Steffen Andersen

Sell the Story about Your Product with Passion!

With contributions by Per Kracht and Carsten Schøler Lass

CanPublish

Sell the Story
about Your Product
with Passion!

To my beloved wife, Kit, and our four lovely children,
Silke, Simon, Jacob and Sarah

Steffen Andersen

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The book is an English version of the Danish *Sælg historien om landbrugsprodukter*, translated by Tim Davies, BA, MA Cantab., Dipl.Trans. (London) and Charlotte Langkilde, Certified Translator, cand.ling.merc. (Copenhagen Business School).

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Preface

Can you throw a dinner party at which the guests are served only cheese? Yes, you can; and what is more, it is a magnificent experience. The conversation and the socialising among the diners is fantastic. They comment on the food and are brutally honest. The quality of the company increases as the substance in the food is unleashed. In France the quality lives a free life. It is a fairy-tale country to eat in. You can tell that the raw material means something to an awful lot of people.

The open-air food markets are teeming with passionate consumers, and the presentation of the merchandise is in a class all of its own. When shopping there, you will always be inspired and therefore also wish to involve your guests in experiencing the passion themselves.

At our home in Denmark we occasionally serve cheese to a party of 10 people. We typically buy 8-10 kinds of cheese from a cheese shop, preferably freshly cut from a whole cheese. Before the guests arrive, the cheeses must be allowed to reach room temperature or be chilled, depending on the type of cheese. Each cheese must be served on a plate. It is important, because the cheeses must be eaten in a particular order. This is ensured by passing round one plate at a time.

There are always challenges with a party of e.g. 10 people. Goat's cheeses are not always equally popular with the whole crowd. Several guests will find that they taste too much of goat. As a rule, however, it is OK. We ask everyone to take a little of each cheese. Many people eat everything, washed down with the right wine. Generally speaking, the strangest thing about such parties is the mood. It is unusually high-spirited, very honest. That is not down to the wine, but to the discussion about the food, which is candid. Honesty flourishes. Who criticises a piece of meat to the host? It never happens. But you can comment honestly on cheese.

In France and Italy it is a pleasure to hear people openly share their opinions about different raw materials when they are eating. Strong bonds are forged strongly when people congregate around food. Because we are honest.

It is our contention that the passion and the honesty around the table with many dishes can be used in the cooperative movement's food industry. Not least because, historically, the movement's passionate processing of foodstuffs is based on honesty and trust among farmers. This notion has driven us to write this book, which has been done entirely for our own account.

Our mission with *"Sell the Story about Your Product with Passion!"* is to show how it is commercially possible to strengthen the connection between the passionate consumer and the passionate farmer.

It is impossible to write a credible textbook and debate book about a topic as sensuous as food and the passion for the substance without peppering the book with personal anecdotes. These cases, which illustrate the points made in the book, also serve to give the reader different paths of knowledge and awareness into the awesome universe of farming produce.

Steffen Andersen

Contents

Chapter 1

The tactical strategy

In this book, based on stories about foodstuffs, the reader will be involved in branded article sales of

- primary products like meat, milk, eggs and vegetables, which
- are produced by cooperatives, where
- farm and factory processes optimise
- product substance, i.e. the raw material.

The cooperatives' business model and quality concepts are unique. Coupled with optimal collaboration with buyers in the retail trade, the concept becomes impossible to copy.

Based on the sales routines: **Plan**, **Do**, **Review**, we will focus keenly on Do. Throughout the book, which appeals primarily to marketing and sales managers in cooperatives, we will argue partly from the sales angle, i.e. the sales execution, and partly on the basis of our own experience of salespeople needing to know the product, i.e. the substance of the product. In sales this is called the *features*.

We will deal with the paradox that we have lost our focus on the features, since we now focus mostly on whole concepts – thereby forgetting what it is really all about, the substance. In the sales situation the substance must be used tactically at the time when the buyer is being connected to the product emotionally by the salesperson. In order to establish this connection, the salesperson needs to know the product's substance, because it is the advantages of the substance's features, of which the buyer becomes aware, that enable the salesperson to connect the buyer more powerfully with concepts and solutions.

So we zoom in on the second when the salesperson **passionately involves** the buyer in the product – so forcefully that the desire to work **for** and with the product's **substance** becomes a passion for the buyer.

The **passion for substance** and **buyer involvement** runs through the entire book like a scarlet thread and is essential to our ability to sell the story of farming products.

Tactical commercial behaviour as strategy

In the cooperatives the owners, i.e. the producers and growers, have a very high level of commitment to, or rather a deep-felt passion for, the farming products they produce.

It is our contention that if the commercial employees in the cooperatives enthuse just as passionately about the product substance as the producers do, it will add value to the products all the way along to the customer's buyer. In addition, it will motivate producers to continue developing the quality of the raw material. The whole point of the exercise is to pass the baton on to the marketing stage as best possible.

Foodstuffs are produced around the world in cooperatives, but the power of those cooperatives is not being exploited. Foodstuffs are often compared with FMCG[1]: toothpaste, detergents, plastic bags etc. But foodstuffs in their original form, i.e. vegetables, fruit, milk, meat and eggs, are honest, unprocessed products on which the farmer has already lavished care.

Foodstuffs are not just raw materials.[2] No, they are primary products, which deliberately and purposely have intensity added in the marketing and retail stage to make them relevant enough to get consumers **highly** involved.

In this book, we therefore pose the question: *How do we convey the farmer's burning passion for primary foodstuffs to our customers' buyers?*

In order to be able to answer this question, we have devised a passion model, which shows that the product's physical **features** tie in with **product concept** and **category management,** cf. Figure 1.

The customer gets involved and becomes passionate when the sales execution is passionate and in control of all three parts. The customer experiences genuine passion and lives out this passion for the product in his own organisation.

Substance throughout the value chain

In the book we focus on cooperatives' sales of branded articles, based on unmixed products. This is set in relief to "private label", because for the cooperatives the two product categories are interrelated. That leads us on to two claims. Firstly, consumers will pay a higher price for primary products if we involve them in the underlying processes. They more easily understand the benefit it creates for them, e.g. fair price, security, morals, ethics, clear conscience, tastiness, repeat-purchase option etc. Secondly, it is not in the interest of farming to follow ignorant consumers' desire to obtain cheaper mixed foods with dubious animal welfare

1 FMCG is an abbreviation of Fast Moving Consumer Goods.
2 We use the term **primary foodstuffs** here because many of the raw materials can be eaten in fairly unprocessed form. The variety of the final product lies largely in the way it is handled on the farm.

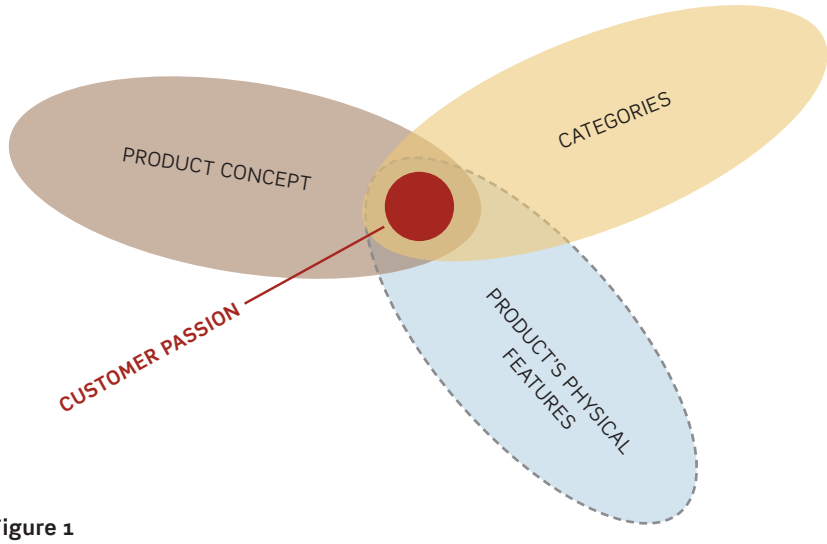


Figure 1

and uncomplicated taste. The consumers' universe is more complicated than the industry's analyses claim. The industry does not break up analyses sufficiently and should ideally use more studies and involve anthropology to obtain a more precise detailed picture.

France has a much wider range of goods and hence tastes. A typical cheese section in a hypermarket has about 720 different items. By way of comparison, the same figure in Denmark is 240! I've checked it myself.

The French eat approx. 22 kg cheese a year, the Danes 16 kg. The French eat 37% more cheese, therefore, and they have 300% greater freedom of choice in the shops.

Sell the Story about Your Product analyses what food substance and features are, and why it is important to know something about it in sales and marketing roles. The book talks about high-quality foodstuffs. The USA's focus on food sales, the French feeling for food quality and general food aesthetics are described in a number of personal anecdotes, all of which help to throw the cooperatives' scope for action into relief.

The common feature of these anecdotes – across countries – is that they are produced with great passion. The common denominator of the anecdotes is the opportunity it affords cooperatives to let the farmer's zeal for his products carry right through the whole commercial stage, allowing it to radiate right out to the consumer. An essential point of the book is that the product's substance can tie all stages of the value chain together.

Trading and private label are recognised as strategically important for the co-operatives, but primarily we remain focused on the sale of cooperatives' branded articles.

Food sales to consumers are dependent on retail trade, so we also look at what a grocery shop was and still is. The reader is introduced to what *passionate selling* is, and how sales can be seen from an HR angle.

Finally, the argument is made for professionalising management and marketing in cooperatives in a targeted fashion, among other things by concentrating on education and continuous sales training.

Chapter 9 was authored by Carsten Schøler Lass, and Per Kracht wrote Chapter 11. The author of the book is solely responsible for all other chapters.

Chapter 2

A passion for food

It takes a long time to learn how to become a good farmer and study the characteristics of the soil and the locale, and how it can produce the best crop, the best livestock for dairy products or meat etc. However, it is not just knowledge and experience that make things tick, for farmers carry within them a great passion for their livelihood. That stems from their relationship with the farm, the soil, the family and the area they live in. The connection with the place is the focal point of the farmer's activities and his relentless aspiration to make a difference. He feels secure in the surroundings and knows he has a historical record he can draw on that points the way to the future for him.

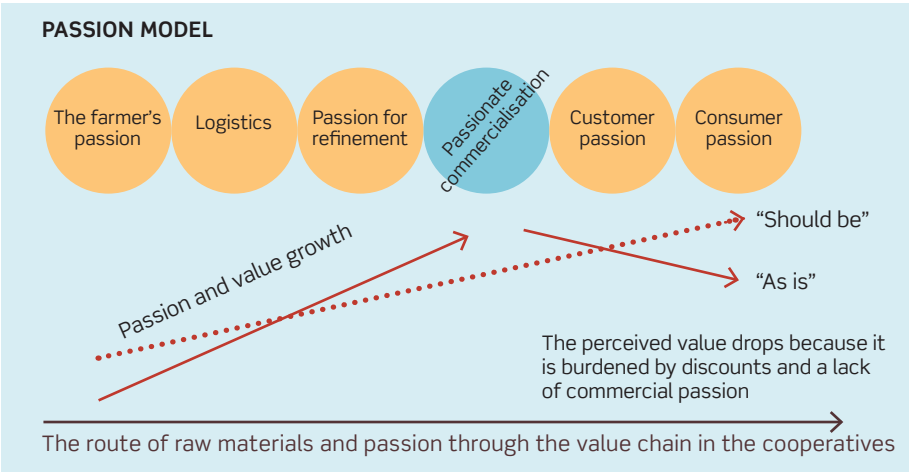
For farmers there is a deeper meaning to what they do, which passionately urges them on to produce the best possible quality; and often, among farmers, we see that they doggedly defend their way of life to the end. It is about making money too, of course, but that deeper meaning is important to a farmer. This is evident when times are hard and the idealism of the cooperative movement he often works in and for starts to creak. It is particularly hard when listed prices are low for the crops, meat or milk he has staked his entire life on. Then **passion** is really what has to be mustered.

Due to their ownership structure, the cooperatives have a unique opportunity to convey the farmer's passion down the whole value chain. It gives them an invaluable chance to put into action something special that makes products and concepts unique. The commercial division must tap, so to speak, into the passion the farmers have, and share it around in sufficient doses – enough to make the next person in the chain just as passionate as the farmer himself. There is value in this for all concerned.

Unfortunately, our view is that the passion of many of this world's farmers gets lost in part along the value chain and has almost disappeared in the outermost links of the value chain. But we are also certain that it can be re-activated relatively quickly. We shall be examining that more closely in this chapter, where we have made a model describing the passion with which commercialisation in a cooperative should begin.

Viewed outwardly from within

Figure 2



In the passion model (the value chain) above we see the development in the growth of passion from the farm to the commercial division. The passion is supplied from within the cooperative and out towards the customer and the consumers.[3] With regard to primary foodstuffs, it is important to optimise that value growth and passion throughout the value chain without interruption.

The highest price is achieved when consumers are involved in determining what food quality is, and demand it. Ideally, the product should be moved high up in the consumers' consciousness, i.e. from low involvement in the product purchase to high involvement. The result is the dotted **Should-be value arrow** in the model, showing that the product is constantly being infused with value by the new players taking over the baton.

The more habit, the less involvement

Consumers buy food in the shops. We know that their purchase is generally made with a low degree of involvement, because consumers buy out of habit, just as the decision about the choice of food is taken in an instant. That tells us that consumers rarely connect with the product emotionally. That gives rise to the **As-is value arrow** in the model. But it is possible to alter that. We know that e.g. French/German food markets involve consumers and shift purchasing from low to high involvement.

3 When we use the term *customer*, we are thinking of the cooperatives' customers, who are usually identical with buyers in retail chains, food service customers and distributors. *Consumer* is a term for the end-user/purchaser. *The shopper* is a consumer who buys or purchases (shops). The shopper is not necessarily the consumer or the user of the product purchased.

When we plan to buy e.g. trainers, sports gear, clothing, bicycles, cars and houses, we have a high degree of involvement, because the rarer the purchase, the more we consumers involve ourselves in the article. In this phase the consumer connects with the product substance and the brand.

That is to say, the more habit, the less involvement, which is the curse of many foodstuffs.

The conservatism in the food sector

Apart from having a low level of involvement, we also know that food consumers are conservative because they are spoiled, as it were, by food brands, which promise uniform quality over time and therefore fail to offer any surprises. It is difficult to work up a brand of wine, for example, because the quality fluctuates notoriously.

But those links in the value chain that precede the consumer purchase, i.e. the retail chain and industry, are also conservative. The rationale behind this is that costs, e.g. depreciation on machinery, have to be met by product series that cannot be constantly modified. A certain continuum is sensible, and so the consumers' conservative habits become an asset around which the industry can plan.

The conservative factor in the whole equation makes for a very lopsided picture, however, because the addition of value, e.g. by optimising the raw materials of the different primary food categories, is hampered. By way of example, minced meat for Danish rissoles and hamburger steaks has been allowed to dominate the meat business because, in shopping and focus group surveys, consumers state that *that is what they want.*

But the meat trade in Denmark cannot survive if the whole thing ends up revolving around the question of the lowest possible costs, since it will then be outcompeted by foreign meat companies, which have far lower wage costs.

Theoretically, the solution to the problem is to elevate the purchase of primary foodstuffs to a higher degree of acceptance via product innovation and involvement on the part of the customer/consumer[4]; but that is difficult because what we are talking about here is ingrained consumption or spending habits. Product differentiation in the consumers' universe is still limited in large parts of the segments/purchasing situations, and the consumer's learning curve is generally quite flat when it comes to quality.

However, it is worth working to change consumers' buying patterns, since there is great industrial value in steepening that curve.

The necessary change in consumer buying patterns

If consumers are to change their buying patterns, something needs to happen further back in the value chain. Firstly, as a minimum, the industry's sales managers

4 In this book primary foodstuffs includes meat, vegetables, eggs and milk unless otherwise mentioned.

and the supermarket chain's buyers must be involved in the product or at least have an intimate knowledge of the special attributes featured by novel primary products.

Secondly, goods where so much has been invested in developing and producing them must be presented in-store in a way that enthuses and involves consumers.

Thirdly, there must be some control over concept and category solutions. It is expensive when launches of a product fail. When it comes to finding the cause, the industry often points to the consumers and believes, based on various focus group studies, that the consumers get the product (substance) they ask for. However, the problem with focus groups is that the participants' answers are often biased by the conditions set by the survey, and you therefore get the answer you are expecting, so to speak. This is because participants only answer the questions they are given, not what they may wish for in reality, based on their knowledge. Consumers often have an astonishingly great tacit knowledge that simply does not come into play.

Consumer surveys typically avoid ethical traps and the industry thus misses out on the chance to gain insight into the reflections consumers actually entertain. If consumers were asked, say, whether they prefer a blend of minced meat from 100 or one head of cattle, most would prefer meat from one cow, even though it doubles the price per kilo. We are pretty confident about that. There is a greater likelihood of primary product launches succeeding when the consumers' knowledge is activated and they are correctly decoded, because the industry derives valuable knowledge about the consumers in the process.

Fourthly, consumers must be educated to value high-quality primary foodstuffs, as it will then make good sense to them to pay a higher price. However, the food industry has unfortunately neglected to educate consumers in this. One reason for this can be that a brand of mixed substance is more prone to give a uniform quality and low price over time, and that appeals to the conservative consumers. But it is possible to charge a high price for foodstuffs with protected designation of origin (PDO); e.g. Kobe meat from Japan is a designation of quality on a primary food, French champagne from the Champagne district, French AOC cheeses, Italian DOP cheeses etc. The common factor is that they all originate from specific areas, where nature and the producers give them their special characteristics/features.

If the customer/consumer perceives he is getting something tangible for his money, apart from the brand, he will be willing to allow himself to enthuse, spend time and get involved[5]. But to a large extent buyers and consumers perceive all primary foodstuffs as being alike. That is why they buy the cheapest. In a way, consumers have been left in the lurch.

5 Of course, we realise that our colleagues, farmers, customers, shoppers and buyers can be either women or men, but we refer to them consistently here by the male personal pronoun.

Quality

Quality in primary foodstuffs starts with the raw material being optimal when weighed-in from farm to factory. But since Danish farming has not involved consumers sufficiently in what quality is, food sales are primarily going to centre around price. Few consumers today know the breadth of quality in taste and therefore put price first, but if farming wants to be instrumental in starting a wave that caters for consumer insight, buying food could be about so much more than the price of the item.

And the world is crying out for it, because all consumers in the different income segments are becoming more affluent year by year throughout the world. They are both able and willing to pay a higher price for safe foods, supply security, health and taste. But very few consumers do so unless they realise what quality they are buying when they pay. And there are forces that do not share the interest in the sale of pure primary products, because price fluctuations on simple products can be sizable and unilaterally destructive to sales. But cooperatives basically have only unmixed products.

The quality of primary foodstuffs spans a large range. The substance in farming is therefore mixed into a homogenous quality. Imagine if all the mediocre stuff were manufactured optimally and sold optimally, its whole value would increase in theory. But in order to profit from this position, it takes salespeople and sales channels that can sell goods in the high-price segment globally. Buyers and consumers must be involved in valuing and appreciating high quality. The sales department in cooperatives plays a great role in personally committed and engaging sales.

The cooperatives' position and interest

Like other producers, the cooperatives bear the responsibility for the degree of informedness on the part of consumers. To a large extent they own the commercial link in the value chain that sells primary products and can therefore influence consumption. Consumers the world over, for example, are willing to buy higher-priced organic products because they believe the quality is high. What if they were to be better informed?

In Denmark 7.6% of all food and drink is organic.[6] That indicates an untapped potential for selling more quality products. But it has to be released in a targeted fashion. This position must be fought for from a set of common commercial interests in cooperative agriculture. E.g. more consumer involvement would attract more, educated consumers. Provided one understands how to translate it into commercial value, that will be nothing short of a dream position.

6 Source: Statistics Denmark, 2012.

Price

It is important for cooperatives to invest and develop their production because it develops the local communities and guarantees cashflow and financing of the mounting food production for a growing number of city dwellers. Most importantly, however, it guarantees healthy raw materials for urban areas. The symbiosis between city and surrounding agriculture starts in farming.

It is also important that good quality is brought to bear in cities and that salespeople understand how to charge the right price. It must be done much more actively and outright professionally than is the case now, when cooperatives are often dependent on private companies who buy up, produce and market their products, often in unripe, concentrated, dried or preserved form. The disadvantage of that is that the good quality is preserved and mixed up with everything else imaginable. The advantage is that price fluctuations for mixed branded foodstuffs are reduced.

Another benefit of that advantage is a very high degree of production flexibility. But with the individual raw material also follow massive price fluctuations, which only the biggest farms will be able to resist in the future. The smaller farms will disappear, and diversity will lessen in the process. Specialisation will then gain the upper hand or rather, perhaps, merely continue, as that development is already underway.

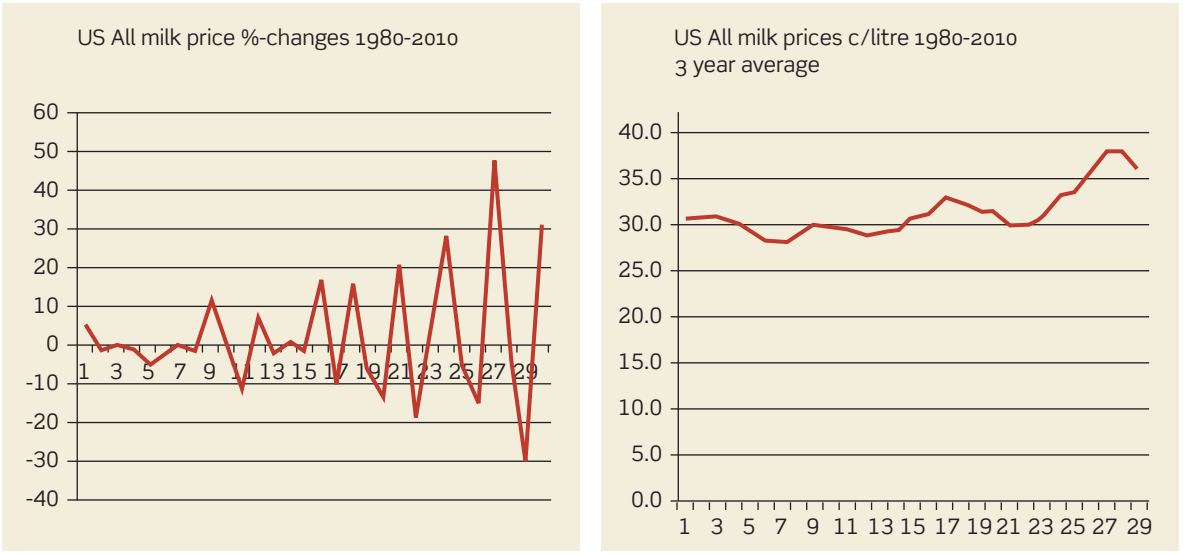
We know from the USA that, in the long term, specialisation will be to everyone's disadvantage except the middlemen, because at some point in the future even large farms will be dependent on rising government subsidies, since price fluctuations will be pronounced and ruinous for the sector, which can be expected to have to live off leaner and leaner margins as large-scale operations.

The graphs in Figure 3 show that the fluctuation in American milk prices over 30 years (up to 2010) is mounting, and the average price in three consecutive years is rising sharply on balance. That is beneficial to neither farming nor the finished article producers; only the intermediate stage or middleman trading in raw materials profits from it. This turns the farmer into a kind of buffer.

In order to exert maximum influence over large fluctuations, the cooperatives in Europe have the advantage of owning and controlling the whole value chain. They can bolster themselves by working up strong brands.

The result of too much government intervention is a catastrophic commercial pretext for doing nothing for the sector, which is in the process of sloughing off various restrictions in the EU. But if that is simply replaced by speculation (which is OK in principle), subsequently leading to the government having to intervene and dole out more support to a handful of large surviving farms, one may well wonder how far we really have come. Some of this will inevitably occur in a market economy. The solution is to learn to get ahead of the pack and perform better

Figure 3



Source: Dairy Industry Newsletter, Barry Wilson. February 2011.

in order to survive on one's own, professionally chosen terms. You have to learn to sell at a higher price.

Food structure in the USA and Europe

The food supply is strategically important for all nations, because negotiating position and strength depend on how long a country can withstand an enemy siege, or when the starving people rise up against the system, the king, the president or whatever. The trigger for the Arab Spring was a Tunisian fruit vendor who set fire to himself, partly because food prices were on the rise. And the French Revolution began partly owing to a lack of wheat, with resultant price fluctuations. The cause could be traced back to a volcanic eruption in Iceland that produced a drought.[7]

So it is important to keep track and ensure access to ample volumes of food, but in the long term the quality must also be assured in order not to become just a matter of feeding the populations.

In the USA, for example, excellent food is available in selected chains of stores, just as a lot is being done to inform people at burger restaurants about calorific content. The question is simply whether the restaurant diners understand the information about what quality food is, in tandem with their shopping habits, be-

7 www.globalis.dk on 5.6.2013. Danish United Nations Association.

cause they have grown accustomed to a particular way of shopping. The structure of the food trade mirrors the consumer and vice versa.

The European cooperatives' strengths

Retail food outlets in Europe and the USA display significant differences in structure. In the USA they deal primarily with international industrial brands, including chain restaurants like McDonald's and Pizza Hut, which also have high international brand value.

Over time, farmers get less out of the system, relatively speaking, if they do not own the marketing link of the value chain.[8] Farmers in Europe who own the sales and marketing segment of the value chain and are professionals can recoup a higher value on that basis. Depending on the country involved, 20-47% of production is sold to private label[9], or in their own industrial brands. The proportion of foodstuffs sold to catering establishments is 20% in Denmark.[10] In the USA 40% is sold via catering establishments.[11] The food sold through restaurants can also be regarded as a form of private label, since the restaurant is the one processing the product for a consumption situation in the restaurant.

In Europe strong cooperatives have the option of making this determination themselves, as long as the cooperatives do not remain tangled up in debt, resulting in a form of collective paralysis. Although that rarely happens, sales execution should be cultivated more, because sales departments that know the product and show by their behaviour that they actively use it in their sales technique ensure that the baton of knowledge about good quality is sold on to the customers' buyers. After all, it was originally a strong and passionate sales department that actually developed the agricultural sector's marketing. By having the sales department re-sell the story with passion, the customers get involved and their eyes are **opened** to good primary food quality and its importance. They will thus take responsibility entirely as a matter of course by primarily concentrating their efforts on selling that high quality on.

Nor do supermarket chains have any interest in seeing suppliers get too big on the back of a potential state-controlled concentration of effort in the producer stage motivated by unrestrained price fluctuations, because then only megabrands **will** survive gigantic price fluctuations, and that will take its toll on access to private label as listed food companies will have no interest in producing them. This is evident in the USA, where private label only has a 20% share.

8 Henning Otte Hansen on 20.3.2014. Department of Food and Resource Economics at the University of Copenhagen.
9 Food-supply.dk, 2014.
10 Food-supply.dk, 2014.
11 H.O. Hansen on 20.01.14. Department of Food and Resource Economics at the University of Copenhagen.

Cooperatives in the EU have a natural interest in being able to make both private label and branded articles, because it keeps price levels more stable. Basically, however, cooperatives live off growth in volume. Retail chains are the natural volume sellers in parallel with industrial sales, and the retail trade is closest to those consumers who will be willing to pay a higher price for high-quality primary products if the quality of the primary food is properly commercialised vis-à-vis the shopper/consumer, and work is done to ensure that they understand that price and quality are interconnected, and why that is so, cf. above.

Price should react to an equilibrium that is rising over time depending on 1) cyclic supply and demand in, among other things, feedstuffs, metals, oil, 2) unpredictable and speculative phenomena like weather and land prices, and 3) agriculture's own backlash effect via the demand for e.g. land, which forces up land prices. Farming must focus on consolidating and expanding its position so that farming itself retains maximum influence over price mechanisms for the raw material.

For cooperatives, then, it is important that the branded article price of primary foodstuffs in Europe acts as a buffer to large price fluctuations, so that the farmer alone does not bear that burden.

Providers offering only pure branded articles have been outsourcing their production of the substance to the cooperatives and thus focusing solely on brand value (*brand equity*). They gain from the growth of the branded value (*brand equity value growth*), which will result in the cooperatives' role being reduced to that of subsuppliers to the brands.

In order to counter this development, it is strategically important for the cooperatives to keep their strong hand, the ability to market branded articles built up on the back of the value of developing and manufacturing their simple substantive purity. It is hard to copy, you see, because it requires the producer's passion.

Cities and food consumption

Our cities are growing, and purchasing power is growing the world over. High-quality products are becoming affordable for city dwellers, and we need to exploit that by bringing a relevant, valuable message forward in the value chain, which requires good sales staff who are involved with the product they are selling. Knowledge of the product's features reinforces the individual salesperson's selling skills if success in selling depends on the potential for involvement on the part of the buyer. The competition consists of being best at activating the buyer's needs at the highest possible price, because that gives the industry the financial wherewithal to invest in increasing volumes, falling costs and hence competitive quality.

Sales success in the metropolises

In order to achieve selling success, it is crucial for a salesperson to know exactly **why** he or she has to know something about foodstuffs when working for a co-operative that wishes to get maximum value out of its efforts to concentrate on high-quality foods – and be able to articulate that correctly in a sales situation.

Buyers should be directed towards passionately wanting to invest time in reselling valuable products within their urban distribution system. Despite everything, it is best for the buyer to sell valuable products through the expensive distribution systems.

As you will know, trends start in metropolises, and in sales organisation terms it is important for us as a food-producing nation to be able to take on cities like Copenhagen, Berlin, London, Stockholm, Paris, Sao Paulo, Mexico City, Manila, Jakarta, Beijing, Shanghai and Moscow to our advantage.

It's about being able to understand various forms of sales and to exploit the logical sequence of products with which markets can be entered. Cities offer their own advantages, because as sales managers we can demand that we understand how to sell to widely divergent customer types. That applies right from the small local shop to the finest restaurant.

We must be able to compete for the hearts of the city consumers and win them over, as they are willing to pay the highest prices for products of perceived high quality. They embrace the latest thing before everyone else in a country. The shops serving the cities are therefore important in the process needed to gain acceptance that the new products represent a higher value and thus a better earnings potential.

The entire dynamic of a city with 15-30 million people is highly complex, but also very lucrative for any company understanding the phenomenon it actually is. Over the next ten years there will be 50-100 cities or so that will determine whether a company is a global enterprise. So, you have to be "in it to win it", and take part in the battle for sales in all these cities. Those who fail to master a global sales machine will not be part of the future.

And it all begins with a true understanding of the entire value chain– from raw material to shop shelf.

From raw materials manufacturer to supermarket merchandiser

We have a chef in Denmark who became known for proclaiming in the media: *"The raw material is key."* In the 1980s that was thought to be slightly crazy. Consumers were being purged of their knowledge of raw materials. But the chef was desperate, and he was right. The first link of the value chain, where the raw material is made, is most important.

In 2014 NOMA was hailed the world's best restaurant for the fourth time. NOMA bases its menu on a dogma that the raw material is the only thing that counts. To a great extent the cooperative industry value chain can learn something from that.

The final link in the value chain is the retail outlets' merchandisers and other permanent staff. The merchandisers are those encountered by the consumer on a daily basis. They are the final link in the chain before the checkout, where people pay. I used to be a merchandiser myself many years ago. It's low-paid work and important in order for the so-called facing to look appealing to customers in the shop.

Goods sell goods, so having up-to-the-minute stocking of shelves has a stimulating effect. This is what in popular terms is called **facing**. Its purpose is to direct consumers to take down off the shelf those goods that have the best gross margin. Only naturally, the food industry is extremely interested in collaborating with the retail chain on this very point, and that very easily gives rise to a big number-crunching exercise, because roughly speaking the time is spent feeding bought-in shop data into an Excel spreadsheet so that you can analyse them. Customers are also filmed shopping so that patterns can be spotted, and the whys and wherefores of them taking goods off the shelf decoded. It's really interesting to work on, and is part of category management and shopper/consumer marketing.

All told, loads of time is spent understanding shoppers' behaviour in front of the shelves, and how to derive commercial benefit from this insight. So we now have loads of data to verify that we in industry and retail are able to direct consumption. The area is subject to constant development, and in the process people are getting better and better at guiding consumers towards the products with the best profit margins, the way grocers and merchants have always done.

By the same token, however, this entails a massive element of responsibility for industry and the retail trade, which have actually undertaken to control consumption in this way and thus determine what quality of food consumers are eating – after all, they cannot buy goods that are not available in the shops.

A test

When I myself was a merchandiser, I didn't have the foggiest idea about the goods. So whenever a customer would ask me about an item, I either had to think up a story or ask a department manager for advice. Often they knew little more than what it said on the packet, and the customer could read that for himself anyway.

I recently did a small test to see whether things are still in such a bad way. Together with my daughter I bought two bags of peanuts. A cheap bag with an everyday value price, and a branded item. The merchandiser had informed us that the only difference he could see in the product was the price. But given that one cost DKK 9.95 and the other DKK 19.95 for the same number of grams, surely there had to be some difference? At home, a blind test showed that we both thought that 4 out of 12 peanuts from the cheaper quality came off slightly worse. 12 out of 12 of those priced DKK 19.95 were OK. So there was a difference.

I realise the merchandisers don't have to know anything about the item. But it's symptomatic of the fact that we as consumers won't be able to immediately find knowledge at the point of purchase either. We are the very last link in the chain before the product has been consumed; and the knowledge chain has apparently opted out long before we eat what we buy.

So the chef from the 1980s was right: The difference had to be in the raw material. Going back in time, I know myself from my work with a raw materials company I worked at as a young man that we made different qualities for our customers. We used to sort the raw material into different grades. The cheapest grade contained what we had weeded out of the best grade. As simple as that. That way, every year, we were able to sell the entire harvest. There are markets and takers for anything, after all. But often the consumer does not know what he is buying.

Some years ago, at a restaurant with a good friend, I ordered salmon. According to the menu the salmon was from the Baltic. For some reason my friend had the idea that he wanted to go out into the kitchen to check that it actually was Baltic salmon we were eating. Unfortunately, he was disappointed, as there in the kitchen lay an opened pack of Canadian salmon. That's not honest, just annoying. Why should we swallow that line about local foods and pay for the privilege unless the raw materials are local?

Pass the baton

What if we got better at growing and selling premium quality and became more open and honest about the fantastic quality actually being produced locally throughout the Danish regions? Could we then make more money? No, we couldn't, because the market is often a finite entity, and segments move only sluggishly. But what if the market were suddenly to open up and we gained access to all manner of rich consumers and didn't have to make do with selling our products

to a small part of Scandinavia. Would that be worthwhile? Yes, of course. But only if the manufacturer guarantees to retain and develop high-quality goods, and the manufacturer commands a sales department that knows what is good quality and can awaken a need for it in buyers, who can then resell it passionately to more critical, affluent consumers.

This is where our journey in the cooperatives begins. The whole world will be open to our ability to produce and sell our already optimum quality and processes. It merely requires us to be aware of what quality is ourselves, and to involve ourselves and the next link in the relay race.

In order to show what it means to pass the baton on, either the right or the wrong way, I will take an example from my own spell as sales manager for the brand Woolite®.

The Woolite® example

Reckitt and Colman (R&C) bought the Woolite® brand about 20 years ago. At that time R&C's Danish division was a small subsidiary, and R&C marketed and sold different well-known brands: Brasso®, Air Wick® air freshener, Zip® firelighters, Steradent® denture cleaner, Veet® hair removal product for women, Hardol®/Harpic® toilet cleaner, the Greeny series of eco-friendly household cleaners, Flora® plant food for pot plants.

There was, then, a judicious collection of niche products, and it was a good, sound brand-name company for us employees. Woolite® dovetailed nicely into this mix, but we could not understand how we were supposed to be able to sell it. The big companies – P&G, Unilever, Colgate – had not had any success owning the brand. The secret, of course, was that they were unable to sell niche products, but R&C were, by contrast, because we focused on doing it, even though the products were not always equally simple to sell. Nor did we bargain with Woolite® being particularly easy to sell. But we did succeed, actually, and the product enjoyed 20 years of life on the shelves after we had done things properly.

It can never be taken for granted that the next link of the relay race will see the light in a product, merely hoping that with a bit of luck it will be a bestseller. Only rarely does that happen.

At R&C we had products that the product managers presented rather cack-handedly. We on the sales staff would subsequently pep the product up with our reasoned arguments, and it went well, despite a lack of passion on the part of the product managers.

But in the long run, of course, the product managers' efforts were not satisfactory, and the sales department therefore held sales courses for them so as to rehearse the products' positive features with them. Generally speaking, however, they soon

forgot again, and the method was not used as stringently as it needs to be in order to succeed.

The exception was the product manager who presented Woolite® to us. He had been on one of our courses and had familiarised himself with the product's features. He passed his passion, which was based on insight into the product, on to us in such a way that in a split second we were captivated by his idea. Once we had acquired a passion for the product ourselves, we were able to hook in the buyers. And we succeeded, despite the buyers' many objections. These, incidentally, were the same objections we ourselves had come up with when the product manager presented the product to us and dealt with our objections; so we swiftly took his baton and ran with it to the buyers, who took it off us. But we had to fight to allow the product to showcase its value for longer than the three test months the buyers were willing to give it. We were able to wage our battle on the basis of statistical material which we had fought to get the buyer to hand over. Normally, you see, it was not available to us back then.

