

Business Alliances and Go-to-market #3

Going to market, pricing and business alliances

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Consider your options:

- Selling your capsule through established business (#1)
- Partnering with several buyers (#2)
- Setting up own business for selling (#3)

1. Selling through established business

- Primarily ethical businesses
 - Generally lower exposure & sales, but better conditions.
- Utilising e-commerce
 - Requires certain in-house capabilities, but lower cost than brick-and-mortar store.
- Partnering with big brand (e.g. to improve their CSR activities)
 - High exposure & sales, but often involves specific demands and more obligations.

2. Partnering with several buyers

- Better diversification, but requires more efforts and higher capacity
 - Also, generally it's better to have your own business set up when dealing with several buyers (see #3).
- Ethical/Fair Trade business partners
 - Again, conditions are better, but sales & exposure generally lower. Partnering with several may achieve significant sales volumes.
- Not advisable for partnering with big brands
 - Most often, big brands order in very large volumes - significant capacity is needed to meet even just one brand's orders, so partnering with several brands will easily become overwhelming.

3. Setting up your own business for selling

- Better control over conditions with the right governance model
 - Using mission-led or triple-bottom line models ensures democratic governance and safeguards the interest of marginalised participants of the business/team.
- Consider the administrative obligations
 - These vary depending on the model and the country. Generally, make sure the team has resources to meet these obligations or budget to hire staff dedicated to this.
- Marketing and branding becomes a higher priority
 - See part six of the handbook and toolkit on Marketing.

Key reflections when going to market

Before going to market:

- What are your team's capacities?
 - How big orders can you cope with? Can your capsule be produced in high numbers or is it rather for the high-end market in small volumes?
- What are your team's needs?
 - Up-skilling necessary to meet quality demands of business partner? Need to expand the team to scale up capacity?

When ready to go to market:

- Step one: Meet your business partner
 - What is the business partner looking for and what can you provide? Ideally, design the capsule together.
 - If expectations and capacities don't match, is there a middle ground for compromise?



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