sales &amp; distribution best practices of the key competitors (d) the client's brand legacy.</li> <li>Developed a detailed re-entry strategy that was import based in the first step, moving to in-country production in the second step. Covered target market, product offering, route-to-market and supporting structure. Also searched, screened and short-listed 3 distribution partners.</li> </ul>	<ul style="list-style-type: none"> <li>Conducted 25 face-to-face interviews with shareholders and executives of the potential partner, as well as related parties, including its distributors and suppliers.</li> <li>The study covered (a) historical evolution, business overview and organization (b) key shareholders, executives and other stakeholders (c) products, brands and reputation (d) marketing, distribution and sales (e) and financial performance.</li> <li>The conclusions were favorable. They considered the potential partner's performance and characteristics in the context of its category and peers, and assessed its fit with the client in terms of synergies and conflicts.</li> <li>The recommended path forward was a strategic alliance with the potential partner involving the co-packing of two confectionery varieties.</li> </ul>
Project Outcome	The client re-entered China using the recommended strategy, and sales have now surpassing the historical high. Now considering the acquisition of a local brand.	The client entered first stage negotiations with the potential partner. However, the negotiations eventually came to a halt due to the incompatibility of interests.

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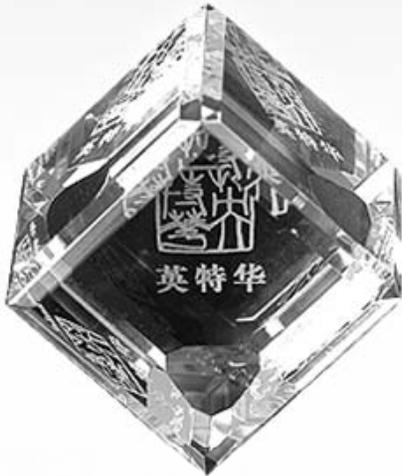
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