*The point is that we **fought**, because we understood and believed in the product's features. If the product manager had not passed his passion on to us salespeople, he would not have been successful. Nor would the brand, the chain, the buyers etc.*

Consider for yourself how many man-hours are wasted because we fail to pass on the baton with passion.

In order to awaken the reader's passion, we will go off on a little historical foray and into the aesthetics of food to demonstrate how it can be done; and we'll trump it all off by joining it with a suggestion for releasing the value potential in the form of pricing.

Aesthetics of food[12]

Generally speaking, foodstuffs are processed by human hand to varying degrees. In hunter-gatherer societies we used to collect nuts and berries, and occasionally we would stalk a roe deer. Quite by accident it became the norm to roast the meat and mix it with whatever greens could be found. This abundance of fare gave rise to a cultural surplus, which resulted in jewellery and other elaborate objects, which it was envisaged using in the kingdom of the dead. This is illustrated by human graves that are 60,000 years old.

Being able to tell the difference between whether something tasted good or less good was a necessity. It improved the chances of survival. There would have been a kind of chef in the cave who roasted meat in leaves inside embers, who fig-

12 Aesthetics: The splendid union of matter and spirit, the tangible and the intangible. A person's influence over something material, which becomes beautiful. The term is typically associated with art.

ured that the taste improved with prolonged, slow roasting rather than just spearing and spit-roasting it over a fire.

The men would hunt and the women would collect berries, fruit and vegetables close to the camp. The women, incidentally, would suckle the children for up to three years. Each couple needed only a couple of children until the agrarian culture was ushered in 10,000 years ago. Now a family had to have 10 children to manage the chores around the farm. The agrarian culture arose when the natural dam forming a wall for the Black Sea caved in and the sea rose. That meant less land to hunt on, and people were driven to sow grasses that could be harvested and lived off. It was a lot more labour-intensive, and more hands were needed around the homes, which therefore slowly coalesced into small villages.

It was culture that changed the status quo. It is rational to reason that food was one of the forms of activity they embraced which they really put their backs into, because it spelt survival. Mealtimes and their preparation give rise to a need to express in words the senses that are activated in the context of food.

Language of the senses

Describing what you are tasting as you are gorging yourself must be the closest people get to having to describe what an orgasm is in words, rather than just savouring it.

But that's how we act when we congregate around food. Our senses are blown wide open when we are eating and talking together. We are invited to business dinners, and sit and gesticulate with our knife and fork as we are negotiating, describing, clinching deals and warming to one another. Nature wells up in us.

The same thing happens to both large clan-like families and smaller nuclear families. We eat and we enjoy ourselves, and the chemistry peaks as we are eating. Communion in the Biblical sense is about food. We also have to have extreme faith in the one making the food. The wrong use of parsley or tainted food can knock an entire party for six – bowl them over dead in fact. For us, eating is simply a serious matter: we would die if we did not eat, and we can die from eating wrongly.

But we think less and less about that. The roast pigeon flies into our mouths, and we are busily engaged in absorbing it. We simply forget the intimacies of life: cooking and eating food together. But the worst thing about it is that we do not relate to it.

The aesthetic expression for which food provides scope has been used by people to evolve. This is where we make optimal use of our language, because it is difficult to express these feelings. Just think how many expressions we have to describe wine, cheese and tobacco. For some strange reason we do not have anything like as many words for milk, meat, fish, vegetables, flour, sugar and so on.

A feeling for food

One of the most striking aspects of the aristocracy before the French Revolution was precisely the aesthetics of food. They were completely hysterical about having the best chef. The nobility would measure themselves against one another. The wine classification system was invented and its language adopted. French definitely became an even richer language for being used to talk about food. Different tastes in the same joints of meat evolved through the fat content, different cheeses made from different milk, an entire universe of peppers, oysters, foie gras, onions, tomatoes, sausages, pâtés and pies, apples and truffles, indeed for many more foods.

Aesthetics went bananas, and the rest is history. The nobility in France suffered defeats, one reason being that it did not have the answer to the overpopulation problem. The whole of Europe's nobility dropped out of everyday life as trendsetters and as a force to be reckoned with, and new power constellations came about. Together with the nobility, the golden age of food aesthetics disappeared to a greater or lesser extent, depending on the country in question.

These days it is left up to industry and the Ministry of Food to take care of the aesthetics. But I doubt that shareholders and politicians can collectively find a love of good food, and of taste in particular. That has to come from the people, i.e. the consumers. But we consumers are stingy, and our taste buds are not being challenged, because we make do with a narrow range of foods.

Consumers still regard many of our foodstuffs as raw materials. That goes for meat, milk, eggs, vegetables and fruit, flour and sugar, for example. We have not taken over the nobility's hysterical refinement and the breadth of quality in food types, and we are not interested in using different tomatoes for different dishes. And indeed, industry has not been capable of giving consumers a sense that a raw material which is constantly being enhanced by industry and farming should rightly fetch a higher price due to its variation.

Our stone-age brain will simply not accept that basic foodstuffs are something different from when we ourselves went hunting for game and made the foods. Nor after all is it that many years ago since meat, milk, eggs, fruit, flour and sugar were merely simple raw materials which we processed ourselves at home in our kitchens. We have let industry take over and process some products that we embrace, at the same time accepting a higher price per kilo. Sliced meats, terrines, bottled pickles, tinned goods, crisps, herring, powdered soups, sauces, yoghurt and cheese are all examples of processed foodstuffs that we have handed over to industry to save time ourselves. But at the same time, our aesthetic feeling for these products has slipped into the background, and the time gained has stepped into the foreground.

It can also be hard to accept that industry can use different methods for this refinement process, depending on what the market is prepared to pay for the arti-

cle. If consumers knew that producers are for ever developing and improving the raw materials being used in the making of branded articles, and that these safe foodstuffs were going to become more widely accessible, many would surely be prepared to pay a high price.

Primary foodstuffs

Many products include products from the primary food industry, i.e. milk, meat, eggs, sugar, fruit or vegetables. They are all listed in the ingredients of processed foods, so we easily become fixated on the notion that we are taking these products on board, and that it is not happening through other products that benefit from the primary product's purity and high quality.

The primary products are the pure article. It is odd that the food industry cannot get the aesthetics of the pure articles up to a level at which consumers focus on it when shopping, as we would then be willing to pay a premium and perhaps even demand that the retail outlet display details of how the product was manufactured.

The question is whether we are still stone-age people when it comes to contemplating a piece of raw meat, white milk, an egg, an apple, a carrot, or whether it is the food industry that has not yet been able to play its cards right?

We in Denmark are in a class of our own when it comes to suffering a dearth of information and also when it comes to indifference to this information. Only our interest in organic food shows that there are groups of the population who are well differentiated. But even this group knows very few explicit details about what primary foodstuffs are, and what the difference is between good and poor products. Unfortunately, the same also applies to a number of countries other than Denmark.

In Denmark we have a foundation on which to develop our good food-engineering traditions in the form of an education programme focusing on the necessity of creating a broader understanding of communication about foodstuffs with consumers, so that food aesthetics and taste can find a place in our consciousness.

Example of producing a primary product for tobacco

When I was working at tobacco factories in the USA and Central America as a young man, we had to familiarise ourselves with the factory's various process lines: We started off with classification and storage of tobacco. Then we went onto the factory floor and became familiar with the "Threshing line" and the "Redrying line". The Redrying line received tobacco from the Threshing line once it had ensured that the tobacco leaves had been threshed perfectly, and then they were moistened to about 11.8% humidity.

The tobacco leaves all looked alike when you were new to the trade and had to start training in the grading of leaves, but after a few days' work a fantastic sight appeared to the newly trained eye. They turned out to consist of different shades: red, green, orange, brown, black, yellow, light brown, yellowish-brown, dark brown etc. You really gained confidence in your evaluation of grades and gradually mastered the work with speed and certainty.

The smells of the leaves were fantastic: slightly sweetish and different from leaf to leaf. We used to roll them and place several pieces together inside a binder to make our own cigars, which were pretty strong and far too rough to the taste. Some leaves were a little drier than others, but that was regulated later on in the process.

If it was humid, the tobacco would sometimes self-ignite in its Bulto (a kind of burlap). We were responsible for making sure that did not happen, by weeding out the most humid ones before they reached the store. The whole store could potentially burn down if we were not careful.

It sometimes meant long days for us when it was the height of the season. 12 hours' grading meant that you had seen a great many types of tobacco, and your performance curve clearly rose when it came to telling the difference. But those long days also provided vast insight.

In their basic or primary form, products incorporate huge differences. It was the raw material that we learned to respect. We became good at talking about it with enthusiasm and passion during visits by customers. It rubbed off on everyone, including ourselves.

Brand recognisability

All products have a diversity, which we level out by processing, so that they can carry a trademark, a brand, recognisable from one occasion to the next in taste, smell and texture. The industry, customers and consumers all implicitly and explicitly agree how amazing this is. Between the various food industries, however, there is a difference from product to product as regards which raw materials the products contain. It is important to cultivate this variety, for to do so is to retain both the creativity in product innovation and category drive for buyers and consumers.

At the factory we had no measuring instruments to hand on the machine, so the laboratory was sent samples which were supposed to show that the humidity was OK. The knack lay in continually gauging how moist the tobacco was. After a while it became second nature, so to speak. Even in industry there is craftsmanship. Goodness

knows how many times a small swatch of tobacco was taken, squeezed in the hand to make a nugget and the tobacco then observed: the rate at which it opened told you something about the humidity. If it opened slowly, it was very moist. If it happened quickly, it was too dry. It had to be just right the whole time.

Before the the redrying line stood the "threshing man". He made sure that all machinery with shredding blades (the threshing line) was at a precise, optimal setting so that the stem of the tobacco leaves could be wrenched out to leave just enough leaf to be able to make cigarettes from it. We depended a lot on him being able to make a uniform size of leaf tissue as it would influence our result in the redrying process.

But things got even more complicated further down the production line. All the tobacco had to be squeezed into a wooden barrel, known as a hogshead, by a piston. If the moisture in the tobacco was less than optimal, there would not be enough room for the ideal amount inside the hogshead, and furthermore the tobacco would not stand being stored and fermenting slowly. The tobacco's moisture content and its storage in the hogshead had to be good enough to make it ideal for use in the branded article Prince at the Scandinavian Tobacco Company's factory in Søborg.

For me, my experiences in the tobacco industry were for many years merely a tale about a job I had had as a very young man. Later on, understanding the importance of all these links in a commercial value chain would become a philosophy of life. I used my knowledge whenever I needed to grasp the differences between different branded articles, including the distinction between private label and industry brands.

Cooperative industry brands can justifiably include a promise of passion for primary product quality and the process of generating it.

The primary producer's passion for quality

The previous example from the tobacco trade shows that craftsmanship is involved in industrial production. The insight gained easily turns to passion. But primary producers' passion is often guided by many years' dealings with producing a particular high or low product quality. By far the majority of producers are ultimately guided by the wish to produce something which is profitable. However, the individual producer's desire to also produce a good product with good texture and taste should not be disparaged.

I have seen that in a number of farmers who produce milk, and among the isolated producers of rape seed oil, flour, meat, chocolate, fish and spirits with whom I have been in contact on the island of Bornholm.

It is fascinating to talk to these people, who really go to town to ensure that their product is, and is capable of, something altogether exceptional. They can tell you how they have been experimenting for ages to manufacture different types within the same category, suddenly discovering that there is an altogether unique angle. It is slightly nerdy, and understanding them can be difficult, but once you spot that there is actually something to it, you become passionate yourself.

Animal welfare in Præstø

I once went on a trip to find out whether it could be true that large-scale systems of milk cows can be an exciting thing to understand for a consumer like me. The farm I had picked out is near Præstø in the south of Zealand. The cattle on the farm are Jersey cows. When you see a Jersey, you cannot help but take a liking to it. Its big eyes, the tuft of hair on the head and the almost childlike curiosity captivate you the moment you set eyes on the creature.

A short while before on this farm they had built a cowshed, where the cows were free to wander around all year under a roof. It seemed as if the cattle were extremely content with this. But my investigation would plumb entirely different depths, which surprised me. My curiosity drove me to ask questions that preyed on my mind as a consumer: were these animals really fine? And how can you measure their well-being?

The farmer explained to me that he could see when an animal was not well, because it would then move in a particular way. It was not interested in what was going on around it; it ate less, lay down more and was altogether more inactive. It struck me that his take on animals corresponded to my view of the different shades of tobacco. The trained eye intrudes when one is a professional, and that provides an insight which ends in a passion for whatever you are dealing with.

There was a pleasing calm in the cowshed that surprised me. The explanation for it was that all the cows were apparently comfortable. Their contented state was down to the fact that they were being fed and milked regularly. These were simple insights into animal welfare, and they satisfied my consumer angle. On the farm they had chosen to install milking robots: clever contraptions in which the cows line up to be milked, one after another. The yield is about 17 litres per milking, and they are milked three times a day. During milking their hooves are washed, and they are all given a tasty treat. Gently, they are nudged off when the session has ended. You get the impression that they would be happy to carry on. But that is not an option, so they have to wait nicely for a few hours until it is their turn again. A computer makes sure of that.

The cows were evidently as pleased with their treatment as I was fascinated. Their udders were scanned by a camera programmed to recognise each cow as it approached the machine. This was done by having the cow's collar, a big loose

plastic neck ring, emit a signal on the way to the robot. The udder was washed with lukewarm water, so that it was clean and ready to have teat cups gently attached to it. At the same time, a little treat was released into an eating cup in front of the cow. All this took place at the cow's own pace, but guided by a firm hand, as it had to position itself so that machine and cow worked together optimally. The cow was really comfortable throughout the session, because it did not provide scope for human fortuitousness. The animal knew in advance what was about to happen, having tried it many times before. And the robot did not change style or system, as it had no feelings, of course, unlike a human being, that can have both a good and a bad day when milking has to be done by hand or teat cups secured to the udder.

This place just oozed animal welfare, and I became more and more inquisitive, wanting to hear about calves, feedstuffs, cow dung, summer and winter stabling etc. The calves are born and placed together with other calves, but only after the farmer has given them a drop of their mother's milk. That drop has antibodies which help the calf to survive infections. The farmer attends the birth and therefore knows every single cow from birth to death.

The cow dung, which has to be disposed of, falls down between gratings in the floor and is led out via underfloor channels. That can create sultry air in the summertime, but the problem is solved by folding up the outer walls of the shed to provide greater air circulation. In the wintertime it is not a problem, and during dry weather the cows walk around freely inside the shed. They have their backs massaged by suitably appointed brushes, which rotate and give the cow's back a pleasing scratch when it positions itself in a particular way. Another robot with which the cows are apparently on very familiar terms.

Lying bays have been installed for the animals so that they can lie and chew the cud day and night. As a rule, this is a mattress consisting of granulated rubber content. The lying bay is arranged in such a way that, as it gets up to do its business, the cow has to reverse a little in order to get its rear end beyond the edge, so that the cowpat lands in the right place.

The whole feeding operation for the herd, which is often 120 animals, has to be done so as to give them all access to equal quantities. This is done by having a tractor drive along the stalls, dispensing the food within a very short interval so that all the cows are served simultaneously. That distributes the feed most equally.

During my visit I learned that the farmer benefits most from treating his animals optimally, because they yield more milk then and the quality of the milk is higher. The farmers are rewarded for that through the costing system they themselves have introduced.

There could be no doubting the farmer's passion to make a fantastic product, and I wished that just some of this passion would manifest itself further along the

value chain. But the potential inherent in understanding the farmer or the producer's passion for the substance is not being exploited to the full.

Bornholm passion

I found the same passion on a trip through small-scale producers in Bornholm. They were almost embarrassed about puffing up their produce. But they radiated enthusiasm whenever they told people about how they made them, whether it be storing fish, thawing, smoking, transporting it to market; or whether it was about the rape seed oil that had to be made in a particular way in order to bring out the taste to its best advantage; or the flour that best interacted with yeast, salt, water and butter to make fantastic bread; or the meat from animals that grazed on grass outside the butcher's right until they were due to be slaughtered; or the use of the best chocolate for chocolate snowballs.

All these producers are the enthusiasts, the powerhouses set to survive in a world of hyperfunctional industrial brands, retail systems and restaurants. If and when they do not succeed, it will be down to the fact that their passion for the product is not being adequately transmitted through the rest of the value chain's phases.

Indeed, there is often even a bit of shoulder-shrugging when people are told that what they are eating is rather special. Remarks like *"It's no skin off my nose where it comes from; I don't have to talk to it"*, when told that it is a Bornholm speciality or a French cheese, are obvious comments for many of us consumers.

The perceived taste and method of creation versus the perceived price is now out of kilter, or rather the farmer's intention to make a good product is not in synch with the supermarket value perceived by the buyer and the consumer. Such commercial behaviour is not ideal; it is unable to stimulate the feeling for taste, for example, in return for maximum reward.

Taste, price (control) and passion

Is *"all that stuff about good taste"* really true? Yes, it is! For many years I have been looking for objective answers, because I wish to be in on the cultural knowledge about food aesthetics that has been handed down from generation to generation.

Let's take a mature Gruyère cheese as an example. It is stored in a grotto and exposed to the natural pressure in the grotto, and it is born when it is ready. The cheesemaker pinpoints that time by tapping the cheese, opening it, tasting, sniffing and fondling it between his fingers. *"Yeps, that one is good to go!"* Because only when he thinks it is good, is it good.

The climate in the grotto used for storing cheese means that maturation occurs slowly, thus optimising the fat crystallisation in the cheese for taste, complexity

and consistency. The same goes for butter. You need to be an ace at heating the cream to a particular temperature, obtaining fat crystallisation and then a fresh whipped-cream taste and aroma in the butter churn. The finished product has to adhere to a particular hardness at 13°C throughout its lifetime in transit and on the supermarket shelves.

When the cheesemaker or dairyman feels the product is ready, it's ready. That is to say that aesthetics starts when a person considers the product to be good. Feeling and matter fuse beautifully into a complex synergy.

We assess whether the cheese is good by checking that it does not leave an unpleasant aftertaste, just as we do when wine is involved. The mouth must feel cleansed afterwards. A cheese that pops up in the throat to say hello after a couple of hours fails the test and is therefore no good. The cheese must have taste, and after 5-10 minutes it is fine if the taste develops so as to burn a little in the mouth because herbs in the cow's feed have imparted taste to the milk. The length of the aftertaste is perceived individually, depending on one's saliva.

Are we praising the aesthetics?

The question is, what price to charge for the processes that lead to optimal taste. So far we have not mentioned a single word about price as the central issue. On the contrary, and that's how we'll continue, because the price is only one parameter, and is therefore of no interest in this context.

All things being equal, however, it is surely simpler to control prices optimally when the staff in sales know that their products are worth more than they themselves think. They should preferably become indignant, professionally irritated, disappointed that the world at large does not really appreciate the value of the quality of an article. They must fight the farmer's good fight in order to spread more enlightenment about it. For they have taken over the baton from the farmer, and with it comes an obligation.

The whole world is full of food cooperatives handing their raw materials over to systems that do not understand their exertions. It is nothing short of a disaster, because the upshot is that the buyers will not pay a high price for the article. The low price results in the producers opting to produce cheaply, and that impacts on animal welfare and the quality of the raw material. What we then have is a downward spiral.

The farmers and their marketing units stand to gain large sums of money if the farmers' passion for the foodstuffs can successfully be transmitted to the players in the rest of the value chain. In many places, salespeople hate informing the buyer of price hikes because they themselves do not believe or understand that the article is worth it. That is just an objection that has to be dealt with, i.e. an objection from the company's own employees.

If you do not know much about your product and understand yourself how to value the processes that give the product specific features, advantages and benefits, you may definitely find it hard to tell the difference between your own portfolio and the competitors'. It will always be argued, therefore, that the competitors' products are probably just as good.

As salespeople, we came close to doing just that in the Woolite® example, but the product manager made all the difference when he passed the baton on. He knew his stories about the product. But just as importantly, he knew how to activate our need to infuse that story with life and pass it on to the next link by involving the customer when we sold him the story.

Salespeople have no desire to manipulate prices in an upward direction, because they experience psychological discomfort at raising prices. Salespeople more often act as diplomats between company and customer than one might think on the face of it. They have an ability to mediate and resolve conflicts. Otherwise they cannot accept being salespeople. But they must arm themselves with insight in order to be equipped to fight for the company's values and convey them to the customer so that they become relevant to the customer.

It may well be that it is still difficult to win acceptance for such price increases, but the baseline would be entirely different if everyone in the company, including product managers, KAMs (key account managers) and sales staff, were collectively in agreement that the company's products are worth much more today than yesterday, because the activities taking place in the company generate added value for the consumers, and hence for the buyers. Passion is vital along the entire chain. But in order for it to grow, it has to live in fertile soil and be regularly fertilised.

What follows is a little tale in which the opposite was the case:

Several years ago, on a factory visit, I met a brand manager by coincidence. He was sitting in the factory doing his job, because he did not feel like doing the long drive right to the office that day.

"Fantastic," I thought. *"A dedicated young man who doesn't just sit around the office working from his desk but actually takes an interest in visiting his factory."* He was in charge of marketing the products produced by the factory.

We got to talking, and I realised that, as the most natural thing in the world, he was telling me that he did not really like the products himself. He may possibly not have had an out-and-out aversion to them. He did not eat them at any rate. It all got very technical and emotionless whenever he sat there performing calculations, classifications and inventories, and especially presentations for the sales department. And that's just how it is, for how can you get something across with empathy, pathos and passion unless you yourself understand the taste of it.

In a way it is wrong that this can happen, because as brand manager you represent the farmer and the factory. I myself was also responsible for once marketing a product which I must confess to having been averse to ingesting. Luckily, there were other products in the portfolio which I really valued, so all was well.

In such an environment, aesthetics and passion do not stand a chance; and if they were once present in the value chain, they are not being conveyed onwards and therefore vanish once they reach the consumers, and that makes it really arduous to fulfil the commercial remit.

There is great potential in studying the product, trying it out several times and working out how you like it, and passing that experience on. The converse is an obstruction to the whole company's value and growth.

Sales of volume and quality

Danish food industry production (foods and stimulants) and the marketing of products has undergone massive development over the past 50 years. As a result, we now have few large Danish conglomerates responsible for milk, meat, beer, sugar, tobacco etc.

This development has taken place in order to be able to resist the competition from other large companies outside of Denmark. The Danes – without knowing it – have helped those conglomerates by drinking, eating and smoking their way through the products. That has yielded the benefit of economies of scale, and our conglomerates can now cope with the competition from foreign conglomerates of at least equal size.

- The milk we drink had to be fresh, then foreign producers might find it difficult to compete in this country, because the milk could not be transported quickly enough to be just as fresh. But now it can.
- The beer preferably had to be Pilsner, not wheat beer or other types of beer. It was a taste barrier that meant it was not easy for other producers to enter the country.
- The meat we ate was primarily pork of the finest kind and reasonably priced. The fact that it could be difficult to compete on imported beef also helped.
- The tobacco smoked by us has been a tad stronger than the one smoked abroad, and that also prolonged the intrusion process into Denmark for e.g. Marlboro, which tastes different.
- The sugar we manufacture is beet sugar. The cane sugar the EU imports from the ACP states is subject to high rates of duty.

An understandable and good story actually. But we must not rest on our laurels and compete exclusively on mounting volumes. We must grow the knowledge of the fantastic quality our farmers can produce. We must enhance that understanding in order to activate a need for this high quality.

Our products are not just products in a substantive sense. They are also concepts that can be sold abroad. An orchestrated tale of what the preceding links have done to enhance the value right back to the farmer, the Royal Veterinary and Agricultural University and the Danish farming organisations etc. has untapped potential.

The creative platform for developing food aesthetics

Regional specialities know how to sell themselves. They are in touch with the substance. They had become almost extinct, but there were a few pockets such as blue-mould cheese from Bornholm, carrots from Lammefjorden, salt from Læsø, shrimps from Limfjorden.

Among the movers and shakers behind these products we find the creative platform for tasting various recipes from different people. This is really food aesthetics, when it succeeds.

Of course, a product is not always good just because it is made by a mover and shaker on a small production scale. But there is occasional success, and then it makes a contribution to the diversity of the available range of foods. That is part of the rationale for involving consumers.

There is a reason for Danish consumers becoming more and more mono-oriented, or unidirectional, about price in relation to products. Being exposed to differentiated taste is difficult, but going forward, the re-emergence of regional food culture will be instrumental in enabling us to become a nation that slowly learns that there are different exciting tastes.

Later on in the book (page 230) I will describe how I myself had to go all the way to Central America before an enthusiastic person insisted on my using my taste buds. If they are not used, they atrophy, just like muscles. Actually, you have to taste food eight times before you really like it.

There are several different approaches to foods, which may provide “food for thought” about aesthetic and unaesthetic foods. I will give two examples of that, and on completion of your reading there will hopefully be no doubt as to which direction offers most future. Here comes the first.

Unique goat's cheese production

We were two sales managers who experienced something fantastic but fragile somewhere in Denmark. Under our own steam we had gone to pay a visit to a farm that focused on goat's cheese production. The reason for our visit was quite simply to find some powerhouses we could buy products from.

We set off, and after some time we arrived at a farm where it was very quiet. We knocked on the door, and out came the owner of the farm – a woman deeply engrossed in making goat's cheese.

The finished cheeses were stored in a 40' container located near the farm. Not particularly aesthetic, but very functional. Inside the farmhouse all the evidence pointed to a very simple life, and indeed it also transpired later on that the focus was on the product, and the product alone.

The passion was alive out in the stable. Here there were 200 goats, leaping around apparently in complete disarray and fairly curious, but there was a really good sense of the focus on quality.

When it came to milking the goats, they mounted a kind of bench or belt. After milking, the goats' milk was pumped into a tiny production room, where there were a few women who understood the job in hand.

You had to have a passion for the job. Certainly, no one on that farm got rich from what they were doing. The products were made from cold-treated goat's milk, which imparts a tart citrus/lemon taste that is really pleasant to eat. The cheeses tasted nothing less than fantastic and were the closest you get to French terroir (see definition of the term on page 68).

It was a peculiar experience, because we sensed the great joy in the products and hope for the future. But at the same time, there was also a sense that it was going to be really difficult to pull off in the long term.

Small production setups like the goat's cheese production above live off and with the owner. When he goes, the products go too. It is nearly always impossible for the owner to sell, because such products cannot slot into an industrial context, as the precise quality will disappear. Production really depends a great deal on a few people's long term of employment. It is a craft and simply too vulnerable to have any future on a small market.

The only thing one would be able to do is to help these small farms with distribution, if the owner so wishes, and then allow it to disappear when the owner allows it to stop. Alternatively, you have to seriously gear yourself to understanding what gets the powerhouse fired up, and train people in the industry to be able to take over this pool of knowledge and zeal. But it is inconceivably difficult to persuade managers measured on efficient industrial machinery to find passion

and spirit for the efforts of these powerhouses. And the powerhouses find it very hard to verbalise what they do, because it is a craft. 10,000 hours of dealing with a product is hard to describe and convey to a university-educated manager.

What is more, we must capture larger segments of consumers and activate their need for exciting, different quality. But a meal can easily be had for DKK 40 in a small kebab and burger joint. Those are the types of eatery the big burger chains are competing with. If you were to prepare a similar meal yourself, made with good raw materials, it would cost DKK 80-100 (USD 12-15 or EUR 11-14) plus the time you invest in it, and that puts pressure on the whole system.

We have a pool of knowledge we can cultivate and we need to stimulate it, because as the chef said: *"The raw material is key."*

We have to unleash the potential in food aesthetics rather than just focus on cheap food. The category of "quality foodstuffs" has to be higher up on the agenda throughout the value chain.

Unsafe foodstuffs

The second example deals with two other countries' methods and use of formaldehyde, hydrogen peroxide and melamine. I have travelled in both countries, and since I would rather not show the countries in a negative light, I shall call them "A" and "B".

Country A: In the markets, fish are freely on display. They keep their fresh look all day long, they do not smell either, and there are no flies or anything to mar the view of the fish. As you walk past to the sound of the fishmongers hyping their wares, you wonder.

How is it possible? Well, they make extensive use of formaldehyde here, simply dunking the fish in it.

The same applies to the vegetables. They too get the once-over with formaldehyde. By all accounts it takes four hours in a water bath before the vegetables can be used in your food.

Where milk is concerned, they don't hold back either. A cow in this country can typically yield three litres of milk. Perhaps the family itself will drink one litre in the morning or cook with it during the day. The other two litres will be collected from the village and transported to the next village before it all ends up at a dairy. This part of the process takes place just like in the old days in Denmark. But in the country referred to, however, to be on the safe side they pour a decent slug of formaldehyde into the milk so that it can withstand being transported from village to village before it reaches a dairy, where fresh milk, long-life milk, condensed milk or cheese are made from this substance.

Country B: Here too it is difficult to control the entire agricultural sector. There are many peasant-farmers responsible for the production of farming products in the country. Clearly, it is hard to keep tabs on millions of peasants with production standards etc. There is a variety of problems with using other foreign bodies in the products that are hazardous to consumers. However, it is middlemen in particular who abuse the consumers' trust in this way.

Over the past many years agriculture in the EU has enjoyed liberalisation, and the same thing has happened in the rest of the world, with subsidies and quota systems having disappeared. We are preparing to compete and sell in the rest of the world. And our chances are good, as you can understand, as long as we play our cards right.

Pointers from Chapter 2

- Habitual shopping reduces shopper/consumer involvement. The industry and retail trade are based mostly on habitual shopping.
- Buyers' and consumers' learning curve for quality foodstuffs is too flat. It must be steepened, because there is value in it for all links in the value chain from farm to fork, stable to table.
- The value chain incl. customers and consumers is conservative.
- Farming must secure healthy raw materials for the cities, and passion must be borne out in the value chain.
- Prices are a simple benchmark.
- Know your raw material and your product processes. Later on in the book, you will see that you can use it in your sales.

Chapter 3

It takes product knowledge

In order to be a credible and engaging salesperson, you need to know your product, if nothing else then to constantly optimise prices. There was a time when the salesperson had to involve the customer in the product because he, the customer, used to stress the importance of product knowledge and was often a specialist himself with his own baker's, butcher's, fishmonger's or dairy. Today the customer buyer is in charge of the supermarket shelf, and he knows virtually nothing about the article other than what anyone can read on the packaging.

Homogenisation or not

Farmers naturally want consumers to pay more for their produce. However, that is only possible if the commercial level knows about the produce features. There is actually great, untapped potential in the person influencing the buyer and consumer, i.e. the salesperson, knowing something about the product he sells.

An example of the information about product differences never reaching the consumers is blue-mould cheese from two different factories. To the untrained eye the products are alike. But one factory makes products based on homogenised milk, the other based on unhomogenised milk. The difference is a potential source of knowledge if the factory brings it to the attention of the commercial division.

The two different homogenisation features are not random, as they create two different advantages. One type of cheese is round and soft in taste, the other sharp and angular – in both taste and texture. One is whitish because it was originally supposed to resemble a Roquefort made from ewe's milk. The other is slightly yellowish, and its mild taste means that it is well-suited to the beginner segment of the mould cheese-eating public.

The taste on the edge of 600 holes

There are plenty of other examples of products being processed in a craftsmanlike way and thus functioning and tasting differently from competing products.

Nearly everyone in Denmark knows havarti cheese, of which we are rightly proud.[13] We get irritated when other nations try to produce copies. A genuine havarti actually has to have about 600 holes, as the holes are where the smell is – or rather, on the edge of the hole. It is here on the edge of the hole that the cheese culture will have been active and made an airhole filled with a gas.

Havarti is a cheese that does not have that much taste but quickly becomes a delicacy in the customer's consciousness when, at the right time and place, he is told that there are 600 holes in a slice of cheese 10 by 10 centimetres in size. This now offers promising potential when the customer, armed with this knowledge, can ask the salesperson whether it is actually a genuine havarti he is being presented with, or whether it is a different product.

With his knowledge of the cheese, the salesperson can focus on the quality of the cheese, enabling him to build up a psychological rampart between competing products and the havarti cheese. In so doing, he is proactively defending the thing he must be loyal to, i.e. the whole value chain underlying this type of cheese.

13 Production of havarti cheese started in 1921 and was named Havarti in 1952, after Havarthi Farm in Søllerød near Copenhagen, where the Danish cheese pioneer Hanne Nielsen had been active during the 1800s. The name of the farm is taken from a document from 1186, where the name Hawerthi (meaning river bank) occurs. It also forms part of the name of a suburb of Copenhagen, *Hvidovre*.

Looking at the whole process behind havarti cheese, you cannot help but wax enthusiastic about it. It is a type of cheese that is very tasty and can be protected with its place of origin, as familiar to us from the French AOC (*appellation d'origine contrôlée*).

There is every reason to be proud of the fact that havarti was invented and produced in Denmark. Without this pride the salespeople have a far more difficult task in championing its position internationally.

The passionate insight must be spread

If you have ever tried shopping at a market in France for an evening with family and friends, you will know what this pride is about.

At the market people go from stall to stall. They are given samples to taste, and the salesperson on the stall holds forth about his goods with passion. People go home with their baskets full of delicious food and their heads full of great tales about them, because they have been infected by the salesperson's passion. At the dinner table the host's wish is to enthuse his guests with his passionate insight.

In the same way, the salesperson has to taste the product he will be selling, and have personal experience before he can sell on that experience to the supermarket buyer with passion.

Milk quality and the colour of milk

Some friends and I sat talking about milk one evening. It turned into an interesting conversation because we talked about what each of us individually bought. Most admitted that they usually bought the milk that was cheapest. But when the question was asked: *"Do you buy the cheapest milk because it's a habit and for your children?"* the mood turned a little strange.

Apparently, we regard certain products, including milk, as pure raw materials and not as a brand that promises us something, just as we also fail to distinguish between the different raw materials in general. And it is this attitude we need to wrestle with in Denmark or in any other food-producing country that will have to make a living from selling expensive foodstuffs in the future – not just to itself but to the whole world.

Here in Denmark we have set the animal welfare bar very high and have legislation in the field which assures quality and animal welfare on the one hand but makes the produce more expensive on the other. If we ourselves do not realise the refinement in value that is taking place, we Danes cannot convey this knowledge, and hence our customers around the world may find it difficult to get involved in the project. That affects our chances of increasing food exports, and thus we miss out on increased earnings for the nation.

There is great potential in the food industry if the employees' knowledge of the products is strengthened, since it will result in the employees acting as the best ambassadors for the products.

The acquisition of knowledge always starts with curiosity, and we can continue toying with our curiosity and pose the question: *"Have you ever thought that milk cartons in Denmark are colour-coded: Whole milk is blue, semi-skimmed milk light blue, skimmed milk grey, cream red, and buttermilk green?"*

It has always been that way, and not by chance. You see, there was once someone who used to stare at the milk through a glass. He discovered that the milk at the edge had a colour. Where the milk is thinnest up against a transparent glass, the milk in each grade of fat has a shade: The shade of the rich cream is red, and at the other end of the scale the lean skimmed milk is grey.

Some of us can remember the transparent brown milk bottles with caps from the late 1950s and early 1960s. In fact, the caps had the same colour code. The discovery of the shades in the different grades of fat dates from the 1950s, therefore.

There is good reason why we are still operating with the old colour code in the 21st century. We know that the eye, so to speak, tastes for the brain, e.g. when we drink milk. It is the same phenomenon known to us from wine. We assess the taste of the wine by considering the colour of the wine at the rim of the glass. Indeed, it is actually impossible to assess wine when blindfolded. The same applies to milk. It has been demonstrated that people can taste the difference between whole milk and semi-skimmed and skimmed milk, respectively, even when they are wearing a nose clip, if they are allowed to look at it as they drink. But if they are wearing a blindfold and a nose clip, they cannot taste the difference when sampling the three different types of milk.

In other words, the colour influences the taste. Only a category manager, consultant/salesperson/KAM from the industry who has access to such knowledge and continually updates it can be a serious partner and an authority for the customer.

That someone knew so much about milk in the 1950s borders on aesthetics. But we still have a lot of knowledge to offer. Just ask a Danish dairyman why milk is white. The answer will be that the optimum combination of the colours red, yellow and blue reflects the perfect size of a homogenised fat molecule. The wavelengths of the three colours become white in the fat molecule because they cancel out one another's wavelengths.

With this knowledge in mind we can also understand that a particular design code can alter the whiteness of the milk and thus give the consumer the optimal experience of the product taste.

Unfortunately, this knowledge has been lost at the sales level and is therefore not being actively used by the individual salesperson. That means that customers have no way of understanding the big price differences between seemingly identical products. Nor, therefore, do they see that there is a difference between selling industrial brands and their own brands, private label.

Pointers from Chapter 3

- The primary products' big differences in quality must be used in the selling situation.
- Employees must act as ambassadors by having knowledge of the farmers' lifestyle and sharing their passion for the raw material.
- Proactive salespeople sell products on their quality.
- A goldmine of information from the cooperatives never reaches the consumers.

Chapter 4

Grocers and the French

Denmark is a nation of peddlers and hawkers, or to use a slightly nicer expression, grocers. We have that in common with many other nations, but we could do something to flesh out the role with a mindset that would beneficially distance us from other wheeler-dealer grocers.

As a customer, I myself have always been astounded at how bad the French actually are at selling their products, because this contrasts so starkly with their knowledge of food, and the way they really passionately express their genuine love of the foods they sell.

If only we in Denmark would undertake to combine sound business acumen and passion for the high-quality foodstuffs we sell. Taking on such an obligation is of great value for anyone able to pass it on to his customers.

The obligating sale of quality in specialist shops

Several years ago families lived in their small flats in towns and cities around Denmark and were dependent on small local shops.

Whenever they wanted something really good to eat, they would typically go down to their butcher's to get hand-sliced cold cuts of meat which he had made himself.

If they were going to have pork shoulder or some other joint of meat, the butcher would take a whole piece of meat out and agree with the customer on the piece he was going to cut. He would then cut it while the customer watched.

The whole scenario was couched in responsibility. You could even manage to chat about the last time you had bought something that was really delicious. That entailed an obligation.

Own brands and private label

There is an old tradition of the grocer vouching for the quality of his goods. That holds true particularly when the grocer in person is selling the product to a customer who goes home after shopping to eat and drink what he has purchased.

Formerly, the grocer used to have, as it were, exclusively private label goods. This tradition ruled supreme until the industrialisation of foods began in the 19th century. The industry now had to guarantee the products' quality itself and therefore sold them under own brands.

In some cases, when the industry was in its infancy, the grocer himself still owned the production of his private label goods in order to ensure the supply, but nowadays the retail trade has become specialised, and the industry is therefore the sole owner of food production.

The 1990s saw the supermarkets return on a grand scale to the tradition of selling goods under a label they owned themselves and developed together with the industry. This saw the serious advent of private label goods. Unlike previously, the supermarkets do not own production, and it is left entirely to the industry to produce all the goods.

Now the consumer has to choose between the industry's own brands and private label, with the two types of brands sitting cheek by jowl in the self-service shops. It is thus entirely up to the consumer himself to work out how to get the best value/quality for his money.

In as far as the consumer has a choice, the industry's own branded articles have to compete with the private label goods, and that is fine; after all, competition is always healthy.

When fixing the price of an item, the industry must ensure, in addition to a high turnover on the shelf, that it earns sufficient revenues to develop new products and can afford to market these. Investments must be made in efficient new machinery, so that the industry remains competitive. There must be scope for wage rises, a good safe working environment, and finally the goods must be produced with consideration for the environment – both globally and locally.

But the industry's need to obtain a good price for the private label goods it produces for the supermarkets is one thing; the buyer's call for cheap prices is quite another. The grocer will always arrange to use his own label to consolidate and expand his position when negotiating with the industry on the price of private label goods. In some countries the retail trade will rightly say that the same applies to quality. The consequence is that the private label goods are often cheaper than the industry's own branded articles and in some cases try to outdo the industry's products in quality.

For one thing, that means that the industry's own branded articles are often more expensive than private label goods, and for another that it is primarily sales of the industry's own branded articles that guarantee the industry healthy earnings. In many cases it is the industry's branded goods that generate the best cashflow and, for the industry, securing a good cashflow for its customers using the optimum combination of price and quality as well as shopper behaviour is a goal in its own right. This is where the true strength of category management lies when done optimally in-store for the retail chain in collaboration with the industry.

The retail chains' private label goods are important in the horizontal battle between the different industrial concerns that have to compete among themselves to have the most efficient production. The one that gets most orders from the chains gains from its large-scale operations.

The industry's own branded articles are still essential too. Particularly if we intend to trade globally, we must be knowledgeable about how sales take place in the different regions and countries.

In Asia and South America, for instance, there is a tendency for consumers to value the industry's brands highly. Here the consumers are used to seeing Nestlé's and Horlicks' products, among others, right out in the small villages, and the small retail outlets actually gain from selling known and thus comfort-enhancing industrial branded articles. It is reminiscent of the Danish general-store grocers of bygone eras.

The local grocer's shop

Stepping back in time, sales made through grocers were quite different, because there were so many of them, and a large proportion of what was sold was own brands.

Down through the 1950s and 1960s, and right up to the 1970s, the small grocers had their shops, typically located in red or yellow brick buildings. There were some 20,000 grocers at the end of the 1950s, and some 800 wholesalers supplying them with goods. They were necessary because Denmark did not have adequate infrastructure.

Drivers in lorries and captains on coasters delivered goods to the wholesaler, who delivered them to the grocer. The grocer may have had deliveries from different wholesalers but tried to be loyal to one, as that was the way to achieve the best bulk discounts. So the producer not only had to sell to grocers, but to wholesalers too. Today the two have been merged into supermarket chains.

In many ways e.g. the Philippines and Bangladesh recall the past here in Denmark, with the many bicycles and small boats, which are also characteristic of all Africa, Southeast Asia and parts of Latin America. The shops remain many in number, because it is possible to make a living from ensuring the proximity of the goods to the consumers, given that only very few have a car.

Let us turn the clock back to the Denmark of the 1950s and visit a typical grocer's store, a corner shop.

We enter the shop. To the right of the door is the big coffee grinder. To the left there is some washing powder on the shelves. Right to the fore is the refrigerated display containing meat and fish, preserved and pickled vegetables, and the smoked goods.

Off at an angle to the right of the entrance is the counter. It is made of wood, completely black from use, because customers lean up against it slightly while the grocer serves them. He takes flour, sugar, grains and various forms of spices from the drawers behind him. It all gets weighed on the big scales and sold by the pound. On the shelves behind him the grocer also has goods, some of them branded goods, with a set weight, factory packed.

One after another, he takes items down off the shelves and weighs out sugar, flour and grits as the customer lists or points to them.

Regardless of whether they are own goods or branded articles, the grocer vouches for the quality of his products, and he advises his customers thanks to his knowledge of the goods and according to the customer he is attending to.

A boy has been sent into town for six beers for his father, but the grocer gives him only two. By contrast, he is given some flour, grits and milk to take home, so there is a little to eat.

The time is soon 10 o'clock, and the smell of the midday meal, which the grocer's wife has just finished cooking, slowly spreads through the store. She comes down into the shop now to assist her husband.

He goes into the little back office and takes off the fine white coat for use in the

shop and puts on the brown one, as it is now time for him to lumber goods up from the cellar. Fortunately, he has a sales assistant, who always has his brown coat on, to help him; and whenever he needs to knuckle down to it, along comes the shop help, who has not been able to get work anywhere else. He will be coming in a little later today to deliver goods to the local housewives. It has gradually become a position of trust, as an ever increasing part of sales comes from their home deliveries. The helper appreciates that, as he gets more tips then.

It turns noon, and the grocer couple go upstairs to eat their hot lunch. The assistant was sick yesterday, and the grocer had to make do with three rounds of rye bread with rolled-meat sausage, salami and smoked meat, and a slice of white bread with cheese. It was eaten in the back room at the desk with the drawers full of pencils and other stuff. While he was eating, he had been looking at some of the small chits of paper with prices and reminder notes hanging on nails above the desk. He probably ought to take the opportunity to have a tidy-up, but he was sitting so comfortably, letting his food go down, here in his office chair with the curved back-rest and the green upholstery secured with brass tacks. It will have to wait till tomorrow, he thought.

But as we approach closing time, he has not yet managed to do it, and nor has he arranged the shelves with fill-in goods right at the back of the small room. Maybe he should ask one of his sons to get it under control. They did manage it really well, after all, when they were standing in the passage sorting the different goods in the glass cabinet. The goods make attractive items for lads like these, especially the chewing gum containing collectible stickers, which they were able to swap with the other boys in the neighbourhood. But the sons had locked the cupboard properly after themselves.

It will be nice to get upstairs now and put his feet up on the footstool while he listens to the news on the wireless. Just as long as they're not overrun at the back door this evening. But the money is good. Perhaps he can get the eldest of the lads to take care of it. He needs to learn it after all.

Trust between shopper and shop

Thinking about the old grocer's shop is not just an exercise in nostalgia, for we can learn a good deal from that period, when there was a more personal encounter between the customer and the grocer or one of the other specialist shops. Among other things, we can learn that shopkeepers personally depended on selling goods at a sufficiently good price and quality to bring the customer back to the shop again.

We still depend on that, but the direct confrontation back then obligated people in an entirely different way. It will be argued that customers return to super-

markets over and again nowadays, but that is not necessarily synonymous with building up consumers' knowledge of quality.

In order to be able to sell industrial products it is important to understand the difference between the industry's and the grocer's core services, which call for two completely different skill-sets or competences. Industry specialises in developing and industrially producing products, and the grocer specialises in selling personally. The grocer does the grocer's work, buying and selling at a profit. He has to be a master of personal salesmanship through the use of his concepts for supermarket profiles.

Roughly speaking, there are two different grocer concepts: self-service shops and specialist traders. The specialist trader is characterised by his great knowledge about the products and by his attitude towards them. The specialist trader commands a product service function; a sort of producer, as in the example above. The supermarkets, on the contrary, allow consumers to choose freely between the goods they see before them in self-service form. Many shoppers like this anonymous form of shopping best, where the grocer does not interfere in an attempt to make a sale. The two types of grocer must not be confused with each other, because they provide different opportunities to influence people towards a sale.

The grocer's behaviour is entirely different from the industrial producer's. At any given point in time, the grocer's main concern will be the number of customers he can get to come into his shop, since customer flow is his sole asset. When there are customers in the shop, the psychology begins to work – either his own, in direct dealings with the customer, or via an ingeniously devised system for getting a consumer doing his errands to spend as much money as possible in the shop. Finally, it must not be forgotten that the customers influence one another as they move around the shop. A customer with a trolley full of shopping will induce others to buy more etc.

The grocer, of course, is interested in gaining the customer's trust, so that he returns, and there are many parameters to be exploited in that situation, also referred to as shoptainment: proximity, store layout, updating of décor, staff, product position on the shelf, the Internet and last, but not least perhaps, product quality, which makes up a relatively small part of the whole concept.

Industry's behaviour before the product ends up on the grocer's shelves or on the Internet is also a long process, but it almost disappears amid the setup put in place by the grocer for the shopping customer.

The grocer's aim at all times has been to reach as large a volume of turnover as possible in order to achieve the best discounts and economies of scale. That applied back in the time of the small-time grocer of yesteryear and it still applies, just as it also applies to industry.

There used to be much talk of prices and discounts, and there still is. And indeed there is nothing strange about that at all. They are grocers after all; they make a living out of buying and selling at a profit.

Industry also competes mainly on price, whereas it is not actively capable of selling the good quality actually produced at an optimal price.

In this respect the primary industry will have to optimise its scope for active sales of food quality. It is most important, therefore, that we start training salespeople who can activate a need among grocers to sell this high quality.[14]

Private label and branded article differentiation

25 years ago a sales manager asked me what the difference is between the chains' own brands and industry's brands. The short answer was – and still is: "None, most of the time!" It is a fact, however, that the chains can sometimes replace the substance under their brand completely. And they do so.

Industry can do the same under its own brand, but it virtually never does so completely. Rather, it tweaks things very slightly out of respect for the fact that consumers will taste or notice it when they use the product at home in the kitchen. To some extent its functional baking or cooking properties will not go unnoticed by those who make discerning choices about whatever they are buying.

As a branded article seller, it is important to have a view on this difference, especially when price increases are called for to make the gross profit margin on the industrial branded article acceptable.

Unless the salesperson has some inkling, or better still, knows that the change in the industrial brand really does have a qualitative or quantitative significance, it is difficult to persuade the buyer that these price increases are reasonable.

But is it alright to implement price increases in order to boost profits? Yes, because they reflect the fact that there has to be constant investment in both the quality of products and improvements to the brand's value. From the consumers' perspective, too, price increases are important because the possibility of investments over time will help improve the products and create exciting new solutions. Product development stems mainly from branded articles, just as wage increases for production units and the wages for marketing and sales departments etc. are met by industry's own branded articles.

14 In Chapter 14 we will be going into more detail about the way such an education can be put together.

Make your branded article seller a wizard at selling branded articles

Only very few people are required to operate a programme of trading in bulk products such as trading products and private label goods. The chains' products are therefore instrumental in padding out capacity at the branded article factories, where there can be some degree of excess capacity in the production apparatus. In this way synergy is created between the chains' own brands and industry's products.

The risk to industry's own branded articles arises when sales and marketing people cannot see or quite simply no longer know that there actually is a difference between the two types of products, because they think more or less the same substance is being used in the industry brand as in the chain brand. If they assume that, only the price differs, and that usually works in favour of the chain's own brand.

But actually, there is a difference apart from price, as over time the retail trade can substitute the whole substance and attendant quality, raw material substance and quality programmes offered by the supplier.

Having opted to sell raw materials for both types of product, it is important to weight them equally, internally. After all, they are both welcome and important.

Management needs to be aware of that, otherwise the branded article seller can easily lose his keen edge when he comes up against the chain buyers' objections to the branded good, quite simply because he lacks the requisite arguments.

The chains' brands can be seen as the thing that keeps the branded article developers on their toes, so to speak, because the competition with itself is precisely where industry can develop its inner potential.

But the sales department has to do in-depth work on this with the buyers so that they too can see the ongoing value of having the branded article on the shelves.

Generally speaking, they have no trouble with this, because in absolute money terms they make more on the branded articles, even though it is not necessarily always reflected in a percentage.

Sell progressive quality

Branded articles must turn over quickly on the shelf. They are totally and utterly dependent on the products being activated in the shops and being piloted through by the media effort targeted directly at consumers. For this to happen there must be a real difference in the shelf price and the profit in the value chain, providing adequate space to influence consumers through media to feel emotionally connected with the product.

This is the very point at which there is often a really big problem, because a large part of consumers often only have a vague perception of any difference between the products. Many consumers are genuinely uninterested in product quality. They have lost that feel for it and do not get involved in it, because these days it is part and parcel of our culture to rely on the chains' quality being of a standard we can be satisfied with; and the existence of such trust can only be a good thing, but industry has a big challenge in training and educating consumers.

There is actually a market for more qualities, because consumers weight things differently. Above all, however, the need to sell more quality products is in the interest of the food industry. The industry should study how to persuade the chains to have a quality that actually points forward. Many times, they are seen to operate only on the basis of a price argument vis-à-vis consumers in the purchasing situation. *"Quality need not break the bank,"* it says in some discount chains' advertising. My contention at this point is: well yes, it does, because it is not possible to continuously turn out increasing quality, acknowledged and perceived, for less money. Quality is relative too, after all, and has to be viewed in relation to animal welfare, pesticide content, bacteria multiresistant to antibiotics and so on.

An imaginary example of why it is necessary to constantly develop quality may illustrate this: what if obesity is partly due to foods being processed, transported and dated? It may be that heat treatment, long-haul transport and shelf-life dating have an effect on the convertibility of sugary substances in some people's bodies. In that case it is the industry that will have to foot the cost of inventing new methods of preserving, transporting and dating foodstuffs. Research into that will not be done under private label brands but under the industry's own brands, which will thus have to finance the research too – for the benefit of the private label products as well.

Food is a very personal matter for the vast majority of consumers. A wall advert in Sølvgade in central Copenhagen says *"Milk is healthy."* It testifies to the food campaigns of the 1950s and 1960s run by the Danish Dairy Board, the trade association that swayed society to adopt a collective, positive attitude towards milk.

It can always be claimed that no single food type is healthy in substantial amounts; but used in suitable quantities and as part of an ordinary varied diet, none of the foodstuffs produced by the Danish food industry are thought of as out-and-out unhealthy. On the contrary, Danish foodstuffs are subject to many rules. They are safer than many foods from abroad owing to the constraints set by our legislation and self-imposed limits.

Primary foodstuffs can have e.g. salt, sugar and hormones added in, and foreign bodies can come from plastic packaging etc. But the primary industry has a

great interest in keeping primary foodstuffs as simple and pure as possible, and that is actually a competition parameter that must be used offensively in marketing and sales work. If not, it is merely a passive cost.

The cooperative movement has a lot to offer the world

My many visits to food factories at home and abroad go to corroborate my view that the entire value chain in Denmark is optimal, and that it should be retained and developed. We can even export it to the rest of the world as the sale of a system.

For many years Danish agricultural production capacity has been centralised, to enable us to compete better with the world at large. Today there is so much capacity that great quantities can be exported, and exported they must be, because the Danes alone cannot consume the volumes that can be produced.

In spite of this centralisation, farming in Denmark is still typically owned cooperatively by cooperative farmers. That means high levels of commitment, giving it a very human look, as can be gleaned from and used in its branding. Unfortunately, this has not been exploited in Denmark to date; but in Sweden, for example, major segments of the consumer mass perceive local products to have a clear benefit over international products.

Agriculture itself understands that brands are important, and farmers must be held to that, as it means they are duty-bound to deliver a high degree of quality raw materials. If the farmer has confidence that this quality is really being used as an asset in the sale of his products, a virtuous circle will have been completed.

That gives Danish foods an edge over foreign foods. Rather than complaining that processes have become too expensive, the executing salespeople in particular ought to weight the narrative of the stringent monitoring of the product substance and processing in order to activate the customers' need for such.

Over time, branded articles are particularly important to Danish farming, because in times of recession they do not respond quite as sensitively as volume products. So they keep the suppliers of raw materials occupied and cause the cost scenario to remain positive per unit, because the cost per unit falls.

The highest price is achieved by selling the extra value a brand promises the consumers, at as high a premium as possible. It is a complicated game played with the consumers, and the buyer is often interested in riding the wave of a brand, because it attracts customers.

When in the shop, consumers can be influenced to buy something different, and much bigger, than what is written on their shopping list. And customers in the store attract more customers. For the shops, having a healthy and lively customer flow is an important asset that it can only be in industry's interest to help them to achieve.

The product's perceived value

Try eating a carrot, and ponder whether you ever think where the carrots you eat were grown. Take a good bite, chew it thoroughly, and taste whether it is sweet or bitter. Do you have any idea where it was grown?

So why this exercise – is it really called for? Yes, it is, because I would like to get you to understand how important it is that a product's perceived values are highly significant to its selling success.

Here is a story I would like to share with you. I have always known that there is something called Lammefjord carrots and that they are supposed to be particularly good. I also fancied that I could taste the difference, but it was only when I was told what the difference really was and I was able to verbalise why Lammefjord carrots taste better that I could actually taste that a carrot is not just a carrot. From that point on, I truly appreciated carrots from Lammefjord.

Lammefjord carrots are particularly good because they grow in the very loose, sandy soil of the dammed fjord. The carrots' special quality is due to the fact that the carrot can be pulled up out of the soil with extreme ease, without its exterior getting scratched. It is like protecting one's skin, as it were. Carrots damaged by stones or coarse elements in the soil do not taste as good, because they lose the protective effect of the skin, and their bitter substances can therefore escape. In the process the carrot loses some of its natural sweetness.

Now take another bite of your carrot, chew it, then carry on reading.

A brand with high "brand equity" (part of the goodwill a company can achieve by virtue of its sales) will typically also be instrumental in generating a consistent corporate spirit in those parts of the operation responsible for selling retail products in competition with other international brands. It is the glue that cements together separate functions of the company. This is particularly the case when the employer brand philosophy is cultivated in-house, i.e. when the employees' connection with the company is expressed in the form of explicit pride and an ability to articulate that pride to the outside world. In our own world the farmers display this pride in their work. The farmer's pride in and commitment to the product could beneficially rub off on those in commercial employment. Although they too are often proud, they cannot express their pride commercially and spice it up with "story-selling".

The brand is what expresses the fact that milk is not just milk, meat is not just meat, and carrots not just carrots.

However, a brand is only strong if consumers perceive it to be strong functionally, emotionally or iconically. In order for consumers to perceive a brand to have a high value, the proud producers must tell their product's great story and work to ensure that it is constantly improving.

Looking towards France now, there is an abundance of good, powerful tales about food. The French have the concept of *terroir*, and it has a genuine hold over the population. Whether it be oysters, mushrooms, fish, cheese, meat, milk, butter, truffles, chilli, mutton, caviar, olives, wine, foie gras, chicken, langoustines, cherry plums, salt, rice, mussels or something entirely different. They have a hold over the whole shooting range.

A big French industrialised dairy has bought 28 small terroir cheese companies over the past 10-15 years – not to absorb them, but to keep them operating. Something similar might happen in Denmark if we really did have proper salespeople who could internalise the movers and shakers who founded the small companies and tell their story with the same passion.

It is not because we lack similar products in Denmark. Recent years have seen the small island of Bornholm develop many products which may not exactly be *terroir* products but are nevertheless produced with great personal commitment and great knowledge, close to the customer. We can mention Bornholm lamb and blue-mould cheese, Lehnsgård rape seed oil, spelt flour from Åkirkeby and Dam's rye crackers, honey, syrup, mustard from Bornholm and wine from Pedersker, Bornholm schnapps (aquavit) from Nexø, wine gums, liquorice and boiled sweets from Svaneke, toffees from Gudhjem, Svaneke ales etc. They are all products with a history, and we can learn from the way they have been stage-managed, because even though the producers have not had large marketing budgets at their disposal, the products have nevertheless succeeded in taking root in the consumers' and the customers' consciousness. Bornholm has victoriously fought its way to a gastronomic producer microculture that is exemplary.

The passion of the French and their classification

We all know the expression "He's burning with holy ardour". You need to be burning with the holy ardour of passion in order to be able to ignite others and set them alight. It goes without saying that it is hard to convince others of a product's value if you know nothing about it or are not ardently engrossed in it yourself.

It is true of all stages of the value chain in the food business that they have to burn with holy ardour. The owners (farmers) produce the raw material (e.g. milk) of the best possible quality, and the production manager has to manage the high quality of the raw material in the manufacture of the product. From here the baton is relayed to marketing and the sales departments, and they too have to be passionate about the product.

The production company must fight with the same enthusiasm as the owners (the cooperative farmers) feel, because the company is shouldered by those who have evolved the product with their heads held high.

As Danes we can learn from the Frenchmen's passion for their own country and farming produce, but unfortunately our culture is still dogged by much of the battle over scale when we sell cheaply.

A colleague once showed me a French website that demonstrated the French dedication to producing the best. *"Think French,"* the site said.

Actually, it is an interesting topic when you delve into it. One of the examples I remember was about the consumption of champagne in London during the First World War, where many profiteers settled down once they had earned enough money from producing dubious-quality meat for the English army. With the easy money they had made, they used to live it up in London's poshest districts and restaurants, drinking a lot of French champagne in particular.

The old English aristocracy normally had a monopoly on drinking real champagne, and when they saw these profiteers' large-scale consumption, they had to find other drinks in order not to be lumped together with the nouveau riche.

The French champagne producers were worried, as they could not accept that their drink was now being drunk only by nouveau riche profiteers, as it would bring down the value of the brand. In order to get to grips with the problem, they therefore launched a new type of vintage champagne and put the price up tenfold. That solved the problem, since even the nouveau riche did not wish to consume champagne in that price bracket without special occasion. But the aristocracy, on the other hand, did, and now they were once again able to enjoy their champagne as an aperitif or drink with their food.

Yes, from the dawn of time, the French producers have had a flair for the sublime, and the sophisticated French aristocracy's sense of aesthetic gastronomy is to thank for that. Food imparts quality to the French way of life.

Terroir

There are many good reasons for going to Nice. One of them is to study postcards and cake tins, as I discovered by coincidence.

My wife and I were in Nice. One day we decide to go into a shop and buy something different. Luckily, this time I am curious – a curiosity that has developed into professionalism with time.

In the shop there are any number of postcards. There is time to kill, so I browse through them absent-mindedly. Suddenly, it dawns on me that the motifs on the cards are old food brands and car marques, in which any Frenchman would take

pride. There are lots of different cards featuring biscuits, bread, cheese, meat, wine, spirits and pâtés.

In their attempt to pinpoint and describe what is good original taste, the French have created the concept of *terroir*. *Terroir* means the product which most people in a region think is really good. The concept also denotes that the local product is made with heart and soul, and has achieved a high degree of aesthetics, precisely because local consciousness and physical matter have coalesced on a higher plane over time. Soil conditions, rain, sun, the microclimate in the humus and local knowledge are all factors at play. *Terroir*, then, makes a statement about food aesthetics.

It is this *savoir vivre* that underlies the pride of the French in what will go on to become brands in the food industry. That pride is closely interwoven with a passion for the food in question.

I spotted this by studying the postcards in the little shop more closely. They chiefly depicted images from 1920 to the 1950s, and oozed a great love for these products and their design – a love bordering on an almost childlike pride absolutely not to be found in Denmark. You could actually say that this childlikeness turned into arrogance. But the French have something on which to peg that arrogance, for theirs is a longstanding tradition. It is a positive arrogance, from which we in Denmark could certainly learn a thing or two.

As a nation, France can be traced back to the 8th century and has had a wealth of opportunities to develop within its borders. I could not say whether that is the reason, but in Denmark we did not have similar possibilities in relation to the other Nordic countries until after 1994, when Finland and Sweden acceded to the EU. We have competed with large nations like Great Britain and Germany and their food companies, but we have also benefited from being able to sell goods to them.

The French, on the other hand, have had a large home market, which over the years has benefited from being able to export to neighbouring regions and, more particularly, compete hard on the local markets.

This happened at a very high level during the time when France was a kingdom and had a functional aristocracy. The French chateaux simply vied to have the best chef, and things came close to spiralling out of control. But what came out of it was that, over time, every possible dish and sauce etc. was tried out. The outcome was a sophisticated culture, which we can all enjoy today.

The entire wine classification system has helped to distinguish different wines, and that has had a knock-on cultural effect on other foods. An explicit consciousness has arisen around food culture which people can share among themselves in a language that plays a continuous part in developing the substance.

Terroir is really a chapter all on its own in France. You can literally sense the vibes of serious dedication when you go round a food market in France. Food quality is not something to be trifled with. Yet at many of the restaurants where tourism is currently enjoying unhampered growth, quality is simply declining noticeably. The restaurateurs have discovered that most tourists do not know the difference in quality, so there is no point in going to all that trouble. But in the villages in areas where pressure from tourism is not growing, it is impossible to find badly made food at the restaurants, because the owner knows that the locals and visitors from elsewhere in France will not accept it.

The sheep's cheese farm in Aude

My wife and I also experienced ***terroir*** *on a sheep's cheese farm. A visit to this farm had been recommended to us by our very nice neighbour in Denmark, who has a house in the region, which we had borrowed. They thought we really should visit the place, and gave us the address to take with us. Everything went well, and we saw a great deal of the whole region, and ate and drank well as never before.*

On a trip out into the mountains near the place, it occurs to us that we have promised to visit the sheep's cheese farm. It was actually near the top of our list of must-do's, but everywhere was so lovely that the visit got relegated slightly. But on the trip to the mountains our route finally took us past the farm, which was slightly set back in the landscape, close to a very small village. It lay among undulating hills with a view of some stark faults in the rock, which just gave an extra lift to the green summer livery of the countryside.

On arriving at the farm, which has some 200 sheep, 70 of which are milkers, the impression is one of slight disappointment, owing to its functional appearance. In no way does it resemble any of the farms at the Danish Open Air Museum. There is a bit too much of steel doors and poorly kept farmyard with machinery and tractors etc. But we soon got chatting away to the man standing there, looking slightly askance at us, when we asked whether they sold sheep's cheese to the public. They did. His wife was in charge of the shop, and we went in, as it was open, fortunately. "Yeps," they tell us, "it's probably one of the last days or weeks we'll be open, actually, as we're retiring." What the blazes, we thought. Well, people do retire. It could have been far worse.

We enquire about the cheeses, and they mention that they also have yoghurt. We're game for all of it, and are up for both sampling and buying. Proudly, the farmer shows off his yoghurt and turns the little pot on its head to show how firm and good it is – even without any stabiliser whatsoever! Does it taste good? Yes thanks, nothing less than divine.

So on to the cheeses, which we don't want to taste just now, just buy. Perhaps we get a taster. I don't remember, I just know I am confident this will be good. The two old people have lived off this farm all their lives. They have paid for their sons' studies, so they are well on their way up in the world. But neither of them wants to take over. And, indeed, who does?

Just then the disastrous situation dawns on us. Until now we have simply allowed them to tell us they are retiring. But now we realise that the whole of this splendid range is set to vanish when they retire. The world will no longer have access to this man and woman tending their sheep, making cheese and yoghurt. Their altogether special brand will disappear.

They have never invested so much as a penny in marketing, and yet they have been able to make these products their livelihood, and now that is vanishing.

The pride the French take in their food now must start right here – and end, as there is no one to take over the reins. It is a national and aesthetic disaster that in the space of a few years we are set to lose all this unless it is revived in some way and brought into the modern era. Admittedly, one French industrial food enterprise has been buying up small-scale production setups, but rescuing individual farm productions is outside most companies' remit – as things stand right now at any rate. It should be changed so that part of product development could be inspired by these small farms.

The food industry can rescue the situation if it believes the product can be marketed as a niche product. There is just one problem that needs to be solved first, because the food industry has lost the salespeople who are good at personal selling, like the wife in this family. She has stood in the markets and believed in her husband's product, and that is why she has been able to sell it with passion. Genuine passion, like the one that John up at the dairy in Holstebro has when he originally sold me his butter (see page 179), the best butter in the world.

As a young sales assistant I know from a computer store once put it: *"When the manufacturer's salesman can sell me a keyboard he raves about himself, then I can really sell loads of them."*

Can it be that hard for those of us in food industry sales to understand that, in the future, our category management people will have to know not merely how to multiply and divide? They will also need to know something about the product, and be able to convey it to the sales departments.

Agriculture is much more than branding. It is a lifestyle and a movement, for which the sales departments can do a lot more. We must move on to what ushered in the whole Danish export fairy-tale in England back in the 1880s.

Danish food

A household in Denmark spends an average of 10.1% of its household income on food.[15] In the 1950s it was 30%.[16] So it is reasonable to assume that people made more of a thing of food back then. Also, not everyone was able to eat till they were full. Things slowly became cheaper owing to efficient farming and people's spending power.

Imports of products picked up so that the use of wartime ration coupons was no longer needed. Right up to the early 1960s, for example, orange juice was not something people made free with in their households. It was dear because it had been imported inefficiently.

People's diet consisted of mincemeat, potatoes, eggs, coarse bread, milk, coarse vegetables etc. These are all basic foodstuffs that were boiled and preserved or pickled in every possible size and shape, and seasoned with salt, pepper and sugar. The odd bay leaf and juniper berry may have been used for the stewing beef, but otherwise it was thoroughly traditional and predictable.

During the 1970s and 1980s nothing much happened apart from foods falling in price owing to the big mergers in food production, and because import restrictions were discontinued with Denmark's accession to the EC in 1972, a fact particularly noticeable on goods from the Mediterranean region.

At the same time, spending power increased, so prices felt cheaper and cheaper when it came to investing in a television, car, petrol, washing machine, dishwasher, coffee machine, trips abroad and so on. Only house prices remained fairly stable over time in relation to spending power.

The cost of all consumer goods and services thus fell relative to income, and that applied to food too. At the same time, consumers lost some of their focus on foodstuffs because more and more time was being spent working outside of the home and on entertainment, which was brought into the home by radio and TV.

Here in the 2010s we are at the start of the next development phase, where there is complete and final outsourcing of food production to industries and fast-food chains – entirely as we know it from the States. In the future we will not be making as much food at home as we used to. Normal people will take advantage of the same possibility as well-to-do people, and get others to make their food.

We will only cook at home if we are really planning to showcase our home and utterly indulge our best friends. But in many places around the world this died out many years ago. Right from Tokyo to New York and London via São Paulo to Sydney there is no longer an appetite for inviting people home, because it takes

15 Statistics Denmark, 2010, corresponding to DKK 31,306, assuming an average of 2.1 persons in the household.
16 Danish Chamber of Commerce. In 1909, 50%.

too long. It is perfectly natural to meet at a restaurant to dine together or at a bar to have a drink together.

And if you do invite people home, the instant it is possible, you will also pay for a chef so that you can be there for your guests, while playing the host and deciding on the menu.

Only the impression of being a person who really knows something about food will remain. Occasionally, perhaps, we will cook too, preferably together with a chef to provide a trick or two with which to impress our friends. But it will be something that takes place in competition with the other leisure pursuits: kayaking, cycling, swimming, skiing, skating, gardening, golf and so on.

Sublimity will strengthen solidarity

As consumers, the Danes will not be the deciding factor in whether or not we in the food industries are good at making food. Just as long as we do not let them down. The drive to sell quality food to all the affluent middle classes the world over will be an elimination race in the years ahead. And a safer bet too, perhaps, because they are already calling for higher food quality than we are in Denmark.

The au pair will often be the one that the more affluent section of the population trains to cook, but there will still be large middle classes who are the real interest of focus for the food business. Branded articles will typically have to be produced in a modified size so that the consumer can make do with buying small portions if money is short or he or she is single.

Just as France has been known worldwide as the land of food, we in Northern Europe can become particularly known for food worldwide if we understand the trend and the possibilities we have for delivering both volume production and niche production.

However, I think it will take more for us to be acknowledged and constantly respected by the rest of the world. A culture and an aspiration to the sublime has to prevail, as has been explicitly acknowledged by the Danes themselves. It may be the cooperatives' food. Buyers and consumers understand only too well the positive aspect of the owners owning the primary production and are responsible for ensuring that good raw materials remain good.

In order to keep that spirit of community and solidarity strong, there must be higher ends to fight for in the long term. Volume certainly ties cooperative society members together, but that bond can be strengthened if there is more than volume at stake, namely building up the country's or the region's brand value.

The underlying quality culture must be acknowledged by the companies' own employees and the world at large, and it must be used explicitly in campaigns. That means that price can be optimised in the light of acknowledged quality. Over

time this will also increase the price for the owners of the farmers' cooperative movements, and that will attract the most competent commercial staff.

But it begins with our understanding and being able to express what quality is, and with our passing it on to new employees. We have to understand the craft behind the food, so that the new generation Z can carry this tangible factor around with it. Young people are **always** willing to learn about our products. They understood that a mere generation ago.

From company to movement

The sector represented by the cooperative salesperson feels very emotional about its processes. I once asked a farmer why he farmed. He replied that he *loved* being around animals, especially cows. That's why he was a cattle farmer with milk cows.

Those are some of the values the commercial stage can use and put into action through the executing sales staff via KAMs and sales consultants.

Behaviour in a movement has its advantages. It provides more room for idealism and makes a fertile base for ardent passion. We find this form of altruistic effort in e.g. environmental movements. The cause is what counts here, and those performing the work participate at a high level. They are located far up the hierarchy of needs, higher than money. Wages must just be appropriate.

If companies can bring out something of this commitment in their employees, the work will give the workers ultimate meaning, and the creative commercial platform will be extended as a result.

Cooperative food production has that potential. It is hugely important for the world that there should be access to ample amounts of tasty and safe foods. For anyone wishing to save the world, food production offers something of this special potential if it is based on primary production under cooperative ownership.

It has yet to be released, but primary production contains the potential to constantly develop an even better quality for many different parameters. In order to allow that power to be exploited to the full, it requires the commercially employed to use the fruits of such endeavours in their marketing and personal sales for the benefit of both farming and consumers.

Over past years, I personally have moved away from working on the *burning* platform (the panic angle) to work on the *creative* platform, because the cooperative movement has such an incredible amount to offer. It also provides much more constant energy because it is more motivating to work from a creative angle than a panic angle.

Systematic inventiveness is a fact in farming. Today country B, which I described earlier, has 200 million farms. It goes without saying that it is not possible

to monitor all these farms. In country A formaldehyde is put into dairy produce in order for it to keep. The fish in the markets is also dipped in formaldehyde so that it can be sold as fresh fish on the open market all day long. In the tobacco industry it used to be commonplace to put a shovelful of gravel or some stones into the cloth with 40-50 kg or so of raw tobacco leaves. The tobacco was also mixed so as to make the most expensive tobacco look best when the tobacco grader (a person who classified the tobacco) delivered his verdict.

One of the things that can stem this form of creativity and foster quality is precisely when the work serves a higher cause, i.e. when a person feels like part of a movement. Profit is one result of such endeavours, but it need be nothing more than a *measurement* of success. The really interesting thing is the *purpose* of what one is doing; that is, *why* one is doing it. The food industry's motivational creative '*why*', for example, will be that everyone in the entire value chain feels like part of a movement which, just as the Danish cooperative movement has always done, is constantly striving for foods of even better and defined quality.

Everyone needs to be aware of what has happened in the preceding links before they themselves receive the product and *sell* the story to the customer. *Selling* the story means:

- being involved in the product oneself
- involving the customer in one's product by working out what benefit the customer thinks is important for his business concept
- tailoring one's line of argument to the individual customer.

The big branded article companies originally made a particularly good product in standardised format so that consumers could originally feel comfortable with it. Just take Nestlé, who were originally set to make powdered milk for infants that the mother left at home with a children's nurse because she had to go to work. It must have been terribly important for the marketing stage to know about the product and be able to sell it to the buyers by involving them in the way it is prepared. Therefore, it was supposed to always be identical. Note, incidentally, the significance of the English word "nestle", with its associations of snugness and comfiness, cf. Nestlé's logo.

Pointers from Chapter 4

- The profit on branded article sales is invested in innovation, wage and salary developments, and jobs.
- Denmark's and Northern Europe's food production concepts are exportable.
- The cooperative food industry should take part in the grocer's social function.
- French *terroir* captures and develops good, varied taste.
- The French wine classification system has enriched the quality concept throughout the food industry.
- Farm production in the EU can form a basis for innovation.
- The whole world can become a customer for high-quality food from cooperative societies if the passion is conveyed along the value chain.

Chapter 5

To the edge of the passion wave

The food industry does a lot to optimise and refine food production, and that is tremendously important. But the producers also have to create a wave of passion and emotion of such magnitude for the foods that it reaches right out to the consumers, as they too will then be taken with the good foods.

The wave of passion and emotion does not come out of nowhere, it actually continues to build on the development in foods which the cooperative movement has represented for decades, which makes up the sound foundation on which we stand today.

All of us, right from the producer, the commercial layer and buyers to end-users, must know more about food, because what we offer ourselves and others to eat and drink matters.

Product substance has become a means

Milk is not just milk, meat is not just meat, eggs are not just eggs … Continue the sequence yourself. Behind every product is a lengthy tale, many processes and raw materials (e.g. in the animal feed). They are not without consequence for our experience of the quality and taste of the product.

There are great differences in the quality of the processing and substance between products, but this is not prominent, nor is it therefore valued by the salespeople and the buyers, because they remain untold by primarily the marketing departments.

My contention, therefore, is that the professional sale of foodstuffs produced along Danish principles contains untapped potential. That raises a number of questions. Firstly:

- How do we get more managing directors to take an interest in sales and the quality of sales? Sales have become commercially marginalised. The department has more inherent potential when it is understood, used and acknowledged as part of the internal process and a natural part of category management.

The shortest and best answer to the question is that the sales department plays a crucial part in getting the product onto the supermarket chains' agenda, and the sales department's influence on price optimisation must be exploited as best possible. The two things are related. Secondly:

- How do we get more women to start and to continue being salespeople, thereby obtaining role models for other women and more, able types of saleswomen?

The answer is that we need to make sales an attractive and possibly secure discipline that focuses on motivating people to bring more, intuitive parameters into play, including curiosity and general food insight from their own experience. That will provide a broader career path for women, enabling them to climb to the top and enter the executive ranks of companies. And thirdly:

- How do we divide the sales situation into more in-house functions, so that the group is trading more in real-time in relation to the customer?

The answer is that the sales department is the only function in a company where the employees do not need to have a higher education to get a job. One might also ask, therefore, whether the role of the HR function should not be more clear-cut in the sales section of all departments. This, however, requires the HR department

to know more about the act of selling, otherwise they cannot choreograph and understand the minimum education required to be able to steer a sale and a sales department. And fourthly:

- No more than a generation ago salespeople in general were au fait with the product substance. What can we do to ensure that the new salespeople develop an interest in selling on the basis of insight into the substance and do not content themselves with having a theoretical knowledge about marketing and selling the substance in the products?

The answer is that we have to make it more marvellous and instructive for young people to understand what sales involve, so that they can understand why it is important to know the products' substance. This can be done e.g. by having them travel abroad to learn about products, or learning about products in their home country and then travel abroad and activate a need for the products.

The answers to the four questions above raise a number of issues:

- How will you get your staff to take an interest in fighting to win those orders if they are not genuinely committed and emotionally involved in the products?
- How, as a company employee or freelancer, will you be able to involve customers and consumers in your product, particularly the quality of the product, if you are not wholeheartedly involved in your product yourself?
- How will you find the inspiration to make your customers feel something for your products if you do not know your own product?
- And, above all, how will you use this knowledge in sales so that it has the effect of activating needs and providing adequacy for customers?

There is no one answer, but hopefully, while reading this book, you will find your own answers, or else you will have to look for the answers in your own practice, which will 'grow' you commercially.

Passion in our DNA

Farming's primary products have a potential for communication. But it has to be stage-managed and used in communicating both between company and outside world, and between colleagues, so that the aim is not just large volumes but substance.

Today we depend on a mix of volume products and brands in most and in the biggest Danish food companies. Volume products are important in the event of fast price rises because in the short term farmers typically compare prices with abroad.

A typical feature of volume products is that prices rise quickly as demand rises, only to drop again when supply increases. This becomes particularly evident with primary production, because the individual farmer naturally wishes to exploit his farm to the full. He can do that by expanding volume supply from the farm and thus spreading the farm's costs over more kilogrammes.

If Denmark wishes to be a future market leader in relation to the other European cooperatives and primary producers, we must have the right mix of supply and price over time – or better still, boost the products' perceived value. This is done by not just investing in our brands but telling the story of the product substance and thereby activating buyers' and consumers' needs. If successful, we can compete with multinational companies like Nestlé, Danone and Kraft on the global market.

If we have able salespeople along the entire value chain, the quality of the products can come into its own. As things currently stand, very few customers, consumers, politicians and opinion-shapers discover the high quality of Danish products because those of us working in the Danish agricultural sector have chosen not to tell the story – or rather not to *sell* the story. That gives the opinion-shapers a free hand, and their statements are therefore often allowed to go unchallenged.

For various reasons, during the past many years, farming has underplayed its importance and the often unique quality of its products. But there is a significant and altogether genuine passion for the products throughout the food industry, and that is what we need to foreground, not least by telling people about the cooperative movement's history and significance. By concentrating our efforts adequately, we will be able to create a global wave of need for Danish farming produce, since the world is crying out for food safety and quality produce. If anyone, we in Denmark master that. Danish farming has proved that before now, in England with bacon and butter, in Germany with cheese, and in the Middle East with cheese and butter.

Selling our farming produce with passion is part of our DNA.

Basis for a passionate wave of sales

The refining point is not only in the factories. There are many refining points. In fact, there are so many that it has become a line extending back along the value chain to feedstuffs and the treatment of animals in Denmark.

It is possible to take a long shot and have Danish farming's products acknowledged on a higher emotional level than just price. The Danish farmer is willing to make excellent raw materials based on a high degree of animal welfare and expensive feed, provided the sales and marketing department uses it and fights

to achieve a price that will repay the cost and give the farmer increasing cashflow and profits.

The farmer's feeling for the raw materials he sells to the cooperative production setup must be grafted onto the employees who take over this substance in the form of finished goods. The aesthetic point in the raw material, the untreated milk, the beef cattle and the vegetables that give the producer a sense of well-being, must be absorbed into the rest of the process in order to allow the passion to be consummated and used by marketing, product management, category management and the sales department.

The employees' behaviour must be continually modified and/or calibrated. They must all be "singing from the same hymn sheet" and make it into a wave of passion.

Potential for knowing more

A product will have been through a lot before it is finished and ends up as a vehicle for sporting a brand. A great deal of passion will have been put into it in the form of development, cultivation and processing. But it is characteristic of our time that knowing something about the product makes no difference. Only the pecuniary value of the brand is in focus, as that is the asset that makes for a good share price.

Yet how have things managed to go so wrong that, commercially, we have grown more or less indifferent to the product's substance? Salespeople, buyers and consumers know full well that it has to taste and appear functional, but have only little to measure it against.

Internally in the companies we do not know how we are supposed to put product knowledge into action in a selling situation or, for that matter, in a concept that addresses consumers. It often has to be put into a growth context in the retail stage.

Perhaps things have all just been going far too fast, and I can certainly speak for myself in this respect. The journey the food industry and I have been on over the past five decades has been a relatively fast one. First as the child of a housewife who made food in the home from scratch, and a father employed in sales in different fast-moving consumer goods (FMCG) companies, with a grocer for a grandfather, whose father and family came from a hostelry in Herning in Jutland. And since then I myself have been a salesman, sales manager and manager in the food business for almost 40 years.

The change we have seen in conditions governing food sales and consumption as compared with the preceding 10,000 years of traditional food production and intake in village/peasant society is nothing less than a revolution.

In the village and on the farm people did the cooking themselves. Today the prerequisites for food have changed, and things have moved apace. The genera-

tion born in the late 1950s is the link between what seems like a remote past and the future. Our forefathers knew a lot about food, because they came into contact with and worked with the substance. Today, by contrast, we consumers know very little, because the products are more processed and ready for use.

But there is still a lot of knowledge inherent in food production that is just not being used for anything. Back in the day, we used to do amazing things. There were firebrands who fought to develop revolutionary recipes for meat, butter, cheese, milk, vegetables and eggs.

In Denmark, for example, we became good at copying and systematising production. The Boel family experimented with cow's milk and lovingly produced the blue-mould cheese *Danablu*, which is a copy of the sheep's cheese *Roquefort*, and the steppe cheese from Russia became the *Danbo* type in Denmark, to name a couple of examples of successful emulation.[17]

You can even go as far as to say that we became good at socialising high quality, i.e. making it accessible to a wider public than the mere few in a particular region, as was typically the case in e.g. France.

Spirit

In Danish farming our ethos is to reproduce at a high level of quality. Denmark still needs the level of commitment and involvement that gave rise to passionate salespeople fighting for their products at the point when the sale was made.

That precise instant at which the passionate sale takes place has always held a fascination for me, and the same surely applies to the reader too:

What is it that surrounds that brief instant when you are selling and the customer is buying? Just as the customer is buying, and you are not sure whether you have *actively* sold, or when you are selling and you are not sure whether the customer has actually *bought*, *actively*, because he has been involved by the salesman?

In a nutshell: Can you manage to *control* the situation so that you can actually repeat it many times over in a controlled process that can be collectively refined and evolve into a sales culture? Is the controlled sales process a specialist skill that is valued as something altogether exceptional in your food enterprise?

My concern would be that my own and subsequent generations will carry on allowing us to rest on our laurels. We are accustomed to having a high quality with which to go out into the world. We take it for granted and puff up the products as 'premium' without knowing what makes them premium, and without knowing

17 Tradition says that, as a child, Marius Boel had noticed that mouldy bread had a distinctive and tangy taste, and he later went on to transform this recollection into innovation as an adult dairyman. From 1914 he experimented with adding a little bit of dried and powdered mouldy bread to a fresh cheese mass. And in the 1920s he worked out how to homogenise the milk, and in so doing created an original and unique blue-mould cheese. Today Danablu is recognised by the EU as uniquely Danish and bears the title PGI (protected geographical indication).

how to put that high quality into action to achieve the best price for the product substance.

Added to this, we are not sufficiently curious, because we have become complacent. Our enthusiasm for the products is hard to ignite, because we take them for granted. It is greatly problematic, because of all things spirit is important in selling.

Spirit

One of the old gurus of selling told me this story about a sales meeting they had had at their company:

"For a long time I had been contemplating why our salespeople were resting on their laurels. Over the years, as a result of mergers, we had grown into a large company, but it was as if we had not managed to get the sales department to keep up. They had become arrogant towards the customers. But as if that wasn't enough, the worst thing was that they were not giving of their best. It happened at the same time our marketing department was being expanded.

I thought the golden apple had dropped right into their laps; at the same time, however, as sales manager I understood that it was my duty to revitalise their curiosity and imagination, which were far from being ideal. I knew that we were facing a catastrophe.

In the old days we used to fight for every order, and we constantly had one eye on growing bigger. It was a very visible target. But once these battles had stopped, my salespeople did not really grow in human terms.

Having become aware of this, I hit upon the idea of challenging their imagination at the next sales meeting. I put a cucumber down the hole of a toilet roll and wrapped it in gift-wrap. During the meeting I held this bottle-like package out in the air and asked my coworkers what it might possibly be. They all guessed that it was a bottle. Their imaginations stretched no further.

The worst thing about the whole affair, however, was that when you point a finger at others, there are always three fingers pointing back at yourself, i.e. myself. Had I been enthusing them for our products sufficiently since we had grown big and the battles with competitors had stopped, so that they could enthuse the customers?

Spirit is important and crucial for fighting. I resolved to enthuse my salespeople and everyone else in the company, because – to be honest – it had become sleepy and boring from all that progress we had enjoyed over the past decades."

The *sales* parameter

For salespeople who feel like part of something important, presenting the argument to the customer comes quite naturally. Salespeople also find it easy to come up with arguments and be curious about the product and the concept as a whole. As a result, they become even stronger at activating needs in the customer for this particular product.

Customers are often crying out for good objective arguments to buy a particular product, as it makes it easier for them to sell the product internally within the organisation and to the consumers. All too often, however, the argument is unfortunately just that the supplier invests heavily in TV commercials or has a product which the consumers cannot do without. In the long term a product which the customer himself patently wishes to fight for has better odds, because it is down to himself to provide the answer to why he is committed to this particular product. Furthermore, it is objective evidence that the salesman has been good at his job if the customer has that impression.

Those companies that have a very strong brand are not so dependent on their salespeople as others are, and the relative return on the investment in the brand is therefore very high in their case. But for the majority of the farming products sold by the primary producers' cooperative companies it is not the branded value that pulls the product through. No, to a much greater degree, what means something is that it is tasty and functional, and that the consumers like it in the high-frequency position which the product naturally occupies as healthy nutrition.

Just think of meat, veg, milk and eggs, which we all consume on a daily basis. People seldom stand around wondering which brand of meat they want to eat. Rather, what counts is the retail outlet's guarantee that the meat is OK. The same applies to virtually all other unprocessed products.

Within every primary area – meat, milk, veg and eggs – there are generic trends, of course, where the organic movement and sympathy for farming products from small producers feed through. As a rule, though, more processed slow products like yoghurt, bacon, sliced meats (pâté) and delicatessen goods such as salami are where the consumers attach importance to brands that are recognisable from visit to visit. This is due to the less frequent products having to have that much extra endorsement in order for the consumers to remember the quality.

The salespeople in primary products constantly have to remind buyers of the kind of quality they are buying and paying for. If this is not done, the buyers will outmanoeuvre the individual salesman next time, with the consequence that products of fluctuating quality and particularly lower-priced ones end up taking over.

The winning salesman represents with great passion a movement in which quality is paramount, and is able to involve the customer and activate a need for the quality of the products.

Global cooperatives from a sales perspective

With their passion the sales entities can become an important parameter in the competition between the cooperations with the large branded article companies who, as a natural part of optimising their product, mix different substances and simultaneously optimise costs in order to thereby make enough money for marketing and profits for the shareholders.

It will be imperative for salespeople in Denmark to up their game in qualitative terms, so that we are not just a nation that sells products in more countries and in more shops. Anyone else can do that too, after all. It is important for us to have a presence all over the world organisationally, of course, but among consumers, shoppers and our own salespeople we must be known explicitly for the superior substance of our products, and why that is the case, in exactly the same way that obtains with French wine, German cars, Italian pasta, Argentinian steaks and Russian vodka. The unique aspect of Danish primary products' substance and method of manufacture is the thing we have to differentiate ourselves by – also because it cannot just be emulated by our competitors.

Only if the cooperatives create their own model and do not copy the biggest and best-capitalised branded article entities will they be able to achieve success, therefore. Agriculture in Denmark and Northern Europe has something special to offer because it is cooperatively owned, and the owners continue to insist on that structure. The concept has the potential to go global, because there is no price-hiking middleman. The contact with the retail chains is strengthened by the fact that large volumes of private label can be produced at the right price, because the primary production is owned by the producers themselves, and private label helps to reinforce the chains' profile and hence their mutual competition.

The sales departments for branded articles have no choice but to perfect and nurture this position in order to be able to make a difference of relevance to the customer, for the question is why the customer should otherwise prefer a cooperative movement's branded articles if the salesman is not capable of differentiating himself from the other salespeople.

Cashflow – and milk

As suppliers, we have only one place to source fresh capital, and that is from the customer. All the other capital we juggle around in a company is old money that has to be optimised. It has always been paramount to make an increasing amount of money on customers and invest the earnings optimally. It still is. Indeed, Cashflow is King. Milk in particular generates cashflow. A shelf of milk in a supermarket is turned over 200 times a year on average. That means that the supermarket has made its money back after 1½ days or so, but payment does not fall due for another 14-30 days.

Looking at the spread of exported milk products, astonishingly little milk crosses the borders. 95% of the milk milked from cows globally remains in the country where it is produced. It probably remains in the town it is milked in too, actually. That creates untold potential for the whole world, if only the yield per cow could increase, as more milk could then be sold internally on the markets in those countries to provide revenue locally.

Milk is remarkable for being produced on the spot, and in principle it does not depend on nutritional input from external sources either. However, a cow must have some form of feed concentrate in order to provide the maximum yield. In principle, though, governments around the world could easily arrange for more nutrients to reach local cattle by converting unusable residual crops to something of nutritional value locally.

But it starts with the fundamental recognition of primary products' great importance for local cashflow. E.g. the blacksmith, who makes a miscellany of things for the farming community, benefits from a good yield and sale of locally based products that are in demand in the towns and cities, and are marketable. The marketability and rate at which it happens are of interest to local banks.

If feedstuffs are used for meat, it takes 9-13 months to recoup the money. A litre of fresh milk only takes a day to work up, and in reality only a single day to consume. It is therefore an important source of cash rotation locally in villages. How a village structures its sources of income is not immaterial.

However, that does not rule out the fact that it will be interesting to build up production of other farming products locally along the way, though milk would be a good starting point as it does not call for a lot of seed money either. Milk production is the foundation, so to speak, for being able to then carry on with other primary farming products without having to float new loans, because in principle people's own money is produced locally.

Still, there are not enough feedstuffs for cows all over the world. But when a country provides a developing country with aid, it might be suggested that it go

towards financing milk production rather than whatever the local environment itself envisages the money being spent on.

I have devoted such great attention to milk production here because I am fascinated by the fact that milk generates so much cashflow right out into the small villages of Denmark. It is a fantastic basis for local cooperative culture and for benchmarking of other products too. The same applies to all small villages around the world. As a sales manager, working with such a product simply fires me with a great deal of energy.

Pointers from Chapter 5

- Milk is not just milk, meat not just meat, and eggs not just eggs.
- It is important to get managers, junior and new (female) salespeople to take an interest in selling substance.
- You have to be involved in your product yourself in order to get others involved, and employees' behaviour must therefore be calibrated to enabling them to sell passionately.
- Consumers are very poorly educated by industry.
- Movers and shakers have fought to revolutionise farming. That imposes a responsibility on posterity.
- The food industry's sales departments have unexploited potential.
- Investing energy and resources in sales gives the company a competitive edge.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Chapter 6

The sales paradigm in cooperatives

Sales in cooperatives are just as old as the cooperatives, but commercially speaking selling has not always been part and parcel of the cooperatives. It was typically the dairies that produced and made up the basis of the cooperative philosophy. Sales could take place through other companies, which either also produced and sold products to the retail trade or exported the products.

Høng cheese was one such company. The best quality milk was bought straight from the large farms and cheese made from it. Companies like Høng Ost were subsequently bought up by cooperatives, e.g. Mejeriselskabet Danmark.

It is just one of many instances exemplifying how the passion for milk grew into a company with a passion for cheese, which was passionately sold on. Even today we can still learn a lot from that sales paradigm.

Selling spells leverage

What happens at the instant the sale takes place? How does a salesman in a sales situation get a "yes" from a customer that is really a "yes" from the heart? A "yes" that means that the customer soon becomes so involved in the product that he wants to sell it on to the consumers with passion and conviction, so that implementing the business plan grows the food enterprise.

The skill in getting an organisation to react the way you want starts with the salesman who has a sound grounding in his speciality, who can get his messages across and can secure them with the next person in the value chain. Also over time.

Brand managers are also salespeople, who live off the leverage they exert over consumers, though internally in organisations/groups as well. They have to come across just as convincingly and enthusiastically as our modern-day chefs, but on the basis of the industry's own principles.

What is becoming abundantly clear in current years, however, is that commercial divisions in food companies are weighed down by technocracy, rooted in the logic of category management of products and macro-management of shops. They are a mirror image of the large supermarket chains' mega-business acumen. It is a marketing paradigm that first originated in Denmark in the 1960s, modelled along US lines.

The two angles we currently operate with in the food industry vis-à-vis the customer are: 1) the conceptual angle, which 2) is put into action via category management. By and large the product substance, i.e. the product's features, has dropped out of use, but that is where we can put the passion into action in the sale of cooperatively produced primary foodstuffs (see Figure 1 on page 13).

Psychology and product substance are a strong combination when selling or convincing other people in a sales situation.

We must be fascinated by the passionate, actively controlled sales moment, which is the split second the dedicated cooperative salesman or manager gets into character and involves his customer or employee deeply in his cause, product or whole product category.

The same image can be used for an employee's leverage. I am fascinated when a colleague is able to make me feel so much for a particular proposal that I jump on the bandwagon and act in accordance with his proposal. It is especially useful where the sale of cooperative food quality is concerned because it comes as close to the source as it can possibly get.

Revitalising feelings for sales

In 2014 the Coop's manager in Denmark, Peter Høgsted, takes up the cudgels for buying and selling high-quality foods and wants to reprofile his operation. This happens the same year that Arla Foods launches Good Growth, which is a message to be taken out into the world to customers and stakeholders. The Federation of Branded Product Manufacturers (DLF) also launches its wish to increase the breadth of communications with the retail trade about food in particular so as to centre around something other than price.

However, these three initiatives can only succeed if the employees in the cooperatives have a better understanding of the substance in products, just as they must understand how to put high quality into action through their own behaviour.

Quite obviously, there is a great need for all of us in the food industry to hone our commercial operating skills, so that consumers can have exciting products on which all stakeholders in the industry can make money. That calls for something new or, at least, the revitalisation of some of what we once knew and were able to do. The key to how that revitalisation can take place is for us to rediscover the force of optimal active sales behaviour when it comes to raw material sales. In fact, the cooperatives are primarily the ones that can infuse e.g. the Coop in Denmark with the newness being sought by parts of the retail trade, and that aligns neatly with Denmark's national interest in being brilliant at selling primary foodstuffs.

Agricultural produce is important to Denmark, because these are our own raw materials and we can process them without involving imported goods, and hence they make an exclusively positive contribution to our gross national product. Agricultural produce is important for Denmark's monetary flows, therefore. But there is more, for the farmer also invests great emotion in his work. When you study it, it becomes an aesthetic experience. That fact has to be understood and acknowledged so that it is reflected throughout the food industry's sphere of operation.

Initially, selling can be a difficult thing to love for some, but with time you become emotionally attached to it. It becomes second nature, as it were. We must know how to exploit that, because as salespeople involve more feelings, a need arises within them for knowledge about the product, and this combination of feelings and knowledge makes the actual sales aspect as effective as humanly possible. That is precisely what can be difficult to understand for technocratic organisations that have made selling into an appendage to their arithmetical acrobatics. But any HR department ought to have management of this potential down to pat, since they will then be better at supporting sales staff recruitment. Sales is where the employees interact with the world at large. The organisation is a sales parameter.

Good salespeople have a feeling for their product, which they have often obtained from another good salesman (read: impact of a brand manager), who has

persuaded them of the product's potential benefits of relevance to the salespeople's customers.

It is absolutely essential that salespeople in cooperatives search for information about the product, and they must be curious about the processes under which it is produced. If not, then they must learn to be.

Professional curiosity

New knowledge is basically driven by curiosity. We are not all inquisitive by nature. It is not a faculty with which we are all endowed. The question is whether it is a competence everyone has the prerequisites to learn to constantly exploit, use better and develop. The business community needs inquisitive employees in sales who are constantly on the lookout for information about their customers. That applies equally to the food-producing cooperatives, which have a glaring need to activate the customer's need for their quality foods, in the right way.

Solutions or concepts are not the only thing wanted by customers. For example, food service customers are crazy about product functionality. When it comes to butter, the plasticity of the butter structure has to be just right, so that e.g. croissants can lock air inside the bread. It is the substance that is crucial. Yet many commercial employees do not know it, nor do they look for information about the customers' needs.

We in Denmark have every opportunity to acquire knowledge all during our schooling and education. But developing new knowledge and new awareness is nearly always the preserve of science and art. A lot of new knowledge is converted by trendsetters in e.g. fashion and the media world. After that, it is spotted by small-scale industry and the specialist trader, and finally the new trends hit the supermarkets.

The food industry bases its production on that majority of the retail trade which is the least curious. For us in the industry, therefore, it is a problem to develop ourselves and our products, because we are and have to be fiercely loyal to the least product-visionary horse we have hitched up to the cart, namely the mega-retail trade and its shoppers (the decision-making unit).

However, within their own frameworks, the food industry and the retail trade can do their utmost to reinvent themselves. But, as a buyer once told me with a roguish look, it's like watching paint dry. He knew only too well that we in the FMCG companies and the retail trade are a little conservative.

The knowledge which the food sector puts into action via the retail trade is typically based on existing insights which are merely combined in a new way. The buyers in the food industry purchase e.g. flavourings, aromas, cardboard, machinery etc. from the suppliers who invented them.

In-house knowledge evolves by staying abreast of what is learned by the company's professionally curious people in the in-house innovation department. But we do not need to reinvent the wheel each time, as there is much that is exciting to be had in the cooperative movement's farm-based sector.

We must require ourselves to search for what is fundamentally new together with the retail trade, so that consumers and shoppers will experience something fantastic in the future. The fusion of eating out, e-shopping, high-street shopping, home-based chefs, travel, experiences, the pharmaceuticals sector, gyms, ageing, child nutrition, philosophy, farm production and much more will provide some exciting new directions for the cooperatives. Through their cooperative marketing departments, the farmers themselves can be instrumental in setting fresh-food trends so that trends are not just slavishly followed.

The highest standard of specialist shops I have seen anywhere in the world exists in Tokyo. If, by way of example, we invited the Japanese to decorate cheese shops in Denmark, we would experience a revolution in the presentation of goods for the aesthetically most trend-setting consumers, and cooperatives can learn something from the perfectionism with which the Japanese work. But it takes curiosity and an open mind to embrace it.

The result of curiosity, i.e. new knowledge, can be galvanised as an asset in active selling (more about this on page 180 ff.). Knowledge, therefore, is something we have to continuously acquire, because we can use it collectively. But we have to prioritise which knowledge and curiosity are relevant.

Knowledge is currently assigned high priority through desk-based research. Knowledge is sourced from the desk, and it is necessary knowledge too, but scientists are in touch with the actual substance they are developing and exploring; for them it is essential to use all their senses in their work on matter.

Like the mason, they depend on having touched things. They cannot acquaint themselves with a new material by reading; they have to experiment with it themselves in order to understand it and derive full benefit from it. Human senses have to interact with matter to enable us to expect something groundbreakingly new.

With this realisation in mind, we three authors of the book have designed courses for several companies, in which all the departments took part. On the courses we train behaviour in selling situations, and the participants discover that they have to look for knowledge about the substance in order to have their behaviour taken seriously by the world at large. During the course everyone comes to see the intriguing nature of understanding how the product's features come into play in the sales situation.

Having to tell employees of the cooperative food industry that they need to taste and relate to the products regularly in order to be in touch with them and be able to relate to them is banal, I readily admit that. But they have to, as the result

is the emergence of a common language around the products. It is extremely important to have, in order for the product's features to be able to be put into action in a way that is readily understandable to customers.

This innate curiosity can be turned into professional curiosity and can be an asset for a food enterprise if the employees understand *why* it is important.[18] It is often this *why* which is more important than the *how*. Yet our own experience says that employees find it powerfully motivating to be able to relate clearly to the *how* – the way it is used within the company.

Sensuality

A 'sensed' approach must be adopted to what we work with. It must be fingered, smelled, looked at, tasted and sometimes heard. We all have experience of that. Think about baking bread; you can smell the yeast, you see how the yeast dissolves in the moisture, and the way the moisture is absorbed by the flour. The dough is kneaded, all the ingredients felt between the fingers; you can sniff it, and maybe you even taste the dough. You can smell the bread as it is baking, and you tap it on the base to hear whether it has finished baking.

The same applies when you peel potatoes, peel and chop onions, and shape meat into hamburger patties. You have the whole thing in your hands, sensing the difference between the ingredients used in that everyday supper dish: hamburgers and onions.

It was the same as I discovered in Honduras when the American firm I was working for put me on learning how to bed out tobacco cuttings. I really got a sense of what it meant to do a good job when the small roots had to be put into the soil in dead-straight rows of holes made by the two Indians walking ahead of me. One would make holes with a pointed wooden stick, the other would throw the cuttings down casually onto the soil so that the roots reached down into the hole. My cushy job was to cover the roots over properly with a small clod of loose soil and squeeze it around the root and some of the stem to make the plant stand upright in the hole. That was crucial for the roots' ability to absorb the water they were given after four days of torment in the sun.

What we were doing was very substantive, but it formed the basis for being able to make it up into the commercial hierarchy of the American business community. You had to "know your onions", so to speak.

That's how it was in the old days. The emphasis was on knowing your product. You had a *professional pride*, and you were *thorough*. And those were the two features that would see you through anything. But in the meantime those who work with many of these basic functions have been made co-owners of the com-

18 Cf. Simon Sinek: *Start med Hvorfor [Start with Why]*.

panies through employee shares. As a result, people are working more for themselves and the company's finances, while the attitudinal aspect has disappeared for many, though luckily not for everyone.

There is no tradition of managerial staff being co-owners of cooperatives. Exclusive use is made of bonus schemes here. Many of the employees in this sector often have a feel-good approach to working in a cooperative. It is not necessarily just a good pay packet that motivates them. It is employees like this that the cooperatives must recruit, even if it may initially restrict the panel of applicants with commercial talent. However, the panel can definitely be expanded and positions with the cooperatives made attractive to potential employees if they are lured with e.g. a powerfully engaging programme of education, and if they stand to become involved in enhancing the quality and volume of the good primary foods which farmers make a point of producing. Education and involvement will fulfil the individual's need for self-realisation and development of their own potential in and outside of the cooperatives.

The question is whether this can be systematised in cooperatives, so that it can be shared throughout the managerial layer and scaled up to make it a competence in which everyone can be trained, and hence a commercial force. The answer is a clear: "Yes, it *is* feasible." I know so because I have learned it myself. I use *I* here quite deliberately, because working in a cooperative is a personal matter. Indeed, for many of us it is a philosophy of life. Internal surveys show the degree of pride and satisfaction among the employees of these companies. (Insight into Arla Foods' staff surveys confirms this.)

Technique for promoting professional curiosity

Whenever I need to know something, I make my brain fluid. I learned the technique from an American, Carl Ward, at Reckitt & Colman. He offered to teach some of us how to act as facilitators. In this case it was the type of facilitator (we call them informants here) who helped others to pass on their supreme knowledge about all possible forms of processes which others needed to know. When the informant had been emptied, as it were, of everything he knew, the facilitator would step in and question him inquisitively about the most incredible details. That helped the informant to remember more about e.g. the micro-processes in the company. The facilitator had to ask about the most incredible things and not be afraid of appearing or sounding stupid. In order for this to be workable, the facilitator had to have the feeling of toing and froing back and forth in a thought process, while at the same time being present.

I always use this technique when I visit a factory or farm. I keep asking until they show surprise. But it aids the informant's memory. And more importantly: It gives me insight – sometimes unusual insight.

In order to illustrate the technique I want to tell you about a particular visit I once paid to a dairy. From a purely professional point of view, I wondered why a blue-mould cheese was so mild. The dairy engineer I asked looked up into a corner of the room where we were sitting. It struck me that he was gathering his thoughts for an answer he really did not expect me to understand anyway:

"It's because we do not homogenise the milk."

OK, I thought, going on to ask: *"So what does happen then?"*

"Homogenisation means the fat globules are smashed to pieces. That way, we avoid it."

Hmm, this is not getting us very far, I thought. So I carried on enquiring what happens when you avoid it. The answer was that the fat globule remains intact.

"And what's the advantage of not smashing it to pieces?" I wanted to know.

"Well, of course, the lactic acid has more to work on!"

And I asked: *"Work on what?"*

"On the surface."

"How?" I had to ask.

"Well, errrm, on the fat globule."

"Yes, but what happens on that surface of the fat globule?"

"Well, that's where the lactic acid works."

"That's all well and good, but what is the advantage of not smashing the fat globule to pieces in that case?"

"Errrm, it's that the relative surface of the fat globule remains small as compared to homogenised milk, in which the fat globules are relatively small. The lactic acid has more to work on in homogenised milk than it does in unhomogenised milk with large fat globules."

"OK. Does that mean that Danablu, which is made from homogenised milk, has a stronger taste?"

"Yes, that's correct," the dairy engineer replied. *"Plus, lipase is added to give the taste of sheep."*

"Aha, that's how it all ties in. Now I understand much more about this mild blue-mould cheese – and the strong one."

Afterwards I explained to the bewildered dairy engineer how we use such knowledge in sales technique. So it may well be that we suddenly had a lot to talk about, as the good fellow now discovered that his knowledge could be used in active selling to direct the customer towards a decision, either towards the strong mould cheeses or towards the mild ones. After all, it is up to the salesman to control the situation.

If you do not question actively, it is hard to gain knowledge. Fortunately, you can practise showing a positive interest in other people's specialist area.

You can write one of your own stories, taking inspiration from this list:

Colour
Shape
Taste
Tart, sweet, bitter, balanced
Wrapping, quality
Crumbliness, toughness, brittleness
Texture between the fingers
Dripping from spout
Resealing stopper
Plastic in stopper
Number of turns of stopper to close
Position in fridge/cupboard
Size in cm in relation to shelf space
Colour tone of substance
Quantity produced annually
Viscosity
Flaking
Peeling
Cracking
Heating
Preparation
Durability (shelf-life)
Chewability
Satiety
Freshness
Culture
Feedstuffs
Storage
Transportability
Freezability
Spreadability

Having thought about how you intend to write a story based on your insight into product substance and processes, you discover that it is a little difficult. But if you follow the words I have inserted, you can suddenly get your brain to play along. I have seen it in young people who have to think up their first stories about their products. It is not easy. On a daily basis our thinking is far too structurally objective, so we do not practise using the more sentient structure of story-telling. It might be that people would discover some potential for improvement with regard to product or concept, but that calls for people to search for and find knowledge.

We often get our stories from the person ahead of us in the relay race. Imagine if you were unable to passionately relay the baton.

So it is a question of practice and interest. The motivation comes from learning to master it and from seeing usability in the context of something that yields results. I myself started by systematising it about ten years ago, so that I am constantly alert to training myself to find stories in a busy everyday schedule, even though it invariably feels like a waste of time.

In our day-to-day lives we move in safe and structured circles. Professional work requires us to focus. In order to escape the daily routine, those circles occasionally have to be broken. It is unpleasant the first time, or that was my experience at any rate. But it quickly became a technique that I am still making use of, partly because it keeps me on the ball and partly because it means that previous stories come to life and become usable again.

A number of little stories follow here, which can hopefully inspire you to find your own.

Inspiring examples for finding stories

The first time I became aware of the power of product features was when I was preparing to hold a sales course. I then saw it in practice, when a product manager had a massive influence by telling us about the product in detail, as described in the Woolite® example on page 27. That was 20 years ago, and I had been in different jobs in the food/FMCG business for 15 years or so by that time.

As a result, we salespeople always used to listen to the stories from the product managers and pump them for more details whenever they gave presentations. They got better and better at producing details.

I subsequently spent time rescuing stories from corporate oblivion in a cocoa company (see page 181). This would set an entirely new standard for the way we sold cocoa and cappuccino powder – and later also coffee.

In a cheese importing company two of us, a colleague and I, introduced the process 10 years ago. This was done on the pretext of the need to know a lot about products, because we were dealing with food service customers, who generally know a lot and wax enthusiastic about salespeople who know a lot about the products' functionality.

Some decisive coincidences took the two of us to the Danish island of Bornholm, where we had a chance to visit a number of small-scale producers of rape seed oil, cold-smoked cod, schnapps, meat, flour and beer. We experienced the honest passion those people put into their work on the products. Aesthetics flourished in that environment, without them being aware of it themselves. Quite simply, they themselves believed that the substance in the products was fantastic. Otherwise they would not

be manufacturing it. After the trip to Bornholm I met a Faroese man, Jogvan, who told me about fish. He did it so that I understood that stressed fish, dead through disease or accident, caught in a trawl, are eaten served as freshly netted fish from refrigerated counters. Oh yes, according to Jogvan, a fish must be hooked with a long line. When hauled in from the sea, it is killed and frozen. After two years it is still like fresh! The same goes for cattle. The cow has to be slaughtered in a particular way in order for the meat to remain tender when we eat it, Villy explained to me in Bornholm.

My colleague and I were in the business of selling cheese ourselves, but we viewed cheese production in an entirely new light after we returned. We had been pumped full of little stories from all these small-scale producers, and we became better and better at devising such little stories from our own lives and our own products' lives, which we were able to use to spice up sales to the retail trade.

We also had an opportunity to visit the restaurants where some of the raw materials were being served. We saw how the chefs were working with them, and found out that chefs are often dyslexic. We do not know how many pursue a career in the trade owing to dyslexia, but when you are making up sales materials for the sector, it is important to use this insight. It is also important to understand that a chef does not measure out Béarnaise sauce with a spoon, but by chucking a fistful of frozen Béarnaise pellets into a pan to thaw. For anyone looking for them, there is a plethora of such stories in that environment.

The insight stimulated us to look back over our lives and realise that we actually already had many little stories in the food industry that we could set in action. I myself suddenly visualised how people in the tobacco trade were unconsciously responsible for stories that were perfectly clear to me in a new and life-affirming light. It might be about Frank Hill's tobacco farm in North Carolina, Alfred Hobgood's aubergine growing, likewise in North Carolina, or Mr Uddin Azim's lemon growing in Bangladesh. In all three cases it was the company managers who had such a great predilection for a raw material that they grew it themselves and took pride in it, in entirely the same way as our owners in cooperative farming are proud of their raw materials. That can be difficult to understand for a city dweller who does not grow his own food.

I took this tradition along with me to my next job for my own use, actively searching for the stories reproduced at various points here in the book. They are about cheese, milk, butter, stables, cows etc. Great and small. Nothing is so small as to be unimportant. That can suddenly be revealed in a sales context. Perhaps you only really understand it fully when you practise finding stories and using them.

Some people think the Japanese are annoyingly pedantic, but they are full of good stories. If there is anything wrong with a product manufactured for the retail trade, they will find it. They search so actively that selling to Japan becomes a big

quality seal per se and heightens one's abilities. They are masters at gauging whether the product contains the taste of ***umami****, a meaty taste which they love. We have unconsciously nailed this in Danish dairy produce. The Japanese were the ones who told us they bought the product at a 10% premium because of this. It was a good story to pursue, because we got them to tell us that entire restaurants were full of this aroma from the cheese. Admittedly, the pizza cheese mixture only contained 7-21% of our cheese, but it was crucial to the smell sensation in the restaurant that there was Danish cheese in the mix – even though it is expensive.*

The story about umami cheese made me remember that people in the coffee business are true masters in decoding taste. Coffee is often used in milk products, making it essential to understand coffee, not least when dealing with milk. Coffee suppliers have told me that only Robusta coffee, preferably even the conilon type, can be tasted through butterfat. The taste notes of Arabica are impossible to trace in milk. That is important when involving customers in milk-based coffee drinks.

We will stop here. I think the point has been made clearly: You have to train yourself to be receptive to stories. It calls for people to accept that their selling skillset has to be constantly expanded and actively used in selling. Stories about the product's features have to be an inexhaustible source on which one can constantly draw throughout one's sales career. *Storytelling* has to be a professional specialisation that is transformed into *storyselling* (selling the story vs. telling the story).

Professional specialisation in the marketing stage

Professional pride is a rare thing to encounter these days. The professionalism we know from the craft apprenticeship is a thing of the past. In the traditional craft apprenticeship the apprentice stood next to the master and watched what he was doing. He was gradually allowed to hold a workpiece in his own hands, so that he could *feel* it and devote himself to the meditative state of working with one's hands.

A mason's apprentice slowly got to know the weight, edges, surface, roughness and moisture content of a brick – all important knowledge when it comes to laying brick upon brick, when the wall has to be level. It is said that you have to have held 500,000 bricks in your hand before you can make a straight wall every time you build a brick wall. The same applies in many other fields: You need to have

spent 10,000 hours on a musical instrument before you are proficient.[19] You cannot learn to play the piano by reading; you have to play it; and you have to practise for 10,000 hours to become proficient. You cannot learn it through reading. You have to be it. Be in the moment. Nor can you describe what it is like to firm a clod of earth down round some small roots around a cutting, as I learned in Honduras. You have to do it. But from reading you can glean that you need to do it, and why you need to do it; but you only understand it once you have tried it. And so it is with everything: You can have a theoretical knowledge, but you only make that knowledge your own when you try to apply it. And practice in how to apply it makes perfect, as the saying goes.

With the traditional apprenticeship, knowledge about substance disappeared. There was more of a focus on theoretical knowledge. It also curbed the development of our sensuality for food aesthetics. We must search for a way to produce a culture that expresses admiration for good craftsmanship, good foods and the marketing of them, so that we have an asset in active selling.

Before my education in economics I had been working in the tobacco trade in Central America for about three years. Prior to that I had served an apprenticeship with the East Asiatic Company (EAC's) timber division for two years. At two companies I learned a lot about the features of tobacco and wood in those five years.

In our economics studies we learned nothing about selling and negotiating, but we did learn plenty of other important theory. I have since looked into why we did not learn about the features of selling and products, and I discovered that our marketing literature says that *"a salesman must know his product."* But it does not state why, and that was not explained, because all subject-related descriptions have been cleansed of the word *product*.

It is a shortcoming that a mercantile education in marketing management at no point teaches how buyers react. The consumers are the ones it is wished to communicate with. We learned nothing about customers and the psychology associated with involving them in one's product.

In proper sales we use our knowledge of the product's features both to find advantages and benefits, and partly to activate a need in the customer. Using special techniques, we turn the general benefit of the advantages offered by the product into a customer-specific benefit relevant to the customer, but only once we have looked for information about the situation the actual customer considers himself to be in.

First we look for information, then we consolidate the need expressed by the customer so that he feels a real urge to have that need met. And finally we meet it with carefully chosen and now customer-specific benefits (see page 119 ff.).

19 Cf. Malcolm Gladwell in *Outliers: The Story of Success*, 2008.

If, for example, we sell the customer a sense of security, we use the features of the product that provide security. Remember that common courtesy dictates spending time on relevant benefits only.

The salesman is often most concerned with describing the product's features, and in his zeal to include everything he forgets to focus on the specific benefit the product can have for the customer opposite him.

The item price must be packaged accordingly

All too often in the food business both the customer and the salesman talk mostly about price. But in the vast majority of cases the price is not what is really important for the customer. In reality, for the customer, perhaps only 30% of shoppers focus on price and do not care about quality. Directing the focus onto the remaining 70% or more of shoppers is something that everyone in the industry, incl. the customer's buyer, can influence and do something about.

As a figure the price is nothing other than an indicator of how high the product's perceived values are for the buyer. It is also a figure that correlates with other similar products as well as products which in no way match it, but viewed through the customer's ignorant eyes have almost the same function.

As a rule the buyer knows very little about the product, and a brand manager or salesman/KAM can therefore alter his perception of its value relatively easily. It merely requires him to know something about the product's features. If neither the buyer nor the salesman knows anything, it will be a complete and utter disaster.

The price is a figure that has to be backed up by a salesman or product manager. I had proof of this some years ago at a wine merchant's, where I went to buy a bottle of port for my wife. She was going out and wanted to take a good bottle with her for the hosts.

Inside the wine shop my eyes alighted on two bottles of red wine on the Italian wine shelf: a *ripasso* and an *amarone*. The ripasso best suited my wallet at € 21.

The sales assistant who served me was friendly and did not go out of his way to sell me an expensive wine, but it occurred to me to ask what the difference was between the two wines. They were only about 5-10 cm apart on the shelf, but despite this there was a giant gap from € 21 to 43.

The assistant explained that there was a big difference. *Amarone* is wine made from grapes that have undergone special treatment by frost, making the taste very intense. Once treated with frost, the skin of the grapes is discarded. A young wine from another grape is then poured over them and they are pressed once again. And there you have it, a *ripasso*. (*Ripasso* is Italian and means *for a second time.*) The taste of the *ripasso* can vary a fair amount.

Given that knowledge, these are now two completely different products for me. If you want the real stuff, then you invest in the *amarone*.

The wine merchant's I shopped at is a specialist shop, and as a customer there you expect to get some good tips about food. They impart knowledge that cannot be had from a self-service store. The experience around the dinner table is quite simply greater after shopping in a specialist store.

In the food industry it is difficult to reach these heights because the salespeople often take too many products along to their customer meetings, and may have been employed for such a short time that they know but little about the product which they can pass on to the buyers. We can change that by creating a corporate culture that focuses on knowledge about the products. If successful, we can sell our buyers an experience on top of the product – even as a new salesman.

If nothing else, we have to do it because it is qualitatively better for seller and buyer alike to negotiate if they know something about the article they are negotiating about. And it is quite simply necessary if we plan to put paid to the practice of talking only about the price and all the other data we thrust upon the customer, with the result that it becomes one big technocratic exercise on the part of both.

I myself have been a sort of buyer in a cheese distribution firm. We were able to find out strikingly little about the production setups we were visiting, as compared with the access I have to knowledge now that I am working in a big industrial group. In a small industrial firm the possibilities for accessing production-related knowledge are even better, because the production and marketing departments are next door to each other. Here costs can easily be made into a promotional asset. It is harder in large corporations, where production and sales are separate.

Costs in a sales light

The processes in food manufacturing are complicated and hence cost-intensive, but because the buyers generally know nothing about the processes, these often get a bad press.

I often hear that people could sell more if the costs in the company were lower. And yes, they probably could, but that is not the whole truth.

Buyers are often dubious about a high level of costs and, what is more, the salespeople think the buyers are right, and bounce the doubt back at marketing instead of equipping themselves to turn it into an asset which they can sell and differentiate the product with vis-à-vis the buyers. Indeed, the salespeople even regard it as an unnecessary burden and compare themselves with those companies that do not have the financial muscle to make similar investments. The same companies are often used by buyers as price squeezers, and if they succeed in

squeezing the price it is primarily due to the salespeople not being geared up to argue against the buyers' objections. They cannot explain why the price is fixed as it is, because they have insufficient knowledge of the way the company's cost structure is made up and what underlies the product costing.

The necessary costs

The food industry has many costs, both fixed and variable, in common with other production industries, but for the food industry this is in addition to a large raft of mandatory costs: soundproofing of factory ceilings, annual painting of walls and floors, and the use of footwear to counter staff fatigue, lifting devices, traceability processes, collectively bargained levels of pay, staff education and training, animals that have to be treated in accordance with the Act on the Prevention of Cruelty to Animals, and lab tests are just some examples of this. This alone results in all food factories having a high level of costs.

The most essential cost in the food industry is investment in new production plant and the resultant servicing of loans. If the same volume of units is produced at a new plant as at an old one, the individual unit becomes dearer to produce at the new plant because the value of the old plant has been written down. So why not just retain the old plant?

Think of your own kitchen with pots and pans. You can scrub and wash them, but over time more and more nooks and notches appear, where bacteria etc. can hide. At some point it will be replaced to make it more hygienic. The same goes in the food industry. Here you have to constantly invest in order to allow those installations which are too old to make hygienic food to be taken out of operation.

Many factories consist of pipes and belts made of steel and rubber or canvas combinations. The surfaces become worn and gradually require more and more maintenance, until they actually require replacing. Apart from general wear and tear, plant also dates quickly. New methods for hardening and streamlining the use of these materials are being developed. Completely new combinations are being brought out, so that the surfaces with which the food comes into contact remain as unadulterated as possible. It may very well be that such new solutions cost more, but the raw material remains as unspoiled as possible.

So investment in new plant is of great importance for our ability to optimise and develop good foods, so that buyer and consumer ultimately get a better quality product. Those factories that cannot afford this ongoing investment can, of course, keep the price of their products down. But that comes at a cost to the person who will be enjoying the foods produced at the old plant. It is this knowledge which the salesman has to convey to the buyer when he says the product is too expensive.

Think of yourself when you need to buy lipstick or a screwdriver and there are several price brackets to choose from. People usually know nothing about the underlying process, but if they do the whole product takes on new dimensions. Perhaps then people would let some component other than price determine their choice. When it comes to food, it has to be eaten and broken down in your body. That calls for a great sense of responsibility on the part of the producer.

Being consciously competent

Marketing theories deal with the psychology between people and in people, but show no interest in the importance of the substance. There is therefore potential for improving the theory, as the Swedes say.

The sales departments would gain a great deal if they were able to tell the marketing department of their requirements with arguments based on product knowledge and use of the product.

I recently presented a pensioner who had been a salesman with what it takes to build up a salesman to become good. I explained that it takes product knowledge, among other things. His eyes opened wide when he heard that, because as he said, that was exactly what he used to take advantage of when he was a successful salesman for the company. But he had heard that product knowledge had gone out of fashion in the meantime. *"I suppose it's called category management now,"* he opined. However, he himself still used product knowledge as a retired salesman with great success.

What was it the retired salesman had done? He used to visit the factories that made the products, as there was no marketing department between the factories and him. He got to know the products by coincidence, and he happened to make use of his knowledge in his dealings with the customers. He sold by chance, because he could not explain what he had done after the event, which need he had activated and met in his customers. You could say he was unconsciously competent.

Just think if all salespeople were consciously competent.

Pointers from Chapter 6

- Sales spell leverage, and brand managers are salespeople.
- All stakeholders with an interest in food can become better at acting at the actively controlled moment of sale.
- Organisation is a sales parameter.
- Knowledge of product features is driven by professional curiosity, and features are an asset in the sales situation.
- Salespeople should be better prepared by their company so as to involve customers optimally in both the product and the processes.

Chapter 7

Product? ... Yes, product and FABs

Think of one of the branded food articles you know. You are always guaranteed that it will taste the same, and the packaging changes only rarely. Whatever happens, you can always recognise the brand. The substance of which the product originally consisted may have changed completely, but you cannot taste that or see it.

Consequently, the substance of products no longer necessarily exists *under the brand*. The packaging on which the brand appears is primarily what attracts attention. That is fair enough, in a way, and having this pact with the manufacturer has benefited us all greatly.

When you eat and drink, something substantive goes into your mouth, from where it passes into your body. This is in addition to something more nebulous such as values, history, accountability and animal welfare, which we do not immediately perceive as we are chewing and drinking.

In spite of increasingly great spending power, consumers are apparently not prepared to pay more for a food that has been manufactured safely and with respect for the place from which it originates, and the effort underlying it.

So why not then? The answer is disgracefully simple: The consumer who drinks and chews the substance is kept in the dark about the underlying processes. There is massive commercial potential, which is valuable for buyers and consumers to learn about, and which they will doubtless be prepared to honour with payment in their day-to-day shopping. The product contains commercial potential, and the cooperative movement must understand how to develop it.

Innovation, product launch and product care

Product development and the successful launch of new products are where we get indirect price rises over time. The time it takes for a product to catch on is often longer than the patience of salespeople and shops can take. The KAMs must therefore be able to sell the shops the idea of keeping the product on the shelf long enough to allow it to showcase its value. It takes a cool head and experience to be able to achieve this when you are in sales.

The product (from the five Ps of marketing) is interesting if, as a company, you are dynamic and develop products. It shows that the company has its act together, can expand an area creatively and has an eye for making the right investments. And indeed, why should the customers invest their time in the company's products if it does not itself invest in expanding its range?

Many sellers' hours are wasted on merely delivering the goods and being a physical service unit, not a psychologically edifying unit that investigates what customer-specific features/benefits the products have for the customers.

Personal sales and knowledge are particularly important when launching new types of food that involve a completely new variant of the product, as is the case with groups of articles such as new types of cheese and meat, exotic vegetables and wines. Such goods first have to be sold through specialist shops for up to 2-3 years before they can be sold through supermarkets. In the specialist shops they take on the requisite exclusivity, because these shops are best at getting a message across to those shoppers/consumers who are early adopters.

It became clear to me that this was how it works on a trip with one of our sales drivers. We were sitting in a lorry full of ready-to-sell cheese from a specialist cheese firm. He explained to me that the new types of cheese that were coming into circulation on the market started life by being hyped by a cheese shop. Some types were actually launched through the restaurants.

Initially, the budget for foodstuffs is often not very big. This may be due either to smaller companies instigating their development and production, or to larger companies latently realising the difficulty of launching new types of foods (think of goat's cheese, mature gouda, goat's meat, ham from black-footed pigs, olive types, exotic coffee and tea etc.). It *is* difficult, because the segment of consumers that loves to immerse itself in new types of food is very small.

But it is perfectly possible to do something for such exclusive products on small marketing budgets, even through larger companies. They can stage-manage the launch over a number of years because, as previously mentioned, it takes 2-3 years before they can be landed in the supermarkets with a great bang. In order for this to be feasible, the salespeople must be won over to the cause because, if anything, selling products that only have a small budget requires their passion.

Crackers, sweet rusks and Dutch rusks

From Quaker Oats, retailed through the Danish OTA, I have an example of what we could have done to boost passion among the sellers of products with the smallest budgets.

OTA was responsible for distributing LU biscuits in Denmark, and we used to travel round the factories that made the products. The example I relate is from a visit to Belgium, where we used to import TUC crackers from.

We arrived at the factory, and the factory manager showed us, together with the export manager in charge, round the production halls. In one room they would mix flour into dough, in the next the dough was spread out on a belt, which ran into an industrial oven approximately 60 metres long, where the biscuits were baked. As the last stage of the baking process, just before they emerged from the oven, they had salt sprinkled over them. I listened, nodding, then that tour was over. I learned nothing substantial, and if I had been told anything, nor would I have had any idea what to use it for, since at that time I had not yet been on a behaviour course in sales technique.

Had I visited the factory today, I would have looked for information about the type of flour they were using, the dough's rise time and its significance for the cracker's crumb. After that I would look for information about the number of grains of salt that top off the cracker at the end to give the right salty taste. I would also have insisted on finding out how the grains of salt can stick to the surface of the cracker, and whether it is egg-whites or some other substance that dries during baking to act as a kind of glue.

I would then present my knowledge of all these features to the salespeople and infect them with my enthusiasm for the product, so that their motivation for selling the product would be second to none – and long-lasting.

OTA itself had a factory that made sweet rusks, Dutch rusks and crisp rolls. It was located in Hvidovre, not far from our office in Islands Brygge in Central Copenhagen. But it might just as well have been in the USA, given how far apart we were mentally.

The factory manager was fairly crabby to converse with. He did not think we took his production and products seriously. I did not really understand what he meant, and our relationship was not ideal, until one day we met at the factory.

I was keen to understand what his factory could do – an extremely reasonable demand – but I could tell that he was completely disillusioned that we product managers changed jobs so often, and for that reason alone never really understood him and his factory. The man was right, of course, but then a small miracle occurred when we met, because he understood that I was actually very interested in helping out with product development and understanding his factory's processes and products.

If I am honest, what I actually did was pretty limited because, as I say, I had not yet been on a behaviour course in sales technique, and at the time of writing I have to admit that I have missed out on many possibilities for even better sales figures for the same reason.

At OTA we also sold *Prinzen Rolle* (German-style, chocolate cream-filled biscuits). I never really familiarised myself with the product, and it is another example of the possibilities we missed out on because, to all intents and purposes, I had neither any interest in nor knowledge of the product. The most imaginative thing I could come up with was to twist the export manager's arm to get him to cut the price of the product and then lower the price myself by reducing the size of the packet. But there would have been a gold mine of inspiration to be had if I had made a serious effort to understand the quality. I dare say I could have put the price up and got away with it.

OTA Solgryn

My product care could have been much better, I can see that now. Someone should have collared me more systematically and inducted me into the products so that we could explicitly hone our skills to better motivate the sales force. Admittedly, we did always have a dress rehearsal before the presentations, but we had only very little idea of the systematic approach involved in selling.

Amends were made for that shortcoming while I was with OTA. I was made export manager, you see, and it was imperative to know something about the products when you were due to have sales visits with German customers.

I also had to go on factory visits to Nakskov, where OTA's breakfast cereal factory was at the time. It turned out to be an exciting day, as P.E. Jensen, who was in charge of guided tours and heading for retirement, introduced me to all the factory's secrets. It transpired that P.E. Jensen was a walking encyclopaedia of knowledge when it came to oat grain, as well as oat shreddies and cornflakes. The grains were the most important, however.

As we walked through the factory, I noticed that there was no dust, which was remarkable, because despite everything it was a sort of mill we were passing through: "We don't clean this place, we keep it clean," came the explanation. Having passed squarely through all sections of the factory, P.E. Jensen asked with a twinkle in his eye whether I was ready to come out and see the spot it was really all about: the stone oven. I was.

P.E. Jensen indicated a small door at the remote end of the factory space, and together we walked out of it and around to the other side of the building, where the oven stood. It was impressive with its huge height. It consisted of concrete built in the shape of a tall cylinder. The stone oven was fired with coal, and ap-

parently that provided exactly the right kind of heat when roasting grain for OTA Solgryn, a breakfast cereal popular in Denmark.

P.E. Jensen explained to me that the grains went into the oven via a feed screw or helical conveyor which rotated, and during this rotation the grains were roasted just long enough for them to become the characteristic Solgryn. They had to have just the right time in the oven to develop that special nutty taste – funnily enough, the taste that has since been found in many other products preferred by the Danes – particularly in cheese. There is no telling which came first, the chicken or the egg.

This was the magic moment for me. In an instant the entire trip through the factory all came together for me. I was now able to remember the tripartite division of the oats, the rolling of the oats, and that it is done by the rotation of two cylinders, one more slowly than the other, so as to elongate the tripartite oat grain, and that this took place after the grain had been roasted in the oven – the most important point in the entire manufacturing process. I now understood how the oat grains were produced. It clearly made a difference that I had understood that there was actually a reason for my having preferred Solgryn to other grains for many years.

My newly acquired factual knowledge, coupled with my personal experiences, meant that I was able to memorise and pass on my knowledge to others; or, in other words, that I could now sell these products. At that precise moment P.E. Jensen had involved me in the product, so that I was able to sell it on with spirit, with enthusiasm.

P.E. Jensen was no salesman, but just as farmers are, he too was proud of his factory, and that shone through. You were infected by it. His passion shone, so to speak, on you, so that you became an export salesman with passion. You would be only too pleased to sell for him.

Passion for the product – a managerial tool

One of the cornerstones of our department at OTA was the marketing manager receiving a monthly visit from the lab manager, who reported directly to the managing director.[20] The visit was intended to ensure that Marketing always understood the substance. Armed with knowledge from the lab manager, the marketing manager became a natural authority at the sales meetings. This approach may no longer be feasible in these days when production sites are remote from the commercial offices, but other ways must then be found, so that the production department's knowledge of the substance can be relayed to the next link in the value chain.

20 The same organisation existed in the tobacco trade, as production was conditional on the lab approving the products together with the managing director.

The two managers tasted our own OTA Solgryn and all the competitors' oat grains. It was a fantastic session to join in with, because you really felt how both were able to differentiate the nuances and were preoccupied with the way quality oat grain tasted: the nutty taste which OTA Solgryn had, the bite in the triple-rolled grain. The grain's ability to absorb the right quantity of milk within the space of a reasonable mealtime was discussed at length, as compared to the competitors. There was no way they could match OTA's quality on these parameters.

It all left its mark clearly on my own approach to quality. The quality needs to be considered regularly when building up brands. Nothing can be taken for granted; during the commercial stage you simply have to be in training the whole time.

At this point, as product manager, I did not yet understand how to actively sell this quality to others, including salespeople. I had only my own natural clout to draw on, but I was unable to share it with the people I managed. And imagine that, as manager, you can manage the company with the passion that comes from a knowledge of your own products. If only I had been able to back then.

Standardised quality

I was going to have to fight for my view of quality in my next job in Saudi Arabia, where we would be selling cheese. In 1988 I secured an appointment as marketing manager for Mejeriselskabet Danmark's company Danya in Saudi Arabia.

Ultrafiltered curds dispensed into jars became the company's future. We were responsible for ensuring that our marketing worked in the country, but we occasionally received products imported from Denmark that were not up to the standard we were used to. Our evaluation clinched the matter.

Our sales manager went to the trouble of opening many jars and checking the quality. Our manager was also watching over us like a hawk, because this was important. An opportunity suddenly arose for me to be able to bring my own product knowledge to bear – the knowledge I had originally gained from oat grain, wood and tobacco, which I was able to transfer to other products.

I remembered what I had learned about tobacco, and that the product did not always live up to the standards our customers could expect. There were different reasons, which I was familiar with from the production. Surely the same had to apply to these dairy products.

It was clear as daylight to me that we could not just take it for granted that we would be supplied with uniform quality over time, so we had to pull out all the stops to ensure that the quality sent down to us by the dairy in Denmark was constantly first-rate. Fluctuations in the quality of the products we received from Denmark were a serious barrier to our being able to build up a branded article.

Throughout the food industry and the retail trade, the focus now is entirely on the fact that the value of the branded article depends on the product's substance.

Perhaps that is why we have lost our curiosity to know something about it. We take it for granted. But that needs rectifying, because all foods have a unique property built in, which can be important for customers and consumers. That uniqueness must come to the fore in the sales process and be made relevant for the seller by the buyer.

Knowing something about the substance is fascinating and still highly relevant. That knowledge can be used in active selling.

Collective ignorance

Many things are important when building a bridge. E.g. the dimensions of the bridge must have been calculated perfectly so as not to collapse, and it is just as important to have both concrete and steel of very high quality.

Is it at all possible to imagine engineers willingly trying to persuade one another that the substance, i.e. the properties of concrete, is not important, and that only the concept, e.g. that being able to get from a to b, is what is important? Surely not! But with food, that is what has happened in reality. The substance in the product is no longer being actively used in the commercial stages. Knowing something is not sexy.

Such a phenomenon is called collective ignorance, because everyone reacts identically: "If the others don't think it's important, I don't either."

The product's FAB

We are now homing in on selling technique. We are getting to grips with the basic and powerful aspect of knowing one's product – i.e. what I myself did not discover till late on. Selling technique is traditionally understood, first and foremost, to *systematically* mean:

- opening the sales talk and continuously directing it;
- seeking information about the customer's situation first, then
- involving the customer in the product by making it into a solution that meets the customer's needs.

In the case of systematic selling technique, one also needs to:

- listen to the customer's objections to the product's ability to meet those needs; deal with objections, and when the buying signals come,
- clinch the sales talk.

In Chapter 9 you will find a more thorough examination of selling technique, which we will expand so as also to include *behaviour* and *attitudes*.

The product's features

All the factual information that can be gathered about the product is called its *features*. A product can have a virtually endless list if regarded as a concept, i.e. if all the value chain's processes are taken on board.

I myself have often sorted[21] a product into:

- core product
- actual product
- augmented product.

It is a good way of stimulating creativity. Unfortunately, however, in his model Kotler does not really put the product into action, and without it our marketeers' curiosity is not piqued to find out anything about the product, nor does one get the customer involved in the supermarkets. One manager I had was able to do so. That was Jacques Recourdon, managing director of Benckiser, where following my stay in Saudi Arabia I had been lucky enough to be appointed sales manager.

Washing-up liquid

One foggy morning Jacques Recourdon and I went out to the Roskilde office of Kvickly, FDB[22]/Coop. We were due to have a meeting with the chain with a view to expanding our range with a washing-up liquid for dishwashing machines. I knew nothing about the product as yet; Jacques, on the other hand, had been working in this world of chemical and technical products for a long time and was fascinated by it. I was interested, but I had not yet started to search for knowledge about the products. Nor, at that time, would I have any inkling how to use my knowledge to activate a need for the product, had I had the requisite knowledge.

A short way into the meeting Jacques started to grow impatient with my presentation, probably rightly so, as it undoubtedly must have been dull. He took over the session, and I heard him say how our washing-up liquid worked on caked-on ketchup, potatoes, gravy, rice and other leftovers.

He would speak about these features at length, and the buyer gradually became involved. It was sheer luck, but so much so that he was perceived as being an authority in the field, and some buyers like that. He sold them our story.

21 Freely adapted from Philip Kotler.
22 FDB: Danish Cooperative Retail and Wholesale Society.

I learned something in this context, and used it to reel off later. And I mean *reel off*, because neither Jacques nor I had any conscious understanding of, let alone any ability to explain, how to activate needs and salespeople psychologically.

However, I did at least understand that there genuinely was something in these products to be learned. I became what in sales language is referred to as a *product describer*: in other words, a person who merely tells stories but does not sell stories.

Advantages of the product

When you sell a story (or food), you involve the other person so much that he will never forget the story (or the food). You look for information and activate a need and meet it with your carefully selected customer-specific benefit, based on a product feature.

We have seen above how a product can be sold by describing its features (the washing-up liquid's ability to remove leftover food), but we still have not touched upon two other central components of the sale. You see, we also have to show the customer what advantages the product's different features have, and what benefit the customer has from these advantages.

In order to be able to remember it better, a sort of mnemonic can be made up: A product has some *features* with some *advantages*, each of which provides some customer-specific *benefit*.

We will start with the concept of *advantage*. Once a person has become interested in a product's features, he will very soon want to know what advantages that feature offers. And remember: There is nothing in the product that does not give the consumers or the customer an advantage.

Toothpaste tubes

Why are many tubes of toothpaste packaged in a cardboard pack? What are the advantages of that supposed to be? After all, the logo and various declarations etc. on the pack are also on the tube itself. The perfectly simple explanation is that for a number of shops it has the advantage of making the tubes easier to stack on the shelves. For them it is beneficial that the tubes do not slide around on the shelves, as they save time by not having to rearrange them again tidily.

The advantages generally merit spending some time on. This is also where potential savings are to be found. If an advantage does not meet someone's needs, you might just as well remove the feature it comes from, perhaps, and save those costs.

Brasso®, Neutra Air®

At a company dealing in household products we sold Brasso® polish. It contains peanut fat, which is a feature of the product. The advantage of peanut fat is that it keeps copper shiny for a long time. So if you polish with Brasso®, it lasts a long time. Armed with that knowledge, we were able to keep alive with spirit a dying product on which we were making good money.

Neutra Air® was another household product we launched as part of the Airwick air-freshener series. Selling that product grew us into real salespeople. You can normally discern a block air freshener in a room, so there is evidence of something physical due to a scent trail in the air. Neutra Air® neutralised smells with a counter-fragrance, leaving no trace of the smell in the air. We salespeople asked how this was possible, and the product manager replied that it is actually a process that takes place in the brain.

When it came to selling the product, then, which in principle was a thing that only took place in the brain, we were totally high on enthusiasm, because it was set to become a fantastic thing to try and tackle. The customers bought the idea, because we trained ourselves and the salespeople intensively. Everyone was enthusiastic. But the consumers just did not purchase the product, maybe because there was too little substance in it.

The product had plenty of customer-relevant benefits but apparently none which the consumers found relevant or became involved with through the consumer communications on TV.

The customer's benefit from the product

So far we have dealt mostly with the F (feature) in FAB and only a little with the A (advantage), but the most interesting one is actually the B (benefit), for with every feature and advantage, a benefit is associated. It must be customer-specific in order for the customer to feel involved in the product. It must therefore meet a need which the customer has, and which he has realised and stated he has, so that the salesperson can reinforce it and meet it.

It is very important, therefore, to look for information about what needs the customer has so as to know what benefits to use. Customer-specific benefits, and they alone, will activate and meet the customer's needs. The same advantage can have a variety of benefits. A good salesperson will soon figure out what is a benefit specific to the customer.

In the example with Brasso®, benefits for the consumer may be that he:

- saves time
- feels reassured that it is an old, tried-and-tested product
- enjoys talking to his neighbour about his shiny copperware
- likes to receive praise and acknowledgement from his mother-in-law for his beautifully polished copperware
- sees an opportunity to buy even more copperware to have on display, because Brasso® is guaranteed to make it shine.

And we could carry on listing possible benefits. It may seem banal, but it is actually slightly difficult to understand. The polish here has been chosen to show that the technique can be used for even a very untrendy product.

For the buyer, the customer, it may be *personal* needs that have to be met, e.g. safeguarding his own career, or the *professional* needs of the company he represents.

Don't tell the story – sell it

The product managers must introduce the salesmen to real features, advantages and benefits. They must demonstrate that they have enough passion for the product to arm the salesmen for the encounter with the customer.

It is like a relay race: every runner prepares exactly how to pass on the baton, so that the next relay runner is not surprised to receive a baton he has not been prepared for by the runner doing the hand-over.

It would be a pity if the next link in a company's value chain were to stumble in the middle of the third heat owing to a lack of knowledge and because the optimal potential in substance and processes, of which a company's product is actually a result, goes unused.

An example of things going wrong in the third heat

The salesmen in a company were in a meeting with Marketing to find out about some products' features and advantages they could use in their sales pitch. They asked about the different products' features, and what advantages they offered. But to their disappointment the brand manager was unable to answer any of their questions.

It was one thing that they themselves now had to invent answers to their own questions, because they knew that some of the buyers would ask the questions, but it was rather more serious that they had to convince themselves of the qualities the products had.

This raises a fundamental question: Should brand managers not enthuse about their products and pass that enthusiasm down along the value chain with passion?

Dear reader, give some thought now to the following three problems:

- Do you really know how to involve the next man in the relay race in your ideas, concepts and products?
- Can you control the process, so that the person treats your concept/product as you wish?
- And would you like to know the difference between telling and selling your story (in English the little 's' in "sell & tell" makes all the difference)?

If you do not feel altogether sure, then continue reading. Do not lose patience, as it takes a while to learn this. My own insight is based on 20 years' experience of using these thoughts and methods in a managerial setting, and as sales-promoting behaviour in different organisations. To start with, most people cannot get their brain around it, but suddenly they catch on.

As a rule, it is the different anecdotes taken from real life that further understanding.

Pointers from Chapter 7

- It is important to construe the launch of new products in the sales department as a means of introducing indirect price rises.
- Over time the salesman must build the customer's positive need for our product's features by psychological means.
- To the product manager: Remember to regularly nurture the product's image vis-à-vis the salesmen.
- The marketing department is the natural authority on the product at sales meetings.
- All products have something unique, in process or in substance, which is important for the customer.
- Demand that colleagues let their passion shine, so that everyone feels passion, and collective ignorance of product knowledge is avoided.
- Avoid telling the story and reeling off product advantages. Instead, involve the customer, and sell the story.

Chapter 8

The future for cooperative food sales

For many Danes food must be cheap, fast and unemotional. This may well be a crude assertion, but it is said with love for the hawker in us all that has been allowed to live life uncontradicted by the food industry.

According to the industry the supermarket chains in Denmark are willing to discuss nothing but price, and it is the same all over Europe. It has been that way for many years, so there is nothing new under the sun. But could the industry conceivably have allowed itself to focus on outcompeting one another, causing us to forget the language to describe the way in which the story is sold and focus solely on price?

Certainly, we call ourselves grocers. We are grocers who sell to grocers, whether it be the industry's grocers or giant retail chain grocers. Both parties have completely lost their footing, because we no longer have a language to describe what aesthetic, quality foodstuffs are. That lapse occurred during the final decades of the 1900s. My grandfather, who was a grocer in the 1950s and '60s, had a broader understanding of the foods he sold, as did the salesmen who used to come and visit him. And his customers understood that food came at a cost, and they were prepared to pay that cost.

It is also a question of morals and substance. Let me give two examples:

1. A meatball on the global market, which has been bought processed or ready-made, can be made from 140 cows, because it is less cost-intensive to mix the meat after slaughtering. If you want meat from a single cow, the meat costs more.
2. Fish can be caught with a long line or trawl. In the trawl they die of stress after a couple of hours. They lose their rigor mortis and go limp, just right for filleting. But the taste and shelf-life will both have deteriorated. Fish caught on a long line and frozen immediately afterwards, on the other hand, retain both their taste and their shelf-life

Surely the majority of salesmen would prefer to fight to sell meatballs made from a single cow, and fish caught on a long line, assuming the option exists?

The Danes, food and the cooperative movement

As consumers, we are now reluctant to pay more than we have always done for milk, meat, bread, butter, cheese and eggs etc. in absolute prices. We take high quality for granted and have practically forgotten that it comes at a cost. The consumers are ill-bred in respect of quality. It is a symptom of widespread indifference. A Danish household spends only 10.1% of its budget on food. 25 years ago, according to Statistics Denmark, food made up 25% of a family's total consumption. That must surely be a sign of economic growth, but we spend those improved private finances on electronics, travel and homes, just as we eat out more, at the same time investing in "conversation kitchens".[23] There are many signs that there is much less commitment to investing in primary foods, which is a paradox, for never before has there been so great a focus on both healthy living and gastronomy. The media are awash with good advice and recipes.

The industry and the cooperative movement bear the brunt of the responsibility for the Danes' indifference to food. It is a great pity, because we in Denmark know a lot about food which can be turned into an asset and put into action globally in active sales. Denmark even has a preponderance of cooperatives; and owning the value chain, as cooperatives do, seems to be viewed in a positive light around the world. The message just has to be sold properly.

However, it is not only the industry's and the retail stage's focus on price that is to blame, as we are all responsible for eating any old thing without caring and occasionally serving our guests indifferent products. After all, they cannot tell where we bought them, what they cost and how easy we found preparing the often semi-manufactured parts of the meal.

But when we do serve food to guests, they give us a vote of confidence. Think of the child who has been entrusted to its parents' care, and places its blind trust in them. The child learns to eat whatever is served, and if the parents know nothing about food and animal welfare, and otherwise do not give a fig, the cheap products will serve to satisfy its appetite. And the child learns to appreciate these, as it knows nothing else.

The cooperative philosophy makes a difference

On social occasions, in taxis to and from airports and many other situations, I often have the pleasure of speaking to many different people who are rather proud of not buying food from major industrial companies. They like to buy from a small company, and that way they think they are sure of buying quality goods.

23 The Danish term *samtalekøkken*® denotes a large, open-plan kitchen, like an "American kitchen", where cooking can be combined with socialising.

When, during such conversations, I point out that the large cooperative companies are owned by Danish farmers, the conversation changes, and my interlocutor is given a much more positive view of the large companies' products. They may not switch products perhaps, because they happen to be satisfied with what they are buying. But virtually not one of those that I talk to in the major towns and cities knows or thinks about the fact that the big food companies are cooperatively owned, and that the money goes to the owners locally, generating cashflow in the small local banks. That is not good, because trends start in cities. We must therefore reckon that it will take some time yet before the good story has been sold to the urban segment.

If on these occasions I go on to disseminate my knowledge about products in a way that meets a need on the part of my interlocutors, I can almost get high on optimism. You see, it transpires that the price of the food is never the clincher. The most important thing in the vast majority of cases is the perceived quality and credibility. **Selling a story** to my interlocutors, who are all ordinary consumers, is easy. It is important that the consumers not just be told the story; they must be sold it. They must be sold the idea so that it takes hold. That is precisely what is conveyed by the adverts from farming. So why, then, does it always end up in a price discussion between the industry's salespeople and the buyers of food?

Food behaviour becomes food culture

Those of us born in the 1950s are the first generation to have been slowly purged of knowledge about food, because to an ever increasing extent we are buying processed foods and ready meals, sometimes as a necessary resort. Fortunately, many good, healthy products are available these days, though they should hopefully not become the only forms of food we ingest, as there can be health-related downsides not just to ready meals but also to processed foods.

We are constantly being bombarded with good dietary advice, which is often out-and-out self-contradictory, and that contributes to the difficulty many of us have in understanding dietary correlations. Even the most banal advice can be hard to remember and even harder to live by. But it is possible.

If we were to resolve to give our children an objective knowledge about food, much would be gained. But children cannot make do with good advice because, as everyone knows, they do not do as they are told. They do as they see us adults do. We must therefore show them that it is important to know something about food, and how to prepare it. That is not done by focusing on it for a short period; it has to be a natural part of their everyday routine and be incorporated over time so that it becomes a behaviour, which grows into a culture.

By we what I mean is not just the parents and the school but also the food industry. We are all key authorities who have to invest time in understanding what

really good food is so that we can pass it on to our children. The food industry is going to have to adopt a firmer posture when it comes to developing insight into food. But if the employees in the food industry do not have the necessary product knowledge, the spread of the message may be blocked.

There are many signs that now is the time to make hay. The consumers have an interest in all things authentic. This is evident from the many coffee bars with their own coffee grinder, microbreweries with their own bar and delis serving food, which are more popular than ever before. It is reminiscent of the wishes we had in the 1970s, when there was a back-to-nature quest. Today that experience has simply been moved into the city or out into cyberspace. We have to use the Internet to show the consumers how we manufacture the products so that it becomes an open process on which the consumers can adopt a position. The forms of production must be transparent, not concealed. They have to be highlighted like a competition parameter.

Which brings us back to square one again: The product must be brought back into the limelight, and we must get better at emphasising the fact that fantastic raw materials are being produced, from which the food industry is manufacturing good, safe products in which we can take pride. Fortunately, of course, development does not end here, because the food industry will carry on developing even more fantastic products in the future.

If the food industry raises the bar and spots the potential in providing in-house teaching to employees with commercial responsibilities and duties in how to produce and then sell really good products, the good behaviour and the substances produced by the farmers and processed by the industry can be put into action vis-à-vis our customers, who will then be able to decide which products to concentrate on, based on solid and objective information.

Retail customers are very vigilant about monitoring tendencies of their age and spotting when the timing is perfect to launch a new product. It is up to the industry to make its stamp on, or rather set in train, these tendencies, because both morally, ethically and cardinally it will enlarge the value space in which we negotiate with the customers. And if that happened, it would be in everyone's best interest.

Morals, ethics and etiquette

Be meticulous with the raw materials when you are cooking. It does make a difference which flour you put into the sauce or which butter you use to deglaze the pan for your gravy. Understanding how to cook potatoes is an art. If properly prepared, the starch in the potato slowly becomes convertible, and that is good for your body, whereas starch which is quickly convertible is unhealthy. Your rissoles

can consist of lean, gristle-free veal and pork or lamb, and you can use different sorts of flour, egg and onion. Since you will be eating it yourself, with or without your family, it is a matter of being meticulous with the raw materials you use. Maybe you do not eat traditional Danish dishes at all but prefer salads and exciting new dishes; or maybe you do not make a big deal out of the raw materials for your food. Do you know that, in order to turn out well, meat has to be oven-roasted on a low heat for five hours, and a stock has to simmer on bones, fat, gristle and vegetables for 20 hours in order to extract all the gelatine and the goodness, to make the best, healthy dish of traditional baked sour pork ribs? Our great-grandparents may not have been able to explain what happened, they just knew that the food had to be prepared in that way.

In an awful lot of cases the responsibility for good food and its preparation has disappeared from private kitchens, only to be assigned to the industry and the restaurants. Marketeers therefore have a special task in branding the good foods with care and consideration. If you are a budding marketeer or a senior marketeer with a burning passion for brands but have always felt that dealing with food is totally uninteresting, yet you are actually beginning to see that having sound knowledge and experience of foods is sensible and profitable, then take hope, for it is never too late to start taking an interest in food.

There are supermarket chains that target a dedicated public in search of quality. But even these chains have a tendency to change buyers in order to prevent too intimate an atmosphere from developing between seller and buyer. That is a great pity, because I have seen amazing things happen here in particular, when seller and buyer are allowed to develop a relationship so that they can transfer information about the two systems to each other.

For remember: Consumer, buyer and seller are only as far apart as the product at issue. We need to pinpoint the commercial moral compass by which we steer.

Let's talk about morals and the choices they offer

Morals are an individual matter. It can be difficult to determine what is right and wrong. Ethics is the sum total of morals, i.e. the collective perception of morals.

Having all reached agreement that a food is up to standard, a cultural ethics arises, which is what the vast majority use as their direction finder. The word *direction* has been chosen with precision, since our culture is a direction-finding culture[24]. The opposite is a culture steered from within, where the internalised behaviour has been passed down from generation to generation

Western culture came to terms with this culture after the First World War, i.e. having legalised, as it were, the fact that what everyone else is doing is right, be-

24 Cf. Henrik Jensen: *Ofrets århundrede* (The century of the victim), People's Press, 2007, 3rd edition.

cause there are lots of them. In the secularised world, what we agree on, collectively, supersedes religion as a moral direction finder.

The industry bears a huge moral responsibility since, within the framework of the law, it defines its own morals, which taken as a whole constitute the industry's ethics. Take the slaughtering of animals, for instance. Apart from the two religions of Islam and Judaism, which have moral laws governing the treatment of animals, it is the industry itself that sets the moral bar which ends up as the industry's collective ethics. With the intensified focus on animal welfare among consumers, breeding and slaughtering methods are now up for discussion, showing that it is possible to change a dominant ethics in a modern democracy.

Food etiquette

The prevailing ethics (the collective morals) form the basis for describing the *etiquette* (a diminutive form of ethics), which describes how people have to behave – just think of Emma Gad's *Takt og Tone* from 1918 in Denmark, or Debrett's Guide to Etiquette and Modern Manners in the UK. Etiquette can be shared between colleagues. There should preferably be agreement on etiquette and the often unwritten rules followed in respect of good form.

Particularly in the sales departments we must be conscious of etiquette, as we will otherwise not appear credible, psychologically, in our interaction with the customers, who themselves are seeking an ethical foundation on the part of the suppliers to base their commercial intercourse on.

Think back to the examples of fish and meatballs (page 129). They may serve as homing markers for one's own position and station. This is precisely the important thing, because people will fight even more to make what they themselves can vouch for happen. *Good Growth* in Arla Foods is a good example of a company in a particular sector taking responsibility and setting future standards for the whole sector.[25]

Bake a loaf like in Taiwan

In Taiwan I experienced something really interesting.[26] An export manager and I were together with a customer with whom we were trading cheese. He was unimaginably fed up with the parlous state of all the food in Taiwan. He had a small, family-run production setup, making pizzas and cutting up mozzarella and grating cheese for the pizzas. It may sound simple on the face of it, but it was not. After working for a long time, the head of the family had managed to scrape together enough money to have the sort of output he had wished for all his life. Now he

25 Good Growth is an in-house guide to growth at Arla Foods.
26 I owe a debt of gratitude to the fantastically capable export manager who had arranged this meeting with our competent customer in Taiwan.

was on his way to retirement, so his son was the one in charge of production. The father assisted his son with advice and guidance from a long life of insight into what food is and does to the taste buds and the body.

Among other things, we asked him why he was so intent on using stone-ground flour. He immediately offered up a precise explanation of the difference between stone-ground and rolled flour. The particles in stone-ground flour are not elongated and not tugged, so that the membrane around the particle bursts and cannot hold water.[27] It is a gentler form of treatment, therefore, despite taking place in a stone mill, where two stones, one on top of the other, mill meal between the stones. A seemingly very violent business, but gentle in its own way. The water contained in the particle makes the fermentation of the dough completely different with stone-ground flour, which is why the bread baked in the oven takes on a different taste and structure.

The father usually baked his pizzas in a stone oven with moistened clay plates, as that gave the pizzas a better structure, since the moisture in the oven allowed the heat to dry-bake more slowly, which in turn started the pizza baking more slowly and resulted in the whole process working better. Later on we went into their shop in the centre of Taipei. There he continued to regurgitate his knowledge of the coffee we were drinking, and the bread we were eating with it. Among other things, he told us he used carbonated mineral water in his dough because the carbon dioxide in the water made for different aeration, making the bread lighter. This wizard stated that this was the very reason, after all, for drinking carbonated mineral water with food, as it oxygenates the taste buds to bring out the taste of the food.

It made me think of the way Italian men can exchange opinions during a meal about which *aqua minerale* it is best to drink with food, just as they can discuss which flour is best suited to the different breads. These Italian men can speak with great insight about food at a level that we will never find in Denmark because we are generally ignorant about food and certainly do not talk to one another about it. That may sound like a slightly harsh statement, but it is true nevertheless, and in the future we are going to have to change it if we are to compete with the type of family-run operations I encountered in Taipei. And it *is* possible to nurture an entirely new food culture in Denmark. It is not a naïve dream, it is a necessity that we do what we are good at in the competition with the people in Taiwan.

As things are now, it is all about the price of the article in Denmark, not its substance and features. You see, in the food industry we have forgotten how to be real salespeople who involve the buyer on the strength of the product's features, because we do not quite know how to actively sell it. The buyers are therefore

27 When flour is milled between two rollers, one roller runs a tad more slowly than the other. That is the reason why e.g. oat grain has a slightly oblong surface. The individual grain, cut up into three, is then fed through a roller to flatten it; these two processes allow us to eat the raw grain with milk on.

relegated to talk only about price and rotation on the shelf etc. And we are all to blame for it becoming that way: consumers, retail trade and industry. But some must take more responsibility than others for enabling us to at least aspire to a higher level. As a population, we are more affluent than ever before, so we have the extra resources that allow us to look after ourselves mentally and indulge our taste buds altogether differently to the way we actually do.

So set about learning something about food immediately. It will make you more competent commercially. It is not that difficult but you do need to immerse yourself in it so that you have tried to see how hard it is to get it exactly the way it should be.

Home-based production in Saudi Arabia

My wife and I lived and worked in Saudi Arabia for a number of years, and it was the most weird and wonderful country to gain access to. We learned much about Arabs and Bedouins in the sand. I was head of marketing and driven by a curious interest to get to understand the Saudi consumers. On many evenings, therefore, I had the pleasure of paying a visit to Saudi families to learn to understand how they lived. As a rule they would serve chicken, rice and salad, sometimes lamb. The Saudis were nice people, and friendly, as are most people the world over.

The ascetic culture we were living in, however, meant that we had to adapt and fit in to make life tolerable for everyone. One of the big differences is alcohol. Unlike those of us steeped in European culture, the Saudis do not drink at parties. That meant that we were not able to buy alcohol, so we had to brew it ourselves.

And as we know, practice makes perfect. With time it actually became fun, because we devised more and more ways of producing good wines, good beer, sparkling wines, gin etc.

We used to look forward to going over to particular families who, rumour had it, were particularly good at making red wine from red grape juice, which was available in copious quantities next to the yeast in the supermarkets.

All the alcohol-free beer was remade into real beer in demijohns we bought, and if we were planning to party any more seriously, apple juice with a patent stopper in the bottle was made into effervescent champagne with a real kick to it. It became perfectly normal to live this way and great fun to devote oneself to. It was actually an enriching experience to do some of it oneself, though evidently not enough still to do it at our home in Denmark today. We appreciate the standard products available on the market.

Food culture being eroded

Are we ceasing to cook because we wish to avoid it or are merely assigning it low priority, or should we be making it a top priority instead?

Will we reinforce our culture if we continue preparing our food in our kitchens in order to gather the family around the table and eat the food while we converse with one another?

In California it is becoming increasingly rare for families to make their own food, and the same is becoming true of Denmark. My own children are happy to buy ready-cooked food, because it is cheap and fast. They even come from a home where they have sat and eaten together as one big family every evening. But they can afford to buy their food in ready form, so they do. And they are not alone in living this way. The trend is clear. There is nothing explicitly advantageous or understandable for them in making food and eating it together.

If food culture is to survive, we have to argue its case. In the USA the fridges are empty; eating out makes up 40% of food intake. The fact that almost half of American households can eat out is due partly to the lack of a minimum wage, thus making it cheap to eat out, and partly to the food industries being subsidised in such a way that meat for burgers has become cheap for the consumer to buy. It is actually cheaper than vegetables in supermarkets, and it provides jobs in the catering trade.

The least educated are the ones serving the less educated, the ones getting diabetes and suffering from obesity. It has become a culture in which people become dependent on bad food and medicine. What that does to people mentally, I do not know. I just know that I get a shock whenever I am in the States and see how big half the population is. There is nothing new in that. It has been that way since I went for the first time in 1979.

But the USA is a fantastic country, as you will also find some of the healthiest people in the world. They are extreme, and we can become an even better food country by having both production, sales and marketing in the industry and retail stage as well as consumers and shoppers emulate them. In the same way, we must learn from the French and the Japanese. We must be able to cover the whole gamut so that we can show how it is possible to trade optimally.

You are something to others when you cook

A quotation from Nelson Mandela reads: *"What counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead."*[28] I share Nelson Mandela's point that

28 Johannesburg, 18 May 2002.

it is important to have done something for other people, and when we cook for others, we have done something for them: We have been thinking of them, and we have lavished care on them. A French woman once told me that it is important to view cooking and meals as an opportunity for living intensely. It was only when she left France that she realised this is a French lifestyle. The rest of us just eat. Perhaps she is right.

We in Denmark have to re-learn how to value food and its preparation. We have to value the fact that employees in the food industry are doing something for other people. They are mindful that consumers have to get something for their money. But we are inclined to forget that, and the commercial stage in the companies has to do something about it. It is important for all of us.

In my childhood butcher's shop, where the sawdust on the floor creaked slightly beneath the leather soles of my shoes, I used to go shopping with my mother. I would peer through the glass of the counter at the hunks of meat and the mince-meat behind the pane. The meat for making Danish rissoles was available either as ready-mixed mince or as pure, lean meat. The pure meat had not yet been minced, but with a few cuts the butcher was able to quickly slice the meat into portions that fit into a mincer at home on the kitchen table. The mince had been processed, you might say, and cost a little more. I do not know what had been mixed into the mince. I am sure it was good, but we always bought pure, lean meat, as it happens.

The meat we bought all came from the same cow, because there was no way of manipulating that hunk of meat. My mother must have known what a good piece of meat looked like and was able to question the butcher about this and that. As demanding customers go, having experience-based knowledge about meat, she was undoubtedly in a completely different league from us nowadays, when we cannot see where the product comes from and we do not converse with the butcher about the meat and its preparation.

As with all other foods, it takes time to buy meat and to joint it and put it through the mincer yourself. But you know what you are dealing with, and the quality of the food must once have been discussed more, because people were naturally in touch with it when it was still in the making.

Emotional attachment to the product

The actual substance in a product often seems to be of no interest, and there is a tendency for it to disappear completely from the consciousness of the commercial divisions. Take cola-based pops, for example: Who in the commercial divisions wonders whether they are made from beet or cane sugar, glucose or fractionated sugar? It is quite simply of no interest, yet cola producers are nevertheless in a

position to stage-manage their brand and unite large groups of consumers in a universe created by the producers. The same happens to many other food, drink and tobacco products.

However, there are other types of brands that do not work if much of the product's substance is not included in the campaign. As an example of that we can take cars. The buyers are often interested in how the car performs, its sitting comfort, room for children, safety and so on. These are all very physical features. Many luxury products construct an image around the so-called original item. Think of Levi jeans, Mont Blanc ballpoint pens and the Apple iPhone. It is not just a matter of substance here, but also of the status which the brand imparts to the owner. The vast majority of people get very involved when buying such branded articles, and they expect the salesperson to know a lot about the product and its history. They like to take their time when buying the item, and it is far from being a common purchase for everyone.

The emotional attachment to a product is important in the sales situation. The buyer is a person who must work as optimally as possible for the supplier (the extended arm). Although Danish products often lack a budget and international acceptance with consumers, it is still possible for the salesperson to attach the customer to himself with the aid of his own emotional attachment to the product. It may, for example, be to understand the social consequences for Denmark of producing products completely from scratch domestically – provided it is a need which the customer has and which we therefore meet.

In Sweden, for instance, it is often an important argument that the product is local. We know this from some customers/consumers in Denmark too. But such arguments have to gain ground among consumers who explicitly see the advantages of local products, as in the case of consumers of terroir products in France (see page 67 ff.).

In order to learn how customers react, so that their needs can be influenced and serviced, it would be ideal if, here at home as in the USA, we required all employees to have had dealings with customers before being moved to the company's more inward-looking functions. As things are now, people go to university and acquire a theoretical knowledge to become e.g. a dairy engineer. But in order to become a dairy manager, there can never be any alternative to spending a lot of time at a dairy. When it comes to selling and marketing products, on the other hand, you can slip niftily through the entire system and make it right to the top as marketing manager without having actually bitten the bullet and learning about products' substance, and how to meet the customers' needs on the basis of an in-depth first-hand understanding of the product as well as the customer.

The future

When, as I am doing, you write a book about branded article selling and focus on the substance, it is difficult not to put yourself in the consumers' shoes. I am a consumer myself after all, and I have also tried being a buyer and have followed many sellers' attempts to activate a need in me for their products. But my business here is to write as a professional seller and managing director of a food production facility. These are the two angles that form the mainstay of the book.

And yet the consumer in me comes to the fore over and again, quite simply because being a consumer is exciting. I dare say we all take pleasure in spending money on good products. They are everywhere, and I like it myself. I enjoy the diverse range of products we have nowadays. I do not belong to that circle of people who think the past, with far fewer products, was better. We are living in fantastic times. I think the retail trade and the food industry are doing a fantastic job. When I go round a supermarket, it pleases me to see the great array of all manner of products.

However, I must admit that for many years I did not actually take enough interest in the substance of the products, either professionally or as a private individual. It is only in the last 5-6 years that I have actively used the sum total of my knowledge in active selling. In particular, I have used the knowledge I acquired in my youth, when I was working on the substance.

I now know how important it is for us to ensure that we pass on our knowledge about substance to the next generation. We have young people employed in industry who are more idealistic than I myself was. We must not let them down. From their perspective it is industry itself which has to fight for better products, not environmental associations and public enterprises. And they know that industry has the resources for it. I agree with them, but it obligates all of us in industry, and it may not be that easy to win everyone over. Fortunately, however, there are examples of companies that are heading in the right direction. One of them is Arla Foods, which with Good Growth is taking a significant step to ensure that we are able to satisfy the young employees' stringent requirements of their employers.

This all points towards a future for which we have to provide some professional vision. There will be room for us to focus our enthusiasm on developing the quality of foodstuffs, while at the same time giving the 30-40% or so of consumers interested primarily in the price of the article a quality which the retail trade and industry can agree to match pricewise. It is a joint social responsibility to have good products for the perceived spending power of all segments. Good example must guide these consumers to become more involved in food over time, and we must accept that it takes time.

We can have the best of all worlds for future foods. A starting point is for us to ensure that commercial managers are trained within the industry, targeting the food sector.[29]

We must infect all new employees as early on as possible in their careers with our own enthusiasm for foods and the substance, to give them a rich professional life in the trade, so that they are instrumental in helping to preserve the very best of the cooperative movement's and the retail trade's development of foodstuffs. And that enthusiasm must blossom and grow strong in the retail trade as well as the industry.

29 See a suggestion for this in Chapter 14.

Pointers from Chapter 8

- Lack of time and insight into food is a potential that should be exploited.
- Cooperatives have a lot of untapped commercial goodwill which can be used in the sales situation. This is the way professional selling is performed in the USA.
- Quality food prevents lifestyle-induced disorders.
- It is all a question of people management in the food industry.
- It is possible to make proactive use of the big issues about morals, ethics and etiquette.
- Are we as consumers reverting to type by simply gorging ourselves? We must avoid that.

Chapter 9

Passionate selling

Know your product. Know your customer. Connect the two emotionally by involving the customer quickly so that the arguments feel relevant to him.

If you stick to this seemingly simple recipe, you have the basis for becoming a good seller. It may seem easy to comprehend at first sight, but the underlying technique is actually quite complicated. In our example, to illustrate the method, we will tackle some specific dairy products. Of course, we could have chosen entirely different products, because the methodology would be the same whatever the product chosen.

In this chapter you can read about what *passionate selling* involves. Apart from the one you are about to start reading, there is no overall account of the topic in existence. So far it has only been possible to find out about *passionate selling* by attending our courses.

In this chapter we will place the product in a specific behavioural context so that you can understand that it is something you can learn if you are curious and constantly practise selling.

What is *passionate selling*?

Passionate selling is a developmental process that focuses on our behaviour in sales-related contexts. It is a process that has been specially developed for producer-owned cooperatives, chiefly within farming and food. However, any other companies dealing with the production and processing of food will be able to derive great value from implementing *passionate selling* as well.

Passionate selling has been developed because we in Denmark have something unique that we wish to nurture and develop. We have a number of producer-owned cooperatives that make a good story not just in Denmark and the rest of the world but also a form of collaboration that helps to ensure our place among the countries of the world developing and producing the best raw materials.

With *passionate selling* we wish to create a collective language – a collective terminology cutting across all stages of the organisations engaged in selling foodstuffs. Within the internal organisation and in relation to our external customers, the concept enables us to formulate why we are among the best in the world at manufacturing raw materials for the food sector.

In order to be able to convincingly communicate this internally within an organisation or to our external customers, *passionate selling* focuses on two basic parameters. The first is that knowledge about the product must be present in order to be able to communicate the product's splendid attributes, including a desire and a curiosity to understand. The other parameter is to be conscious of the way in which we convey our knowledge to those tasked with passing the message on for us. If we are not good enough at involving others and selling them the knowledge we have, all the good arguments will founder at that very point. In *passionate selling*, therefore, we focus on how, through our own and others' behaviour, we can involve others quickly so that they too feel motivated. The purpose of *passionate selling* is therefore to:

- highlight the fact that behaviour is not copiable and is therefore hugely important to whether the next person in the value chain sells our message on passionately *(values)*
- create renewed curiosity about the product substance, so our products and solutions can be constantly refined *(value proposition)*
- provide a collective language across the entire cooperative, so that everyone is working in accordance with the same methodical principles.

Selling

In *passionate selling* the concept of *selling* is connected with the thesis that everyone working in the cooperative is in sales, whether it be the farmer or the em-

ployees in the dairy, the abattoir, the flour mill, logistics etc. Everyone needs to relay their message to the next person in the value chain, so that the message is understood, processed and transmitted on in the spirit intended. You see, it takes both knowledge, willingness and the right methodical approach to be able to relay a message so that the recipient understands, processes and transmits it on as intended.

How do we pass on something we do not fully understand ourselves, do not fully believe in ourselves or simply are not particularly interested in? Probably not in the right spirit or with the right will. Just think if your recipient is incapable of understanding or appreciating the quality you are passing on to him – I wonder how much further along the value chain the message will get? The probability of it striking an external customer, such as a buyer in a supermarket, in a hard-hitting and convincing way, is not great. Sales or *selling* is the science of what sales discipline involves, and why it is crucial in all organisations, and above all how we can use sales methodologies to help the customer make the right decision.

The customer

The customer is another important element of *passionate selling*. In this context we use the concept of the *customer* in the broad sense, i.e. the customer can be understood in both an internal and an external perspective. The internal perspective refers to the people and departments internal to an organisation with whom one has contact, or who are known to be essential to motivate in order to get one's message out as far as possible. The external perspective concerns those customers we send the invoices to, and in many cases it will be the retail chains, distributors or other specific shops.

Passionate selling targets the business-to-business segment, which is why we focus on the cooperative's internal collaboration and its external collaboration in dealings with the customers, since the customers' (e.g. the retail stage's) acceptance of our products and solutions is a prerequisite to even being relevant to the consumer.

Passionate behaviour

Passionate selling is also about acquiring knowledge about one's products and customers, and being able to convey the knowledge in question in a passionate and motivating fashion. *Passionate selling*, therefore, starts by going back to one's roots and visiting the primary producer, e.g. the farmer, at the point where it all starts. See, touch, feel and taste the raw material and understand what meticulousness, passion and proficiency are required to enable all of us to taste one of nature's sources.

The substance

The farmer produces the raw material; then the dairies, among others, magic the raw material into a product. A visit to a dairy is therefore part and parcel of *passionate selling*. This is where we learn about the raw material, the substance, and taste what the customers will be offered.

In our opinion it is important to understand and accept how difficult it is to copy our cooperatives and the cooperative movement, and to understand that the cooperative owns the actual raw material, e.g. milk. It is also important to understand how difficult it is to transform our raw material into different types of food, and the product knowledge, skill and technology required to make a success of this.

The price of raw materials is subject to market conditions, so we can always sell at the price dictated by supply and demand. At bottom, however, that is of no interest, particularly in *passionate selling*, because the focus is on branded articles. Furthermore, the market price is subject to a great many factors beyond our control. *Passionate selling* focuses on refining the product to give us the highest possible price for the branded article we are offering our customers. We therefore focus primarily on the branded articles in food.

The market

In *passionate selling* we have a range of distinctive views as to how we see the market. Among other things, we feel that the customers are the most important asset in companies operating on normal market terms. Managers, employees, infrastructure, products, strategies etc. are necessary in any company, but there is only one place from which new organic capital is added, and that is from the customers. And if there is one thing everyone investing in or owning a company is interested in, it is of course getting a *return on their investment*.

The customers are the most important asset, but that does not mean the customers are always right – on the contrary sometimes. In order to challenge and alter our customers' perspective it is necessary for us to exert a positive influence on them through our behaviour.

There are many reasons why we perceive behaviour to be an essential parameter when customers, companies, suppliers, individuals etc. need to have a positive experience of our cooperative and our products. You can try copying anything, but behaviour is impossible to copy, and behaviour therefore becomes a very important weapon that is often overlooked in the battle to win customers.

Our starting point is that everyone harbours a good intention in what they do, whether it be growing the best raw materials, working them up, marketing them,

selling them or something entirely different. Everyone harbours a desire for their intention to be decodable on a one-to-one basis at the point of receipt, but unfortunately it is far from the case that they always succeed, and the reason is to be found in their behaviour.

Example

I had promised my family not to work, but for my wife and I to focus completely on the children next weekend. Together we had agreed on a programme for Saturday and Sunday, which was to include our family only. As we are approaching the weekend, I get a call from a customer whom I also regard as a good friend. He travels for many days of the year and is therefore rarely home. He tells me he has an important challenge that he would like to discuss with me next weekend, on either Saturday or Sunday if possible, since he has to jet off abroad again on the Monday. The nature of the matter turns out to be vital to his business, so naturally I am keen to prioritise a meeting with him.

My challenge now is that I have promised my family my undivided attention and at the same time find myself with a customer/friend who is in dire need of my skills. I present my wife with a good solution, i.e. the possibility of killing two birds with one stone: I meet my customer early on the Sunday, and when the meeting has finished, I go out and fetch breakfast. So we can eat breakfast together and then go to the swimming pool, as we agreed. My intention is good – bordering on outstanding.

Sunday arrives and I meet my customer; we discuss the situation, and his challenge proves to be more complex than first supposed. Time passes, and the time slips away. I had agreed with the family to be home by 8.15 at the latest, with breakfast. By the time I manage to wrap things up properly with the customer, the time is 8.10. I ring to say I will be delayed slightly, but the telephone answering machine cuts in straight away. I leave a message and send a text. Then it's off down to the baker's quickly, where there's a queue, of course, and by the time I get home it is 9 o'clock. There is no one home, but there is a note to say that they have gone to the swimming pool, as per the family plan.

I put the breakfast on the kitchen table and quickly drive down to the pool. I arrive at the pool at 9.15. While at the ticket hatch, I can see them inside the pool; I wave and hurry to change. They cannot have been in the water long, I think, as I quickly get changed. I hit the water in the pool at 9.25 with an apologetic smile, but naturally assume they understand the situation, as my intentions have been good throughout. They do measure me by my intentions, or don't they?

However much I would like to be measured by my intentions, I have to resign myself to only being measured on the other party's experience: in this case, my failure to give my family what I had promised and agreed. I can try every explanation and create peace and calm on the surface, perhaps, but deep down the other party will store the experience away because of one thing, my behaviour.

Your intentions will not feed through over time if they are not being perceived as part of your behaviour.

Thus your behaviour is vitally important to whether the intention is experienced on a one-to-one basis and stored positively, and our behaviour in any seller-customer relationship is extremely essential, therefore.

In every aspect of our life we are measured by our behaviour, and the experience of our behaviour attributes an image to us. We should be fair to the opposite party, of course, and explore beyond that behaviour so as to evaluate the intention too, but that is typically done as a post-rationalisation and seldom in the present. But a track record of experiences that are not positive will be hard to change, as we have already measured and stored those experiences.

The point of this story is that we can certainly find good arguments for why we do not succeed in selling on a message or a product. For example, it may be due to unfavourable dollar rates, adverse climatic conditions, globally disadvantageous volumes of the raw material we are selling or unfavourable economic conditions in different parts of the world – all genuine arguments, to which we are all subject.

In *passionate selling* we focus exclusively on those elements of which we are in control, i.e. our own behaviour.

Our behaviour is a concoction of:

- What we say (communication)
- What we do (actions)
- The way we say and do things (our approach to others)

If we are going to shift our own and others' behaviour, it is necessary to know which parameters influence and control our behaviour, in order to increase the probability of moving our counterpart's behaviour in the direction desired. In the section below we will be examining how we influence the individual. In order to do that, we will look at what controls and influences our behaviour, so as to work out how we influence the other party.

Behaviour

In *passionate selling* we regard behaviour as a function of five parameters:

- Our personality
- Our knowledge
- Our ability to translate knowledge into skills
- Our attitudes and values
- Our motivation, which is the actual battery and driving force.

The five parameters influence and control our behaviour, so it is essential to be aware of how we affect them, so that we can motivate our customer to become our extended arm.[30] That way, we increase the likelihood of our customer spreading the word about our products in the manner intended.

The aim of focusing on behaviour is to become capable of motivating our customer to become our extended arm, either internally by helping us to get the message out to the next person in the value chain or externally by motivating our customers to make the right decision. If our motivation and fundamental faith are

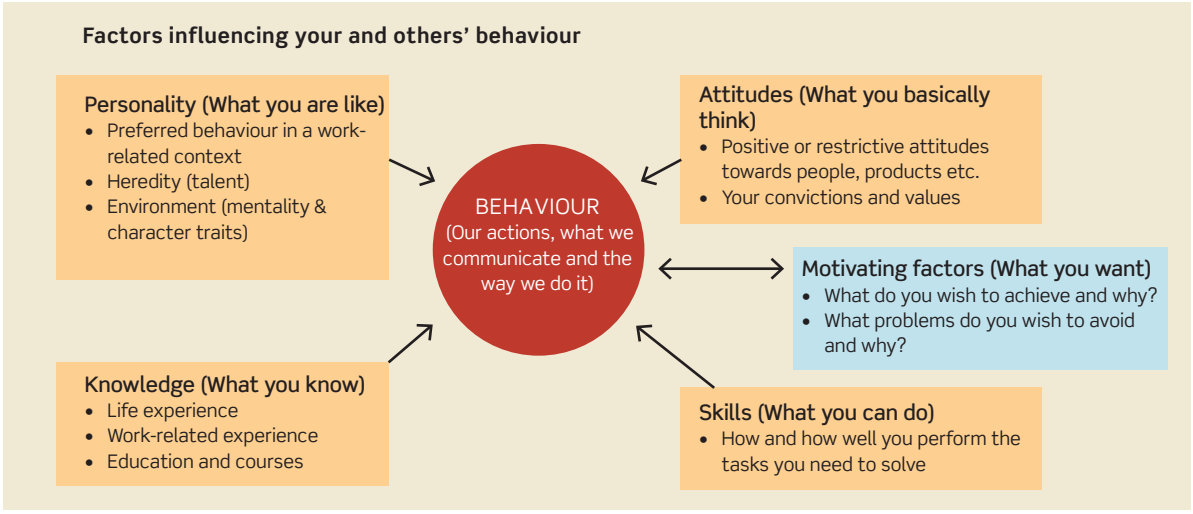


Figure 4

30 See pages 139 and 186 ff. also.

not strong enough, we will falter. When we or our customer falter, it is essential to work out why, and what our options are for helping ourselves and the customer to become staunch in that faith. Without a genuine faith in the products we sell, or a belief in the branded articles we offer, we will not be in a position to passionately sell the message on; and that is necessary if we are to sell the intangible value we believe to be linked to our product. The whole point of branded article sales, after all, is to sell the product at a higher price because, through our communication, actions and approach to the customer, we have done a good job of substantiating why the product is priced as it is.

We shall now take a closer look at the components that influence our behaviour; these are also shown in the behavioural model (Figure 4 on page 151).

Personality

Describing, understanding and actively using our and others' personality in a commercial context is highly complex. Personality consists of a great many parameters associated with heredity (our genetics) and environment (the social settings we have been part of over time), and *passionate selling* will therefore not deal exhaustively with this topic. *Passionate selling* focuses on our preferred behaviour in a work-related context. That is to say, the behaviour that comes most naturally to us to adopt when solving the tasks called for by our post.

We use Master's[31] approach to understanding and working on typologies, because in our view it is very practical to apply. This very practicability is important, because our focus is on behaviour and the performance thereof.

Master defines four typologies: Enthusiast, Analyst, Supporter and Implementer. All people have behavioural traits from all four typologies in their personality profile, but one or two of the typologies have more of a trendsetting status than the others. We therefore work with a primary and a secondary typology. One purpose of Master's typologies is to provide us with a collective language so that we can discuss how we target our message to different personalities. The four typologies are treated separately in the last section of this Chapter (page 172 ff.).

Knowledge

Knowledge is defined as the learning and experience we have acquired over time by having tried something a number of times. In addition to experience-based knowledge we also talk about the knowledge we have acquired through different forms of education, courses, lectures and so on. Knowledge in this context, then, relates to everything we know about one or more given subjects.

31 http://dk.master-hr.com

Skills

Skills are defined as the competences we are capable of putting into action and use in practice. Knowledge acquired educationally or experientially only takes on a value when it can be used in practice and create results. Because we have acquired knowledge through formal teaching, maybe even have a master's degree or a PhD, it does not necessarily mean that we are able to apply our knowledge in practice. The factors deciding whether knowledge can be transformed into one or more skills are our motivation, attitude and respect for the amount of training it takes to be able to translate theory and experience into real-term competences. Our approach to enhancing our skills is that the more we train to transform our knowledge, the greater the likelihood that we will succeed in expanding and perfecting our skills.

Attitudes

An attitude is a point of view or basic opinion that says something about the way we relate to a particular subject. We have an attitude because it has a function in our world. It can have greater or lesser value, and the experience of values is therefore crucial to the way we relate to the subject. The fundamental values we ourselves have are often expressed through the attitudes we express to others. Attitudes are typically controlled by the negative and positive consequences which the relevant attitude can entail. If an attitude is stimulated positively, it will tend to be perpetuated, and if it is stimulated negatively, it will tend to change. Consequences therefore have an effect on our attitudes, negative and positive alike. Attitudes, in other words, are rooted in our need to express our inner values.[32]

Motivation

Motivation is defined as the driving force that makes us act as we do. Motivation involves goals, including the awareness to accomplish or avoid something specific. A motivation can be conditioned by the fact that one or more needs are satisfied. So there must typically be several needs that require stimulating before we experience a motivation. The driving force can thus spring from one or more needs, such as the wish to earn a lot of money or to enhance health and living standards worldwide. Both needs can be powerful motivators and hence drive our behaviour far in two different ways.[33]

The level of the individual components – knowledge, skills, attitudes and motivation – is not static but on the contrary open to influence.

32 See also Chapter 8 on attitudes, morals and ethics, on pages 132-34.
33 Motivation is dealt with on page 156 ff.

Expand your wiggle space

The idea behind *passionate selling* is based on you learning, through the behavioural model (Figure 4), to understand yourself in the tool before you are able to use it in relation to others. After all, it makes no sense to be able to analyse others if you do not know your own strengths and weaknesses, or if you do not **understand** how to use them to influence the recipient in the direction you desire.

In the same way as we ourselves are influenced by the above components, the same applies to our recipient or customer, who also

- is motivated by something that drives him
- has a number of basic character traits that form that person's personality
- possesses a portion of knowledge about the topic in question
- maintains a series of skills within that topic
- has a number of conducive and/or restrictive attitudes towards a large number of topics.

The behavioural model is a tool for use in evaluating how we can help our customer in such a way that he is both stimulated in terms of present needs and becomes alert to needs other than the ones he already had.

We may argue that we should perhaps only meet the customer's needs instead of activating other needs. If the customer's needs harmonise with our needs, that may be the case, of course, but if a salesperson experiences this phenomenon too often, he is no longer acting as a salesperson, but as an order-taker/shop assistant, and such a role can be fulfilled by many people and is of no interest in terms of *passionate selling*.

In a market characterised by competition and subject to normal market terms without monopolistic conditions, the space for negotiation (wiggle space) with any customer will be narrowed down with time unless one is continually in a position to activate needs and hence expand that wiggle space.

Example

A food company constantly develops new products, the purpose of which is obviously to be launched on different markets and target particular types of consumers. If the only thing we are capable of activating in the relevant customer, who might be a retail chain, is for us to pay a listing fee, maybe remove another product from the shelf and in addition make a marketing budget available so that the customer can mount different relevant promotions, I suppose the sale is a no-brainer. The task will succeed for even the poorest of salespeople with a big pile of money to spend. On

the other hand, activating needs in our customer that he did not know he had using clever and qualified argumentation, calculation, case descriptions etc. is a different matter altogether. Being able to activate the need to create growth in a particular category for one's retail customer requires weapons other than money. Among other things, it calls for an understanding of the category, our products, the substance of our products etc.; and if the desired need is successfully activated, then we will have considerably expanded our wiggle space instead of focusing on the purely financial aspect. Our approach is that we have a right, and more particularly a duty, to activate/awaken needs in our customers. Only in that way do we all become better and develop ourselves, the customer and our company.

In order to motivate our customer in the desired direction, it is crucial for us to know what needs we have to activate in order to increase the likelihood of succeeding:

- If the customer has, say, a restrictive attitude towards our products, then we are scarcely going to help matters by giving the customer information about the splendid nature of our products all over again.
- If it is a question of the person's inadequate knowledge of our products, then it will scarcely help matters to rehearse the situation with that person, as the person will not have an honest chance of understanding how that inadequate knowledge has to be translated into practice.
- If it is inadequate training, well then, continuing the flow of information etc. will hardly be helpful either.

Therefore, we as an organisation have to agree on what the customer's behavioural picture looks like, and which components to focus on developing, so that we increase the likelihood of achieving what we wish.

Example

If you have paid repeated visits to a dairy and seen mile after mile of stainless steel and been given the same information about the dairy and the products over and over again, you are likely to quickly have your fill. But that repleteness only arises because the information is the same, not because we are necessarily able to convert it into practice and thus motivate others with the information we have received. Another reason for that sense of fullness can be that we are in two minds as to why

we are visiting the dairy and what exactly we are supposed to be getting out of it, or perhaps it is due to something entirely different.

Why is it that some of us can take on copious information about a particular topic but are not able to convert it into good arguments in practice? There can be many different answers to that question: either we are not good enough at understanding it or else we lack methods enabling us to translate the specific knowledge into practice, or perhaps we just do not consider it relevant. It may also be that we have a restrictive attitude to the knowledge we are bombarded with and therefore close ourselves off to passing on the relevant knowledge.

Irrespective of which of the above or other challenges we are faced with, the dairy guide concerned (typically the dairy manager or a dairy engineer) will react differently if he is to succeed in making the recipient his extended arm. In other words, it is about influencing others with the right thing, in the right dose and in the right way. And just that requires more than simply common-or-garden oratory skills – it requires knowledge, methods and the proper outlook.

The behavioural model (Figure 4) is a collective tool for analysing and working out which component has to be influenced in order to increase the likelihood of the mission one has set oneself succeeding. When the behavioural parameter has been designated, the real work begins, as now is the time to construct the line of argument so that we can persuade the customer of the fantastic nature of our message.

The aim of any influence is therefore to motivate the customer to become your extended arm. That is to say that the customer takes the message further and gets others involved in the topic. The ability to strike the right level in terms of motivation requires the right behaviour for the situation.

Needs

As described earlier on, we define motivation as the driving force that makes people act as they do. Motivation involves goals, including awareness about achieving or avoiding something specific. Motivation can be conditional on one or more needs being satisfied. So there will typically have to be several needs that require stimulating before we experience being motivated.

Getting the customer involved quickly requires us to be able to capture the customer's attention on a topic the person perceives to be interesting. In order to be able to galvanise the customer properly and thus secure a conversational slot for a

topic he will actually listen to, we must be able to create a dialogue around one or more of the needs our customers already have, or awaken other needs which the customer did not know he had and perceives as interesting.

As a common frame of reference to enable us to use motivation in *passionate selling*, we apply the principles from Abraham Maslow's motivational theory from the 1940s.

Abraham Maslow's motivational theory has been represented as a five-tiered pyramid. From the base of the pyramid the five tiers are:

- Physiological needs
- Safety needs
- Social needs
- Esteem needs
- Self-actualisation needs

In brief, the theory's overriding principle is that a person must feel that an underlying level has been met before the level above is registered. The representation of Abraham Maslow's motivational theory as a pyramid or hierarchy indicates that the citizens in the society where the observations took place spent most of their time and energy meeting such needs from the bottom up. This gave rise to the pyramid-shaped illustration, in that relatively more time and energy was being spent on meeting the bottommost needs rather than the top ones. At this point, then, being able to concentrate on self-actualisation was the preserve of some people only.

In *passionate selling* we use Abraham Maslow's principles to allow us to work actively with the customers' needs in a contemporary business world, whether internally within a company or externally in relation to the customers. We have therefore updated Abraham Maslow's approach so as to be able to apply the principles to the modern BTB and BTC markets within which cooperatives move.

Our approach is that all people in all organisations have needs within all five levels, but we have them met differently, so we are moving away from the philosophy that the needs should be illustrated as a pyramid. As shown in Figure 5, therefore, we illustrate the needs pyramid as five tiers that take up equal space. Which needs our customer has, and how those needs are met, can vary from encounter to encounter, from person to person and from company to company, making the doctrine of needs and motivation highly flexible and dynamic.

The principle that a lower need must be felt to have been met before the need above is registered still makes sense and has therefore been retained in our approach. We think it is still a prerequisite that the person must perceive the needs below to have been met before a higher-level need can be activated and the person

made to prioritise spending his time and energy on it. So obviously, we must be able to argue and illustrate how we are capable of meeting our customers' needs before we attempt to activate others.

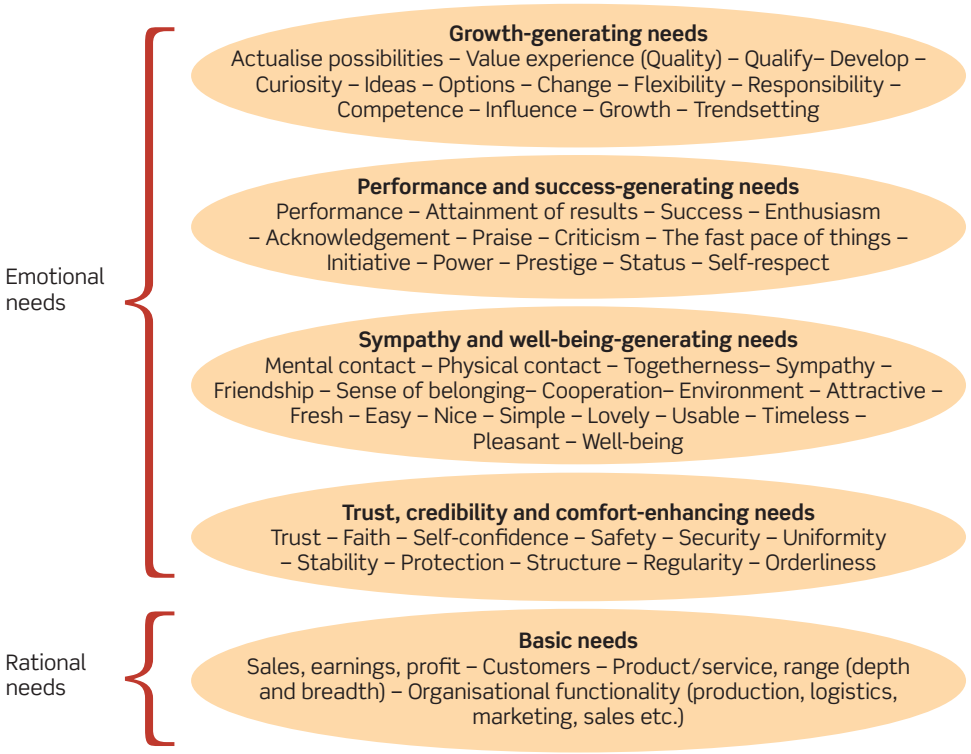


Figure 5

We name the different tiers slightly differently from A. Maslow, particularly the content under the different tiers. From the bottom:

Tier 1

The baseline tier, which says something about the *basic needs* that have to be met in any customer-salesperson relationship. These are economic factors in the business, including sales, earnings, costs and product mix. Unless both parties perceive that there is a fruitful collaboration which makes financial sense over time, the relationship will not last in the long term, of course. But how much the basic needs take up in our customers' lives differs greatly, depending on company strategy, what stage of development the company is at, what rapport we have with the customer, and the person or persons we are negotiating with etc.

Tier 2

This tier is about *safety and security*. The heading conceals a number of components such as supply security, quality requirements and certifications. To what extent this tier preoccupies the customers varies in the same way as described above. The customers focus on this tier to a greater or lesser extent, depending how great their need for security is.

Tier 3

Well-being denotes a number of components that describe a number of other *focal areas* for our customers, e.g. focus on CSR, working conditions for wage-earners working for the producers, fair trade, CO2 emissions, animal welfare, and the fact that the product comes across as user-friendly, simple and straightforward.

Tier 4

Performance is an expression of how much it means for customers to appear successful. The focus is typically on prestige, exclusivity, recognition etc.

Tier 5

Development indicates how much it means for customers to create *development and innovation*, focusing on being trendsetters within their line of business etc.

Spatially optimal negotiating partner

Understanding and accepting to use the needs classifications as a common frame of reference is the prerequisite for being able to take passionate selling to a high level. Understanding and acceptance are the prerequisite, but their use is crucial to whether it will succeed. In other words, our behaviour is crucial in every context if we are to succeed in selling our message on to our customer. Analysing the customer at the five levels of the needs classifications will give us some idea as to which areas at the different levels are primarily preoccupying the customer right now. Those, of course, are the areas we have to make sure we are able to help our customer to meet. Who would not wish for a business partner who can help meet the needs we have?

If we have a customer who is focused primarily and perhaps directly on tier 1 only, i.e. on the economic key figures, it is crucial that we attempt to activate needs at other levels. If that fails, we will be confined to a narrow wiggle space with our customer. If we also need the customer more than vice versa, in all probability the customer will suck everything out of us financially. The reason for this narrow focus is typically that he has not seen the value of the other components which we can help him with. It can therefore end up with price becoming the only object for negotiation, and ultimately that is not advantageous for either of the parties.

Motivation can and will typically change with our internal as well as external customers. In an external customer the need can be e.g. the sales and rotation on the shelf one moment, and supply security the next. Whatever the need is, and however such needs change, we have to be good at intercepting them if we are to involve the customer quickly in our agenda and objective. Thus we have to be close to the customer to be able to intercept the changes. That does not mean having to hold meetings with the customer all the time, but it is necessary to plan a structured approach to the customer, so as to continually make sure that we get as much information about the customer as at all possible.

Passionate selling offers precisely a collective methodological apparatus, enabling us firstly to identify what needs our customers have and secondly to understand them in context, so that thirdly we can evaluate how to meet them and, above all, activate additional needs on the same or another tier. The more tiers we are able to activate in our customers, which we ensure we can meet, the greater the wiggle space we create for ourselves, and the wider and less vulnerable the partnership becomes in general.

The right time

Motivation and the work to motivate a customer can be compared with a mechanical egg-timer. It has to be constantly wound up in order to go, otherwise it will typically run down faster than we wish. The same applies to the work with our customers: We have to constantly motivate them, otherwise their motivation quickly disappears, because we are in competition with everything that relates to the customer. If we take an internal customer, for instance, we can be in competition with everything from internal strategic projects, the person's own duties, other departments, managers and so on. It is essential, therefore, to be able to assess how strongly motivated the customer is.

But it is one thing for us to succeed in activating one or more needs and something different to get the customer to do something about them, because the degree of the needs activated is crucial to whether or not the customer reacts to them. If the customer does not buy, it is not necessarily synonymous with those needs being of no interest to him; rather, it may be due to him having prioritised other needs more highly on account of a stronger desire to have them satisfied first. We thus have to position the need for our concepts and solutions so firmly that they win out over all our competitors and get prioritised.

At bottom, it is a case of helping the customer to make a decision, and if we do not know how strongly or weakly we have activated the need in the customer, it will be hard not only to involve the customer at the right level but also to ensure

we are proceeding properly. Far too many salespeople talk about how to implement the solution before the customer has accepted whether it is a good idea.

By focusing on the specific areas where the customer is not ready, we involve the customer incorrectly, and he will not react. An example of this can be that we start off by explaining how the solution works, and how it should be implemented, before we have even managed to persuade the customer of the ingenuity of our concept (activated the right need(s)). This customer is hardly going to buy, because we have involved him at a level he is not at.

The aim of illustrating motivation as an egg-timer is to show how important it is to know our customers' immediate needs so that we can prepare for how to activate those needs that can help increase the likelihood of the customer choosing our solutions and ideas. In addition, the egg-timer is intended to illustrate that, even though we have gained acceptance at some point, and the customer has begun to react, it is not synonymous with the process continuing. You see, it all depends on how good we are at a) keeping up the customer's motivation, b) involving the customer at the right point and with the right components, and c) constantly activating new needs so that the customer perceives the collaboration to be providing value. The more proficient we become at working in the critical field between activating the customer's needs and getting him to buy, the stronger our position will be in the collaboration with the customer.

The product's FABs

Anyone intending to master the art of motivating their customer must have keen arguments. As an aid to constructing a good argument, we use the well-known method of FAB (Features, Advantages and Benefits)[34], as indeed heard of or used by many sales organisations. However, very few have succeeded in implementing the method in a structured way within their organisation, so that all the good arguments can be spread through the whole company, from innovation, production and logistics through marketing, those in charge of categories and on to the sales staff who have to use the arguments in dealings with external customers. A lot of valuable knowledge gets lost in the process. This typically happens because the individual department does not adequately understand which customers the next person in the internal stage has. And when that understanding is inadequate, a lot of expert knowledge is lost, because the next person in the internal value chain finds it hard to use the arguments he is provided with.

Unless we find the material we receive useful for the purpose of those customers we ourselves have to convince, internally and externally, we will not use it.

34 We also write about products' features, advantages and benefits in Chapter 7, page 119 ff.

We will then compile our own arguments and material that we expect to satisfy our customers. And suddenly important knowledge has been lost, because it has been difficult to rewrite what has been received from others, just as a great many versions of the same material can abound with more or less correct arguments or a lack thereof. In the process, the colossal work already done further back in the system gets lost or trivialised.

Unfortunately, in many cases the internal employees are cleansed of product knowledge and their understanding of what exactly the individual product will give the customer by way of benefits. When that happens, it is hard to argue for the product's *raison d'être*, since the detailed knowledge about the product is located elsewhere in the organisation and has made it no further. Our approach in *passionate selling* is that everyone in the organisation has to use the same methodology so that we construct good arguments which can stimulate the customer, depending on his needs.

In many cooperatives there is a great focus on developing concepts and solutions, because we have come to learn that we are not selling products, but concepts and solutions. As part of that process the product has slipped into the background, and when competition then comes from companies with similar concepts or products, it becomes necessary for us to be able to highlight the fantastic nature of our own product, the substance. That takes insight and understanding, and if they are not present, the price becomes crucial, as the external customer will naturally find it difficult to distinguish two apparently identical concepts or products from each other.

And unless you know your product, nor will you be able to activate the desired needs in your customer to a sufficient extent when challenged to do so either. That is why we use FAB. When compiling the product's FABs, we use the template in Figure 6.

The FAB process (from product describer to problem solver)

Feature	Advantage	Benefit

Figure 6

Features

Features are an expression of the product's or service's characteristics *(value proposition)*. The features are directly measurable, and they will and must always be beyond dispute. An example might be Arla Foods' fresh milk, *Lærkevang* [lit. "Lark Meadow"]. It always consists of milk from Danish cows, milked and produced in Denmark. A maximum of 24 hours passes from the time the cow has been milked till the milk is in-store. These are features which are measurable and indisputable.

Let us now single out those features which we feel give our customers the most positive associations while simultaneously stimulating and activating the right needs. In order to be able to highlight the right features of the product, concept or solution, we must not only know our customers but also be able to delve down into the product and understand the substance in detail, because that after all is where we differ from others on the market. This is why *passionate selling* makes a big thing out of the salespeople having to understand the product and the product's substance, because this is where the real treasures are hidden and the competitive edge lies. An argument is only good if the feature concerned can be brought alive and made interesting for the customer.

Advantages

The concept of *advantages* relates to the feature: in other words, the question we need to ask ourselves in relation to advantages: *"What advantage is imparted to the product by it having the feature in question?"* In the example with the milk from *Lærkevang* we described the fact that it always, without exception, consists of milk from Danish cows milked and produced in Denmark as a feature. The advantage of this feature can be that the milk from Danish cows is produced by Danish farmers who have joined the "Arla Farm Quality Programme", which is instrumental in ensuring that the milk is always of the same high uniform quality as well as monitoring the use of antibiotics and medicines etc. Arla Farm also goes further than stipulated by Danish animal welfare legislation generally. By selecting the features that tell the best story, we become better at **selling the story** which we believe will meet or activate those needs which either the customer has expressed or we wish to activate.

Benefits

Benefits answer the question: *"What does the customer get out of the feature having that advantage?"* That is to say that the benefit must fully address the customer it is wished to sell the message to. All benefits are derived from the five classification tiers (see Figure 5, page 158). If we are unable to find valid arguments at all tiers of the needs classification, we accept that there are needs we will not be capa-

ble of meeting or activating in our customers. All being salesmen, we cannot live with that, of course, and it is therefore important that we seek out the necessary knowledge so that we can vouch for arguments connected with all tiers. It will only be possible if we understand the substance of our solution, and that requires curiosity, ambition and patience above and beyond the norm.

Given that its quality can be guaranteed to such a high standard and with such great traceability in the process, the benefit of *Lærkevang* milk for the customer may be that it will endow the product and hence the customer with a high degree of safety. Additionally, it can be argued that the Arla Farm Quality Programme's focus on animal welfare puts the cows' welfare very high on the agenda and thus enhances the quality of life for the cows.

In our example the right feature, coupled with a well-argued advantage, can give the customer a benefit at two tiers of the needs classifications: tier 2, which is safety, and tier 3, which is CSR, animal welfare etc. The salesperson must be able to document both benefit arguments by returning to the feature. He must therefore understand his product and the substance, and the fact that he can convey it in a salesmanlike way to the next customer down the line. This is crucial to progressing the message; to whether the product, the project, the concept etc. founders before even reaching the customer. If that happens, he can only convince the customer through price, and then it is not hard to work out which way the price will go.

FAB in practice

We will now see three examples of compiling FAB. The first example is dedicated to cheese. The milk for the cheese is sourced from cows around the alps and referred to as genuine mountain milk. There are stringent requirements for calling milk mountain milk and for handling and producing cheese from cows that produce mountain milk. It is all a controlled process that helps to create a unique product.

We are only highlighting a single feature, which we feel creates both an emotional and a rational positive association in our customers. The fact that the cows graze in areas at an altitude of 800 metres and are taken right up to an altitude of 1,200 metres in the summer helps to ensure that they live in far fresher air and eat far fresher grass, herbs and plants than cows living and eating at around sea level.

With this feature we intend to create an association of super organicness, freshness and unique taste experiences. We could have continued the array of features by pointing out that the cows who supply the milk for the cheese live and eat in small units of 10-15 cows, which means that they flourish more, yield more milk and are easier to deal with individually. The more uniformity and regularity

the cows experience in their daily lives, the more milk they yield. They have to be treated precisely like infants in order for their well-being to be first-rate, as it is here. It may be a touch romantic, but true nevertheless. And if there is one thing we collect in *passionate selling*, it is good stories that can be associated with something positive in relation to our customers.

FAB example Castello Alp Selection Classic

Features	Advantages	Benefits	Needs
The cattle producing the milk graze at an altitude of 800 metres. Here the cows eat unique herbs and plants together with grass not found in conventional fields.	This induces a unique taste in the milk and thus the cheese and also gives the cheese a different nutritional profile not naturally found in other cheeses. The milk is 100% organic.	The customer gets a product with a unique range of tastes that cannot be copied by producers using milk from conventional cows. This helps to strengthen the customer's product portfolio and specifically and generally the branded cheeses.	Unique = Trendsetting (Tier 5) Strengthen the portfolio = Range (Tier 1) Strengthen branded cheeses = Results (Tier 4)

Figure 7

Based on a single feature of the cheese, we have developed benefit arguments that home in on three tiers of our needs classification:

- A unique assortment of tastes (trendsetting): Tier 5 (Growth-generating needs)
- Consolidating the customer's portfolio (assortment): Tier 1 (Basic needs)
- Strengthening and driving the branded article, specifically and generally (results): Tier 4 (Performance and success-generating needs).

From just one feature we can construct arguments for our customer that can hit three tiers. Now we simply have to devise more arguments on the same three tiers, especially tiers 2 and 3. We then end up with a whole raft of arguments, which will help to meet the customer's needs and activate needs the customer did not know he had. The aim is not to make the list exhaustive but to find those particular arguments that match the individual customer.

The next example is dedicated to the oldest brand of butter in the world still in existence, Danish Lurpak®.[35] Here we have chosen to highlight the addition of lactic acid culture to the fresh cream, which gives the butter its totally unique fresh taste. We could also have highlighted the fact that a representative selection of different batch numbers is inspected by an impartial body serving under the Danish Dairy Board. This inspection is carried out at Stein's Laboratory by 4-8 people, and if the butter fails to meet the standard prescribed under the Lurpak brand, the dairy forfeits the right to produce Lurpak® butter – all facts intended to give the salesperson a number of good arguments vis-à-vis the customer.

FAB example: Lurpak® butter

Features	Advantages	Benefits	Needs
A special lactic acid culture is added to the product.	In combination with the fresh Danish cream the lactic acid culture generates a fantastic taste and smell of fresh cream, even when used for cooking and baking.	The customer gets a product with a unique taste. The taste and the smell cannot be copied as it is made from Danish raw materials processed according to high-tech standards.	Unique taste = Trendsetting (Tier 5) Not copiable = Safety and protection (Tier 2)

Figure 8

Based on just one feature we develop arguments for benefits that hit several tiers in our needs classification.

- Unique taste (trendsetting): Tier 5 (Growth-generating needs)
- Non-copiable (safety and protection): Tier 2 (Trust and comfort-enhancing needs).

35 Lurpak® was registered as a trademark in 1901, after a brand for all Danish butter was created in 1888 to prevent inferior-quality butter being passed off as equivalents to the Danish articles. From 1911 only dairies participating in a strict system of regular blind tasting could use the Lur brand. These quality controls are still conducted to this day.

In this example too we have constructed arguments for our customers from a single feature, which can hit two tiers. The aim of the FAB exercise is to find the best arguments on every tier, so that we can feed the customer with the best argument matched to him. With arguments on all tiers, we have more in stock if we do not succeed in activating the need we are aiming for initially.

In the last example (Figure 9) we use the dairy product UHT milk, which is sold all over the world, sometimes in 250 ml packs. The milk has been subjected to Ultra High Temperature (UHT) treatment, which ensures a long shelf-life. Figure 10 shows how all five needs classifications are met.

FAB example UHT milk

Features	Advantages	Benefits
• Ultra High Temperature treated milk • The milk is heated to about 135° C for 1-3 seconds	• Long shelf-life • Easy to store as it is does not require cooling	• Possibility of long distribution chain • Lower storage costs
• 250 ml slimline pack with straw	• Easy to drink and handle • Daily portion size • Healthy nutrition • Can be drunk on the go • Fits into the lunch box	• Growth potential in new segments: children, elderly citizens and people on the go • Ease of handling/shelving
• Certified organic milk	• Double certification by the EU and COFCC • Higher standards and demands throughout the supply chain	• Growth possibilities • Extends the category/the range • Influences margins/higher price • Trendsetting • Prestige/image • Environmentally friendly
• The Arla Farm	• High-quality milk • Traceability • Animal welfare • Sustainability	• Influences branded article value • Influences margins/higher price • Lower risk of quality challenges • Prestige/image
• Imported from Europe	• European cultural heritage • Danish origin	• Influences branded article value • Prestige/image
• The world's largest organic milk producer	• Know-how, expertise	• Image/premium • Influences branded article value

Figure 9

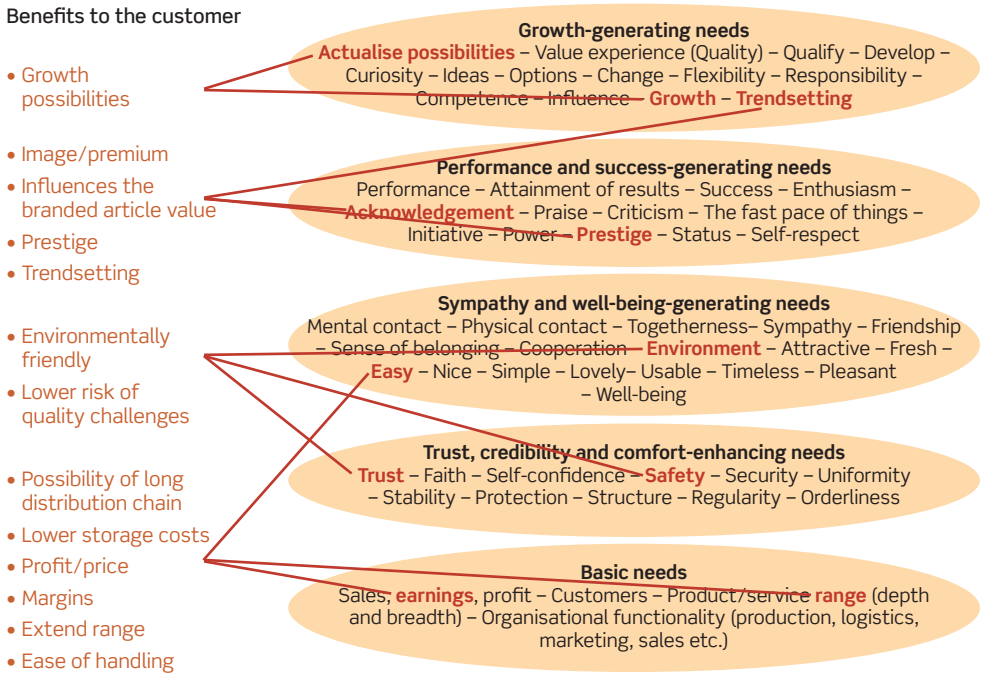


Figure 10

The example demonstrates how the features are transformed into customer-specific benefits and hit all five tiers. With those arguments we are well prepared to cater for our customer and, what is more important, inspire him with something new. The probability of activating additional needs is thus considerably increased.

If everyone in the cooperative can feed one another with the good arguments, what a spectacular display of arguments everyone in-house at the cooperative will have – especially the salesperson tasked with the external customer, who ultimately has to make sure that the customer says yes to the product and the price.

The entire sales process through the cooperative and out to the external customer is typically long and complicated, however, so it will facilitate the process if everyone prepares the needs met by the solution, and those needing to be activated at the customer's in order to make the subject interesting. Finally, we need to achieve acceptance of those needs, so that we can then get started on the solution. The whole sales process is described under the section below, abbreviated to NASA (Need-Acceptance-Solution-Acceptance).

NASA

Although we have squarely underpinned arguments and apply a sharply defined FAB, it may occasionally prove not to be enough. The customer can have different objections to our arguments. These objections can take many different forms, right from a very concrete *"No"* to *"It sounds very interesting, we'll look at it as quickly as possible and get back to you."* Objections occur in different degrees of severity, of course, and need to be treated very differently. Here we touch only peripherally on how to handle them, in order to provide an understanding of the methods and techniques we use when the point is to sell the message (the FAB) to the customer.[36]

The aim for any salesperson is to use his solutions or products to identify or activate – and in both cases to meet and stimulate – a customer's needs so powerfully that he almost cannot wait to see a possible solution to meeting his needs. The customer must see the needs we wish him to see.

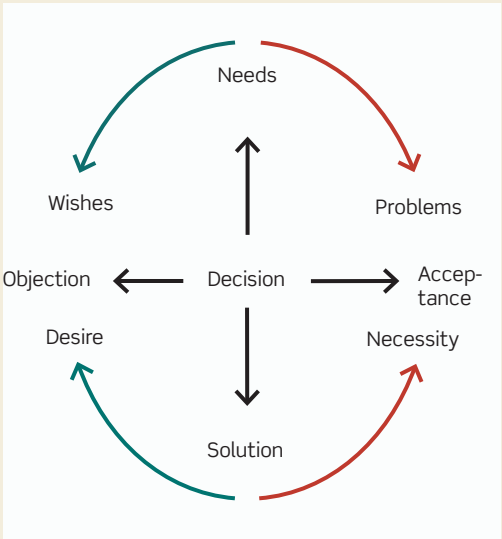
The salesperson must either know the customer's needs or identify them beforehand. Identifying them will show whether the customer needs our concepts, solutions and products, or whether these do not align with his immediate needs. If the latter is the case, we basically have two possibilities: We can either say "Thanks, it has been nice meeting you" or try to activate the need for our solutions, products and concepts. We have to go for the latter, of course, and activate those needs which the customer did not immediately know he had. It is a big challenge, but it is certainly not impossible; we simply have to find the correct arguments which the customer can accept. It may call for a little extra work on our part, but it is a worthwhile objective.

NASA is an abbreviation of Need-Acceptance-Solution-Acceptance. Both the concepts and their sequence are important. The focus must be on activating the right needs, since that is the proviso for the customer eventually implementing our idea, solution or receiving our product.

As long as the customer is too far off having those needs our solution and product meet, presenting the solution will be a massive own-goal, as the customer sees no genuine need. Every sale, therefore, is about identifying the customer's needs on all five tiers, cf. the needs classifications in Figure 5, page 158. When those needs have been identified or activated, we reiterate the customer's needs in our own words in order to be sure that we agree we have understood the customer's needs correctly, and above all to inflate further still those needs that encourage choosing our solution. Hopefully, we will get confirmation that we have understood it correctly. If that is the case, we have now polished off the N and the A in the NASA, i.e. need and acceptance.

36 *Objections* are a bigger, specialised concept which call to be treated on their own. They are not part of *passionate selling*.

Need-Acceptance-Solution-Acceptance



N = Need	Needs arise from two things. Wishes: Something you would like to achieve, and/or problems: Something you would like to avoid. If the customer has not been activated around one or more needs for our solution, the customer will choose something else. The aim, therefore, is to activate needs so strongly in the customer's consciousness so that we help the customer to make a decision.
A = Acceptance	Gain clear acceptance that we have understood and agree on the customer's needs.
S = Solution	Present a possible solution that visibly helps to meet the customer's needs.
A = Acceptance	Get clear acceptance that the customer understands your solution and trusts in its ability to solve his needs. Only if the customer feels like it or finds the solution necessary will he accept it.

NASA

Figure 11

Once the right need has been activated, and we have gained their acceptance, all or parts of the solution have to be presented. In other instances the solution will have to be developed, because it is not always certain that it is ready yet. The solution is important, of course, but viewed in terms of identifying and activating the right needs, the solution merely becomes a means. Which is not to say that the solution is secondary or unimportant – it is so only if presented without the needs having been identified and confirmation having been given.

Far too many salesmen roll out a presentation of their solution to their customer or potential customer without having previously analysed the customer's needs; or else they assume the needs are the same as they always have been. And who wants a solution unless it is connected with solving and/or meeting a number of different needs? Once the solution and the confirmation have been presented, we have identified the S and the A in NASA.

The customer is not always right

In *passionate selling* our approach is that the customer is not always right. The customer has a particular level of knowledge, created by a variety of information and experiences, which in turn help to form the needs he has. From those needs the customer imagines which product or solution can meet his needs, and hence which way the decision will go.

If the customer's needs do not align with the needs met by our solution, our task is to challenge and change the customer's needs so as to increase the probability of those needs overlapping. Once we have got that far in our line of argument, the probability of the customer accepting our solution is undeniably amplified.

The form of communication we are going to use when practising *passionate selling*, and the way we are going to serve our messages, depends greatly on the person or persons we will be selling the message to. In the section on behaviour, under personality, we have indicated that in *passionate selling* we work with different typologies in order to be able to target our solution at the different archetypes. Being able to understand and use our communication in a way that targets the different typologies will act as an aid to increasing the probability of the customer becoming our extended arm. Knowledge and skill regarding typologies is important because it provides an understanding of the way we have to act towards different people in order to get them quickly involved in our solution.

Typology

Mastering everything from analysing what needs our customers focus on in their needs classification, including the ones we have to focus on activating, to how a FAB on a relevant product or concept has to be treated requires knowledge of how the customer in question should be tackled. In other words: We must know which behaviour traits are trendsetting.

A person's character traits can be simplified or made complicated, depending on the purpose. In *passionate selling* we focus on the power of implementation and allow ourselves to simplify personality traits in a seller/customer relationship.

The salesperson must be able to play the game on the customer's home ground and be in full control. It calls for insight into many aspects, including the concept, the product, the customer and the company the customer represents. If we cannot identify the behaviour traits we are going to encounter, it will be difficult to find the right arguments. That is why we have chosen to touch on understanding and applying personality traits.

Different personality profiles typically describe a series of character traits as a more or less preferred behaviour in a work-related context. The basis we use

here is Master's personality profile, which offers different personality profiles that focus on a few or a number of features in the individual. All profiles end in a motivation profile, which describes four different basic typologies.

Master's four typologies

The four archetypes[37] are called EASI, which is an abbreviation of Enthusiast, Analyst, Supporter and Implementer. The four archetypes are put into action in a tabulator cross-field, where at the vertical level the Enthusiast and the Supporter are geared to the person-oriented, and at the opposite end the Implementer and the Analyst are geared to the more object-oriented focus.

At the horizontal level the Implementer and the Enthusiast are geared to seeking maximum influence as a preferred behaviour. At the opposite end of the horizontal axis the Supporter and the Analyst have a preferred behaviour, which is geared more towards participating behaviour rather than behaviour focused on seeking influence.

Figure 12 may seem provocative, because it simplifies our view of people; but that is actually the whole point of using a very black-and-white system and square-head thinking. That way, knowledge about the typologies becomes usable in practice, but it cannot stand on its own, of course.

In addition to the four archetypes, we have chosen to finesse the picture a little by working with a primary and a secondary typology. Quite simply, *passionate selling* divides the four archetypes into an additional four squares within each area, so that all four archetypes offer 16 squares in total. From those 16 we can analyse our way to a primary and a secondary preferred behaviour. By way of example, a buyer can have Implementer as his primary typology and Analyst as the secondary one. This combination is called an Implementing Analyst etc.

We can use this approach to figure out what the individual finds it natural to focus on, and base our work on that when it comes to selling our message.

People's actions and unspoken words also say something about the person in question. It may be the number and degree of detail of, say, e-mails, the way the person in question communicates, his office decor, his focus when communicating etc. The analysis generally points in a particular typological direction, which we must prepare to handle. The better we become at adapting our communication to our customer, the greater the likelihood of motivating that person to become our extended arm.

37 We use the term *archetype* when a person has character traits from only one of the typologies, but people are usually made up of different typologies, making them a mixture.

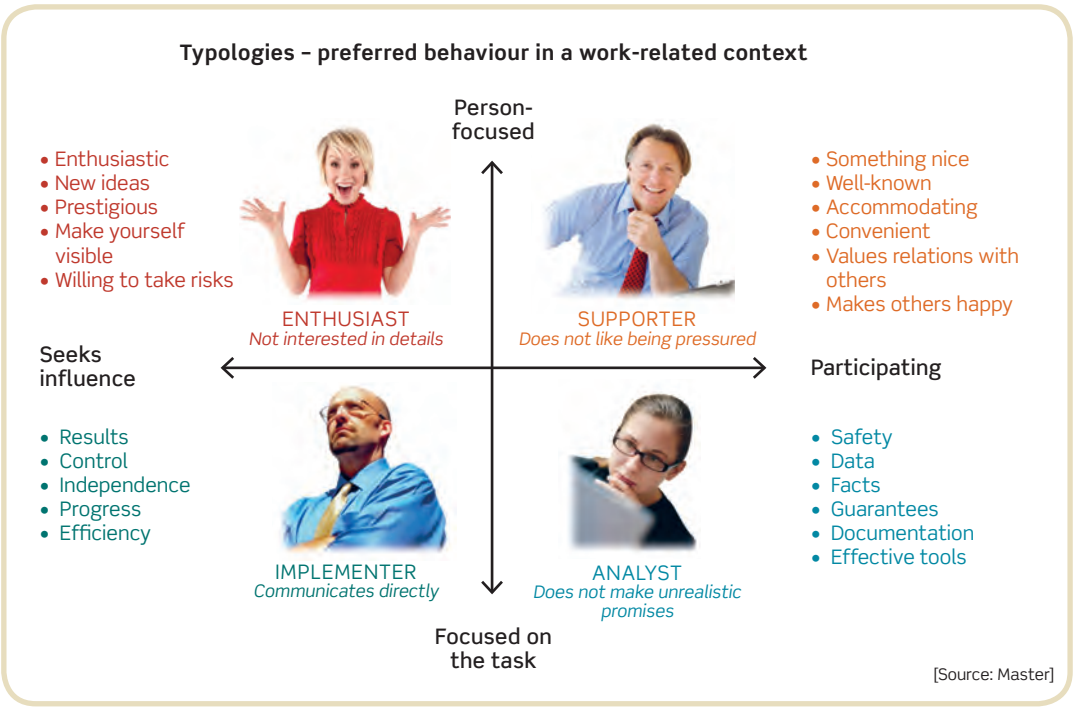


Figure 12

The customers' behaviour and typology also gives us a pointer as to how often we need to influence the customer in order to increase the probability of him remaining motivated. It all puts us in an even stronger position to home in on how we sell our solution to the next customers in the value chain. And, of course, people will also want to reflect on their own typology, and which parameters to focus on.

Pointers from Chapter 9

- In a farming and food cooperative it is important to know the substance of the product or products being sold. If that knowledge is not available, it must be searched out, since the discovery of our products' qualities engenders pride and passion. That pride and passion will be instrumental in influencing our curiosity about our products and concepts.
- The customers are the most important parameters for a cooperative, as new capital comes from one place only, from them.
- Naturally, we want customers to have the right experience when doing business with the cooperative, and that is precisely why it is crucial that our behaviour reflect our intention and give our customers the correct experience. Behaviour cannot be copied.
- If customers are going to be motivated to command the same experience as us, we must have an understanding of which behavioural buttons to press in order to increase the likelihood of those customers seeing the same as us.
- The prerequisite for activating the needs we wish our customer to have is that we have identified our customer's needs on all five tiers of the needs classification. Only on the basis of the customer's present needs and our knowledge about them can we awaken and activate needs. The aim is to increase the probability of the customer moving in our direction.
- The arguments we need to use to awaken and activate needs in our customer come from the products' characteristics (the features), advantages and (the customer's) benefits. If we are to have any success in involving the customer in our products quickly, we must be capable of finding arguments which can stimulate and activate needs at all five needs levels. Here the cooperatives have a unique advantage, because they own the raw materials and the substance.
- The whole approach to accommodating the customer in order to involve him quickly depends on the customer's typology. It must be possible to decode the customer's personality traits in order to tune in to the same frequency oneself. People influence people, and that is precisely why we must be able, in a split second, to analyse and work out the method to use to motivate the customer.

Chapter 10

Behaviour, as a seller

Imagine all new employees, on being appointed to the company, having to start off in sales before joining the department they were meant to go to. They would complete a course in selling technique and remain attached to the sales department throughout their term of employment. The purpose would be to open their eyes to the possibilities which they are failing to exploit in their department with regard to their customers. That would ensure continuity in terms of a targeted focus on guaranteeing sales results throughout the entire organisation.

Business management and substance

For a long time now I have been philosophising as to what actually happens when the management in an organisation decides that the employees across all departments are to have intensive training in selling technique.[38] On the four occasions when I have experienced it at first hand, all the employees have been sort of 'galvanised' simultaneously, because the product has come into focus and become a collective affair for everyone. As a result, their behaviour towards customers and among themselves has changed strikingly, because the perception of intentions has changed and become collective.

I have come to the conclusion that in these companies there is no greater distance between the different departments, employees and customers than the product. Everyone, you see, is reminded and comes to understand that the company makes a living out of – and indeed, has its *raison d'être* in – manufacturing a product in order to sell it to customers.

It may certainly sound too simple to be true, because from the outside, production and sales may seem banal on the face of it. But the processes per se are actually incredibly complex. What is more, given that both production and sales take place in competition with other companies, it is far from being that simple.

The basic premise is that the person who knows his product best and whose product knowledge enables him to involve customer, shopper and consumer most will win the competition. It is both a banal and a basic fact.

The real aim for HR

It is my contention that pretty well all problems are solved when we agree that we live off manufacturing a product and selling it to customers. Over the years, however, both production and sales have become more complex processes, giving rise to specialisation.[39] That may well be necessary, but with such complexity and specialisation the risk is that we lose our broader overall view, and the different functions can feel alien, possibly even irrelevant to many employees, and the actual goal is easily lost sight of in the process.

It is a managerial responsibility for the organisation to rally around what is essential (the product and its sale), so that everyone in the organisation is pulling in the same direction. Since HR is already responsible for in-house course activities and employee training, it would be only natural for HR to be a far greater part of the picture and take direct responsibility for constantly training employees in substance as part of a controlled process (this will be followed up in Chapter 11).

38 Depending on the size of the organisation, the training can cater for the managerial layer or for rank-and-file employees. The collective aspect will be that everyone, irrespective of their responsibilities generally, attends the course, so the whole organisation is represented.

39 See Figures 13 and 14, page 183, on this.

How can we as executives or managers accept that not everyone in the commercial stage has profound insight into the products they work with, not just as something they like because it tastes good, but really at a high level, where they can share their experience of the products with enthusiasm, internally and externally?

Can our failure to become seriously involved ourselves be due to primary farming products being so common in our part of the world? And they certainly are. As far as milk is concerned, the reason is perhaps that, having first been reared on mother's milk and then cow's milk, we take milk for granted. Moreover, substance is not important in companies' sales and marketing, since the product has been conceptualised. We therefore take the substance for granted, and the consumers become a mirror of this.

Lurpak® butter's features and relevance to sales

Butter is just butter. But can that really be true? After all, why pay € 2.50 for a pack of butter when you can get a different pack for € 1.50?

I resolved to investigate this on one of my trips to the dairies. Holstebro Dairy is the biggest dairy in the world, making Lurpak-brand butter, among other things.

I had been promised a walkabout of the factory and a short tasting demonstration. This would prove to alter my view of dairy products completely. At the time, my view of dairy products was that they were something very commonplace, and very plentiful in Denmark. Incidentally, I thought the same thing about other farming produce.

We are approaching what is part of the mission of this book: marketing. Taken to its logical conclusion, I would not invest in the marketing budget today if I could not be totally sure that my salespeople and sales managers could match up to fighting a structured fight for my campaigns and new products when they are with the customers. Although they are already doing it now, it can be done in a more structured, ideal way, based on product knowledge.

But back to the butter:

John showed me round and told me about what we were seeing. And I listened, or did I? It was only when I came to the butter-tasting room together with John that the great miracle occurred for me. John launched into an explanation of the product with great enthusiasm. I myself was astonished at his insights and started to categorise these insights into features, advantages, benefits.

I suddenly discovered that I had not really been listening during the guided tour. I asked him to show me the whole thing again. A world of complexity now opened up to me, and with it features of our butter concept. With professional curiosity I enquired about everything under the sun, and John was able to answer all of it. From that day onwards, our butter was not just butter for me.

Active selling

In the example above I came to a knowledge of butter owing to my professional curiosity, and with my newly acquired knowledge a universe of butter-related features opened up. I was able to categorise the advantages of the various features and, based on that analysis, the benefits provided by the various advantages. Combined with my knowledge about my customers and their needs, I was able to use my knowledge in a differentiated way: I could now make do with telling people about the benefits that were relevant to the individual customer. I could **actively sell** butter. If you want to work with active selling, you need to understand why it is important to learn features of the product, and how these features can be used. You will be motivated to become professionally curious.[40] With an active selling driving licence, you will become eligible to call yourself a salesperson and sales manager for the rest of your life, because you can:

- share the methods with others on your team, thereby reinforcing the team spirit. Your customer care will be optimised, as will in-depth sales per distribution unit.
- passionately find exciting features of the products and passionately share your knowledge with colleagues and stakeholders in the outside world.

Of course, you can view sales as expanding your distribution, numerically, in terms of the number of shops. But that is not what we are talking about here. No, here it is about customer care and expanding sales wherever you are present. It is about influencing others psychologically, so that they take a positive view of the product substance.

It is actually very simple. Anyone can learn active selling, and it can usefully be applied both externally and internally in companies. You can call it leverage

40 Active selling is reminiscent of what in the legal profession is referred to as *acquisitive behaviour*: The *lawyer* (seller) seeks information about his *client* (customer) and on the basis of his specialised skills (seller with his product knowledge) *offers advice* on his service (his product) and on *customer-specific benefits*. Active selling consists of training and learning a few models involving the use of knowledge about the product, its application and the customer's needs in combination. The customer is involved in the product, made aware of his own situation and thus becomes emotionally attached to the product. With active selling you bring your products' features alive and turn them into an asset so that, used correctly, active selling is a guarantee that the sales department will make a positive contribution to your net profit.

or politeness, because you do not waste people's time with all manner of product features but hit the spot in your choice of customer-specific benefits, which you share with the customer – or colleague. It is essential that the benefit should feel relevant to the next person in the relay race. But it calls for you to be curious and to be driven by a wish to know something about both the product and the customer's needs, and to be able to combine the two.

Involvement in the product

At any given time the point is to be able to involve the customer in your product. However, you can only do that if you are involved in the product yourself. I therefore recommend that salespeople become involved in the food before they have to sell it to the customers. The salespeople must taste, feel and use it, and they themselves can beneficially use the product for some time and work out what features it has. It is that simple, yet unfortunately it does not happen that often. The question is just whether the customer can be expected to enthuse about selling on the product if you yourself are not enthusiastic about the product.

I once had to get involved in a product that you would probably assume to be fairly pedestrian: cocoa powder for dispensers (i.e. hot chocolate vending machines). It would prove to be rather a project. I had been entrusted with the job as the manager of a firm in Sweden. We used to make cocoa powder, which was a wet mix that was then dried in a drying tower – the opposite of a dry mix, which we did not handle at all. On questioning the two cocoa masters we had, it dawned on me that I was sitting opposite the two people in Sweden who knew most about cocoa manufacturing but of whom nobody took any real notice. 50 years or so of experience that was not really being put into action in active selling.

We had a very long meeting, at which I grilled them in order to find out about our secrets in detail. It was fascinating how much they knew. It turned out that we were champions at attaching a cocoa particle onto a piece of fractionated sugar. This process took place in a drying tower at an unfathomably high number of jet revolutions per minute – exactly the right amount to make sure there was also about 9% of fines left – small particles that did not stick to the fractionated sugar. These fines were the lubricant that ensured that about 21 grams of the cocoa mix per cup was used every time a cup of hot chocolate was made at all the train stations across the whole of Europe for e.g. Nestlé.

When you insert a coin into the machine, the mechanism starts up. On the inside of the machine a small hatch opens, which for a couple of seconds drops cocoa powder down into a small metal chute that ends opposite a jet nozzle with water that has been heated to about 70° Celsius (so that you do not burn your tongue on the chocolate drink).

The specific gravity of this cocoa was of paramount importance too, because combined with fines acting as a lubricant, it determined both the speed at which water and cocoa were mixed and the amount that came out of the small aperture up in the dispenser near the cocoa container in the machine. Well, it may all be getting a little technical, but that is the whole point after all. Our salespeople learned all about this, and they were better equipped to be the consultants our customers wanted to work with. The salespeople thus became valuable sparring partners, adding value to the product in the sales situation. They became part of the concept's value.

Brand Manager versus Product Manager

During the years 1960-92 or so, a manager for products in the marketing department was called a product manager in Denmark. That appealed to me, and in 1984 I was lucky enough to get a job in marketing as an assistant product manager, and later product manager.

In the years that followed the post was divided into two areas, each with its own title: a brand manager, who naturally enough was only supposed to handle brand equity growth, and a product management manager. That is undoubtedly a prudent division that gives large FMCG companies such as P&G, Unilever and Coca Cola the possibility of focusing on growing the brand's value as necessary. For the cooperatives, too, which focus intensely on substance in the product, such a focus goes a long way. Just think of Lurpak® butter.

However, focusing unilaterally on the actual brand can have the unintentional side-effect of producing a distance from the actual product substance, and we thus run the risk of forgetting the many decades of struggle underlying the high food quality and safety we now take for granted. The very quality of the substance is an extremely important asset, which the cooperatives need to exploit commercially, because it is an essential competition parameter in a world where farming products in many parts of the world are still being produced under inconceivably poor conditions as compared with the advances we have made e.g. in Denmark. In a number of places they are even heading in the wrong direction.

The consequence of this distancing from the product is that the employees lose their knowledge of the products' substance; and because they do not know their product, nor can they nurture the pride that comes from knowing what high quality the Danish farmers are battling to produce.

In order to counter this development, it would be apt to use the title of product manager once again, so as to make it clear that being in that post obviously means taking an interest in the substance.

It would engender more basic honesty if we as managers and in management altogether were able to expect the insight into the product to be captured in the

marketing department. You see, it means a great deal for the rest of the company to be able to see that not only are those in charge of communications fusing all the exertions taking place throughout the value chain into one overall expression geared towards the consumers, but those in charge of sales are communicating it in their encounter with the customers too.

In Figures 13 and 14 we see the structure of the value chain today, and as it used to be. The old structure is no longer serviceable, because specialists are required in every post; but it is possible to have two consistent themes, one fact based, the other substance based.

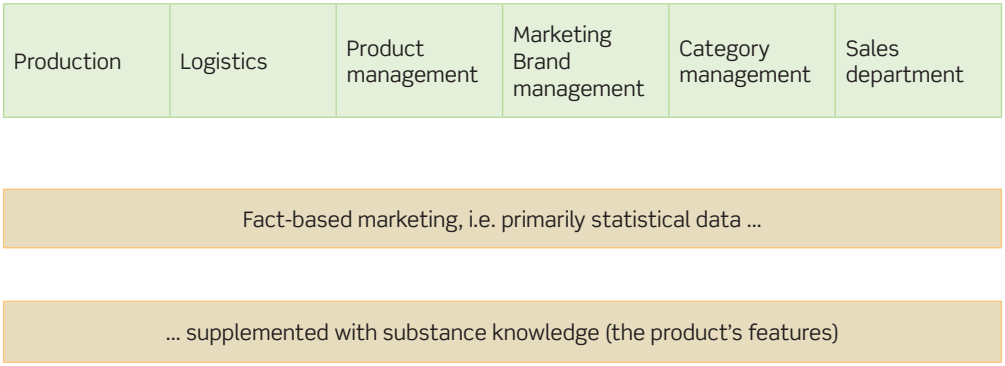


Figure 13

The value chain used to look like the one below, with a lesser degree of function specialisation.

Figure 14

The upshot of group organisation is that it eliminates the proximity to production and hence sales' wherewithal for understanding substance and product commitment.

Figure 15 allows us to see the segments in which the sales department unfolds its activities. There are some 59 different identifiable forms of sales. If these different

types are not recorded and people are not trained to understand the possibilities they offer, you will not get the maximum out of your sales department. With the global emergence of the big groups, the need has arisen to develop competences in sales that target different customer types, so that the individual customer experiences optimal professionalism in his encounter with the company and its food substance.

Selling situations based on customer type that require targeted sales competence (x)

	Brand	Private Label	Commodity	Bulk and Trading	Ingredients
Industrial	x			x	x
Food service	x	x	x	x	x
Specialty shops	x	x	x	x	
Deli counters	x	x	x		
Milk cabinet	x	x	x		
Discount	x	x	x		
Hypermarket	x	x	x		
Supermarket	x	x	x		
Fresh food supermarket	x	x	x		
Baqala	x	x	x		
Wholesalers	x	x	x	x	
Distributors					
Mono distributor	x	x	x	x	
Multiple	x	x	x	x	
Cross-state	x	x	x	x	
Importers and brokers	x	x	x		

Figure 15

Every day presents new situations for customers in all the different channels, generating new opportunities for sales to sell to. If you are not realistic about your own training and abilities in terms of being trained in negotiating and above all selling technique, you will not pick up on every detail and therefore will not steer the customer round into a positive wiggle space.

Continuous sales training

It is important to focus on the little thing *(a stirrup, for example)* that makes a big difference when you have a lot of customer contacts and a lot of salespeople. It is called *selling technique*, but it should only be learned once you have had a course in behaviour.

Selling technique is tactical and can only be perfected if you are given ongoing sales training. It is often the case that the knowledge acquired on in-house courses is not used to optimum effect after the event. That makes for poor results, relatively speaking, compared with how it ought to be.

It is interesting to observe whether salespeople have been well trained or ill trained. There is quite clearly a difference in their sales results. It is about having leverage, and that only happens to the best ones.

As football players train hard between matches, so it is for salespeople and dealers too. You have to train hard to stay on the ball, whatever the situation you are in.

Buying signals, attitudes and objections

Junior salesmen are dying to succeed. You often sense this, for example, on joint visits, during which they do more talking than listening. The customer is actually ready to buy, but has not yet given his final acceptance, and during this phase he is actually just looking for information. The salesman is still unsure as to whether a sale will result from the contact and therefore often fails to listen.

What happens is that objections which the customer naturally comes up with are perceived as rejections, but they are actually buying signals. In reality, in 90% of cases, it is during such rejections that salesmen find their opportunities to involve the customer, activating their needs and meeting those needs so powerfully that the customer passionately wants to sell the products for the salesman as his extended arm.

You have to learn to tell the difference between whether the customer is voicing attitudes or objections. *Attitudes* are based on values and are virtually impossible to overcome. They can be rooted in e.g. ethnicity, ideology or religion.

Objections are more mood related and can be dealt with. Remarks like *"it's ugly"* and *"it probably doesn't work"* are objections, where the customer is trying to suss out whether the salesman can counter and dispose of the customer's own uncertainties.

This phase of the sale is when there are often misunderstandings. It results in the salesmen themselves beginning to invent stories about why such and such is not feasible. And in extreme cases these self-invented stories are then used as ammunition to fire at the company to justify a rejection.

A good salesman would never be able to find a reason why the sale is not feasible, but would actually clinch the sale, having understood the psychology surrounding the sale in the particular situation.

It should be noted here that, of course, there are salesmen and KAMs who by virtue of their contacts and the size of the company are capable of getting e.g. new products registered in the chains virtually without working for it. That is because the chain buyer (or the category buyer in the chain) knows that the KAM also knows that the product may be on the shelf long enough to prove its value with regard to rotation and aggregate gross profit in absolute monetary and percentage terms. However, this is where the substance can come into play.

I can look back over many years when I would fight for products with greater or lesser dedication. It sometimes irritated me that some of the best products were not allowed to survive. These days I see it more as a mixture – partly of lack of insight and faith in the product substance, and partly the way we launched and retained the products. When we were not ardently enthusing, we became less creative, and naturally enough our trading partners in that category in the chains felt the same way.

The customer – the salesperson's extended arm

The Art of the Sale, written by Philip Delves Broughton and the only book on selling recommended to me by one of my colleagues, expressed a feeling that I myself have always had: *"Think of the customer as your extended arm"*.

Being able to see the *sale* from the customer's side, i.e. his *purchase*, is practical. It is equivalent to those people who always manage to convince others of what they want without being able to explain how it comes about.

The customer, or the colleague, that you will be involving in an idea is, quite simply, your extended arm. It is via the customer or your colleague that you reach beyond yourself and your own department. I have been struck by how much falls flat because the individual salesman only sees the matter from his own side. We forget others' positions and fail to focus on the interests we have in common with the customer. We simply go into lock-down over the situation, and thus overlook the customer's position when we are most enthusiastic of all about an idea. Something happens during this eagerness that leads to us merely describing the situation rather than involving the other party in our own position. We go over the top, so to speak, and that must not be allowed to happen.

If it becomes an organic process for your customer (or let us just call it the next person in the relay race) to be someone you are interested in and actually involve by enabling them to gain an advantage on their own conditions, the whole thing is made much easier.

The most successful salespeople have actually decided, in all sincerity, that they are interested in the customer's position, and involve the customer in the quote, the solution, the product or the idea on his own terms. But that requires you to be genuinely interested in the customer's business or situation. You might also call it common courtesy. How do we like it when we feel more of a means than an end?

Listen to the customer

Selling is unpleasant for most people, so they are happy to leave it to those who do not know that the sales situation is hard to control. When I started out as a serious salesman, I really did not know anything about sales. It is odd that you do not need to train to go into sales. You merely become a salesman if you wish to do so, and we all know the cliché: *"He's a born seller"*. But imagine if engineers, dentists or blacksmiths simply pursued the same straight path to their livelihood.

The first time I began meeting the customers as a sales manager was a somewhat mixed experience. The profit margins on our range were small for the retail trade, and everyone was well and truly cheesed off.

After doing a round to see the majority of our major customers, as a representative of the company I was able to note that we were not particularly welcome. There was something very remiss in our previous approach to the market. Part of the explanation was that the brand we were selling had become a kind of monopoly, and the company had been taking advantage of that.

During the next round of visits I listened more than I sold and talked. That went down well with the customers, and after that there was not much I could not sell, basically.

Listening to the customers got us a long way. I realised how different all the customers' stories were. Their business foundations and desire to work with us splayed out to reveal a wealth of possibilities for pursuing a common agenda: the customer's and ours.

Without my knowing it, we had turned over a new leaf for the company by regarding the customers as our extended arm. Everything got much easier and more satisfying. The customers' wishes became the company's asset. It was no bed of roses, but highly satisfying to be the intermediary in dealings between customer and company.

The extended arm idea was later put in place by the companies and eventually called *category management*. It was made a discipline in its own right to be able to capture customer data, process them and use them in relation to the customers, so that sales became as fact based and transparent as possible. But that is not the same as understanding how to persuade the customer of an idea you want his retail system to fight for.

Because interest in the customer flourished in the company, we were able to take an interest in how we could keep abreast of the customer's wishes. It happens all the time nowadays, but it was pretty revolutionary in 1992.

It ended with us walking round the customers' shops and finding spots where we thought our products could be showcased to their advantage, because they fitted in with other products. We put the ideas to the customers. They rarely had time to come into the shops themselves and had their hands full whenever they did, so there was a practical side to our interest in that aspect of the matter.

We became the customer's extended arm in their retail outlets. In this way we grew closer to the consumer, but that was not uppermost in our minds, as the sport for us consisted of figuring out how to increase the shops' sales of our products. Then they and we alike would be happy.

These completely banal things constantly slip under the radar when dealing with customers, but only someone viewing the customer with genuine professional curiosity will discover them. Anyone who manages to surprise the customer with what he considers to be an unusual knowledge of his affairs is someone the customer will wish to get involved with.

Practising *kaizen* for the customer is category management.[41] If the concept includes high-quality products which the customer can ideally sell and make money on, one step further will have been taken towards the goal of steering the process towards a quality of substance, which the consumers/shoppers can buy into or out of.

Now and then, however, it can clash with the retail customer's own wish to appear cheapest, for instance. That barrier has to be accepted, and the collaboration constantly organised around it. You need to leave your mark on the supply **throughout** the food sector before such a channel is ready to sell high-quality products.

41 *Kaizen* is Japanese for "improvement" of e.g. standard activities and processes aimed at eliminating loss. It is better known as *lean*.

Pointers in Chapter 10

- Dosing an organisation with selling technique causes it to react positively, because it puts the product's potential onto a common agenda.
- The management, the HR department and marketing should optimise the selling technique in the company.
- The marketing department brings together and carries off the overall commercial look.
- Sales in large companies have become marginalised.
- The selling technique must be continuously trained in order to work.
- Active selling can be learned by anyone.
- Theoretically, a sale is always feasible.
- Listen to the customer to ensure that the value you are pursuing in parallel with your own agenda is relevant to the customer.

Chapter 11

The organisation's behaviour – seen through HR eyes

If you think education is expensive, try ignorance!

I can almost hear the protests now: *"I say, don't you realise how expensive it is?"* Oh yes, it is definitely not free to create an entire organisation of employees with a unique understanding of the substance, nor does everyone need the same depth of knowledge and experience. Our mission is merely to place experience and training higher up the agenda.

In this chapter we refer largely to Arla Foods, because we have good experience of in-house courses on our topic, and it will certainly be transferrable to other companies.

The relationship between people

So far we have dealt with the fascination of the actively controlling sales moment, i.e. when the dedicated salesman or manager gets into character and in a split second gets the customer or the employee deeply involved in his case, product or whole product category. The words sale and leverage are mentioned in the same sentence here.

We have also touched briefly on the need for a dialogue about HR's role in relation to the sales department.

We will expand further on that below, treating the relationship between people, formally and informally, just as we will make suggestions about the role HR as a function can choose to play in the context.

We will also take a closer look at the concept of *behaviour*, based on experiences gathered over more than 20 years' work in the field of HR in various large organisations.

In our opinion there has been growing intellectualisation of topics like sales and management. This can partly be seen from the ever increasing number of books, courses, conferences etc. The first realisation must be that courses, conferences and the resultant theoretical knowledge neither can, must nor will replace behaviour displayed.

Here we will defend two claims that are mutually dependent:

- Far too many companies and organisations deploy far too many resources on staging values, principles, strategies and policies but conversely far too few resources on creating an organisational behaviour that actively supports these.
- There is a correlation between this and the ability, the willingness and the desire to sell a product, a category, a concept, a thought, innovation, management. Yes, you just name it!

We can all be regarded as sellers in one sense, in as far as our ability to win others over to our cause is actually proportional to our results. A good example of that is the dissemination of a company's values. Instead of highlighting and making an issue of what is not sensible, let me use Arla Foods as a good example, knowing full well that here again different degrees of selling have been used for the purpose of communicating the values *Lead, Sense, Create.* I am tempted to say that, for once, structure and formality have not been given precedence over content, but at the same time the individual manager is challenged particularly on his ability to perform in an almost theatrical sense. Breathing life into something as relatively fuzzy as values calls for a person to radiate self-confidence and commitment

– otherwise such dissemination of values will largely risk being characterised as a routine, or at worst a tedious chore; then it is not difficult to guess the result of such endeavours.

Passionate behaviour

As a newly appointed HR Partner at Arla Foods, one of my first concrete experiences of selling was to introduce a gathering of dairy managers to the Arla values at a hotel on the Danish island of Rømø. Without exaggerating, the atmosphere was characterised by crossed arms and "Yeah, yeah, so what?" That is why – precisely why, perhaps – at the very instant I was due on, I made up a story about the relevance of speaking about the company's values. I now know, and now understand, that what I was really doing was merely using good old-fashioned selling technique, which elsewhere in the book we describe by means of features, advantages and benefits. At the same time, I was drawing on previously learned behaviour, having consistently (and also subsequently) used the same method for the way I lay out my talk: introduction, assertion, reasoning, example and conclusion.

Imagine for a moment a person who consistently leads the way, also when it is not just for the sake of their own gain. A person who time and again takes new initiatives, dares to challenge himself and others to take responsibility. A person who does that and at the very same time manages to both listen to input and create opinion but also to leave room for others' contributions, and at the same time is additionally capable of displaying empathy and situational awareness. And a person who, in addition to the preceding, generates unique results, not just by virtue of their own efforts but because the person promotes and supports creative solutions on an everyday basis – on whatever size scale …

Would you not like to be together with such a person?

Now imagine an organisation with several thousand employees and managers, all of whom are distinctly capable of displaying behaviour in keeping with the above description. What commercial potential (called Unique Selling Point (USP) in marketing), what energy and what a workplace that would result in!

That was the story I resorted to telling right there – at that very moment – at that hotel in Rømø. And to my great delight any number of crossed arms were slightly uncrossed, and I managed to arouse a degree of curiosity. Indeed, I saw buying signals among several of those in attendance.

HR becomes HC&B

The combination of understanding and gaining prior authentic training in the two techniques is an essential reason that I am now able to perform with some conviction and at any rate far better than if my own, possibly even introverted nature, were allowed to control my behaviour.

Or to put it another way: It is my contention that displayed behaviour can be modified with the necessary training. This speaks in favour of *training* employees, managers, customers, colleagues, wives, husbands, life partners, children, families, sportspeople and so on.

And yet HR seems to act more as a product describer than as an active seller adding value in the process. There can be several reasons for this:

- It might be due to a misunderstood consideration for others and lack of inclination to showcase inadequate skills.
- It might be an expression of a general disinclination to challenge others.

It is tempting to rename HR (Human Resources) HC (Human Capital) in order to alter the focus. By definition a resource is a measured quantity, in this case the quantity of work (number of hours delivered), whereas capital is about potential knowledge and skill-sets. You might go even further and call it HC&B (Human Capital and Behaviour) in order to emphasise the willingness, the desire and the ability to take responsibility on behalf of the organisation.

The play on names indicates that an organisation could benefit from HR thinking largely as administrators and disseminators of behaviour and less as managers of resources.

In my understanding (and interpretation) of the parameters and terms that Arla Foods posits for the dissemination of its values, there is an opening – virtually an invitation, in fact – for the individual manager to develop and challenge his abilities to sell the message and invest something of himself in the process in order to create commitment.

Viewed from the above perspective, perhaps HR ought to have actually insisted on standard training of its managers in order to give the organisation as a whole the best possible conditions for engendering subsequent behaviour that reflects **lead**, **sense** and **create**.

The impersonal versus the impassioned

Most of us are bound to have experienced a journalist quite clearly not listening to the interviewee and therefore, completely devoid of any purpose, posing questions which the victim has already answered, either directly or implicitly. As a spectator in those situations, you are left with a feeling that the journalist must

be deaf or dumb – or maybe both. Although that is scarcely the case, the dialogue will appear immaterial and unauthentic, causing the spectator to become mildly irritated with the journalist as a result.

I see the same risk with the widespread use of PowerPoint and standard formats for use at meetings and conferences: You eventually become both deaf and blind – if you do not manage to fall asleep in the meantime, that is. The reason for that is that the message ends up coming across as so intensely impersonal, conveyed without personal commitment and **passion**.

That is not to say that it has to degenerate into a theatrical show at any given opportunity, in which the person and not the actual message takes centre stage. A balance certainly needs to be struck between the two extremes, and the participants' interest and attention interactively retrained – it must be attempted to **take the lead**, if you will.

Perhaps our abilities to formulate concepts, business cases, PowerPoint slides and special linguistic usage have even replaced our knowledge of substance and professional competence. It is the same lack of substance we touch upon at several points in the book, and which perhaps disappeared together with the traditional trade apprenticeships.

The impersonal style of presentation and lack of substance support and almost numb the listeners' experience of emotional security, because it is completely and utterly innocuous and does not require quite the same of me as a person.

Knowledge about substance

The point of my speaking about knowledge of substance is not merely to have knowledge in order to know something. No, our knowledge about substance is the actual basis that will enable us to modify behaviour – in our context for the purpose of exploiting commercial potential. And with substance in a specialist-dairy context, therefore, we have to involve the entire value chain from primary production, particularly the owners and employees, through processing (the actual production) to understanding consumer behaviour and for the sake of the customers in particular. We must be able to *sense* the commercial environment in which we are moving without developing tunnel vision, when we think and act too one-sidedly.

Such a development will not happen of its own accord, of course. HR should therefore take it upon itself to create the framework in the organisation to allow managers and employees alike to acquire the requisite knowledge about substance. It must be recognised as an investment in future sales, not as a cost, when an employee takes part in relevant education and **training**.

The concept of competence

The concept of *competence* can be described as a sum total of theoretical knowledge and concrete experience, and it can be seen as a mirror of the personality.

An HR function will classically have attended to putting in place the framework for knowledge acquired through learning (theory). In order to generate behavioural influence, however, we also have to factor in and generate the framework for retrieving experiences that can support that acquired knowledge. With due respect for the costs in the company, this part of the competence-building should also be systematised.

I used to work for *Dansk Supermarked* and A.P. Møller-Maersk, and apart from the many more or less imaginative myths and anecdotes about these organisations (generally told by people other than ex-employees) there is some value, for example, in a shipping company expecting its managers at some level to go aboard a container ship at least once a year to see how, in its substance, the business actually makes its money. And along the way, they apparently gain peripheral experiences, which only later prove to be of benefit to them.

Let us linger a while on Maersk Line. The company operates more than 600 container ships, has 25,000 employees worldwide, moves goods in more than 3.4 million containers and makes more than 35,000 port calls annually. That clearly drives a high degree of complexity. That makes the experience of knowing the substance so much more important, therefore, so as not to forget the whole point of the exercise in an everyday context: moving goods from A to B and earning money from doing it.

When a container ship has to be maintained, it is done partly at sea on a continuous basis and partly when the ship briefly calls at a port. It is also done in a dry dock at regular intervals, whenever a major overhaul is involved. It goes without saying that a ship in dry dock cannot make money, but if the main engine needs to have its regular overhaul, it is no use skipping it and running the risk of the ship having to put in for unscheduled maintenance or breaking down on the open sea – with the danger of loss of assets and delayed goods. Great pains are therefore taken to keep up a high standard of maintenance.

At one point a small group of employees decided to join forces to look at the possibility of extending the interval between maintenance of the main engine in dry dock. In this regard it should be mentioned that just one cylinder on such a vessel is large enough for an adult person to stand upright inside. The participants in the group all have an in-depth knowledge of substance and arrive at a method for testing metallic residuals in the engine oil. The composition of these residuals says something about the current wear and tear on engine parts, and by

subsequently adding additives that wear can be considerably reduced, thereby deferring an overhaul, with great cost savings as a result.

I would never have had this insight, had it not been for the principle of *the annual vessel trip*. Incidentally, this serves as an example of innovation, not merely of curiosity and desire, but driven by a deep commercial understanding.

The example, taken from a shipping line, can certainly be transposed to a dairy, because in principle the point is the same: To develop and support knowledge about the substance in whatever the business is about. To my mind, therefore, it is a natural task for HR to also facilitate the experience-based part of the competence-building, and at Arla Foods we all have the opportunities to give managers and employees a good impression and experience of the substance. We just need to **do** it.

Consider the potential of all managers and employees being capable of providing a plausible and sensible explanation of what separates Arla milk and Arla products from those of its competitors, without trashing the latter's goods. We could just tell people what and how Arla Farm, Arla's CSR ambitions, Close to Nature etc. affect the products' characteristics (FAB), as copiously exemplified elsewhere in this book.

The cooperative angle

Being a cooperative organisation offers a number of possibilities as well as challenges. Thinking in terms of substance again, the focus must no doubt be on the manager's ability to convey the distinctive nature of this corporate form. What other enterprises undertake to take all the raw materials a supplier can produce, and the actual purpose of which is to enhance the price of that self-same raw material, in both absolute and relative terms?

It was a real eye-opener for me to visit a large-scale farm in west Jutland and hear the farmer talk about his large areas of land, his extensive machinery and his investments in improving animal welfare in the light of a quality programme based on animal welfare. Then, with customary west Jutland calm and level-headedness, comes the comment: *"Aye, that's all well and good, but the bank has just declined to lend me the money for a second-hand Toyota Corolla for the wife."* Then you really do understand the value of well-timed caution.

We have previously seen how social networks have been able to change governments, and French wine was boycotted on account of nuclear testing in the Pacific. Is it not conceivable that a cooperative might have the best conditions for creating positive publicity, because employees, owners, customers, consumers and everyone else recognise the role we play in making a basic food available not

just in the rich European countries but also in other and less developed societies in the world? Is it not conceivable that – as an organisation, relative to our influence on the world around us (environment, CSR, accountability, code of conduct etc.) – cooperative behaviour might serve as an example, **globally**?

Passion for management

A manager's day-to-day activities are fundamentally different, in my view, from those of the other employees because a manager's results are far more predominantly generated by the input supplied by that person's employees. For the majority of people that makes good sense, spontaneously, and if this premise is accepted as valid, then surely there can be nothing more important for a manager than to create the optimum conditions for the employee to perform his job in furtherance of both the individual and the collective outcome.

For far too many managers the reality is probably just that their behaviour does not sufficiently reflect the above. They are frightfully busy of course!

In this context too *training* becomes relevant. Let me give an example of a dialogue I had over a lengthy period with a manager in Arla Foods. We had just been debating the role of manager (described in Arla Foods by envision-engage-deliver) and the problem of fitting everything in when HR keeps pestering you the whole time with new things you need to action.

Having mulled over the challenges facing the person a couple of times, I offered to get to grips a little more firmly with fitting everything in. I enjoy being able to be practical, and I therefore asked that we go through the person's diary for the next three months. I put in place an agreement that any time we might agree to free up would be re-allocated to either a targeted effort at staff development (based on dialogue) and/or self-development – and developing the business (cf. above example from Maersk Line).

We then calculated the number of working hours available week by week (taking a normal week as our starting point) and compared these against the meetings and agreements that had already been made. To cut a long story short, it turned out that for one thing it was a little difficult to stick to the argument about lacking time, and for another there were definitely also activities that could/should beneficially be delegated and/or turned down, because they were more an expression of "*nice to know*" than of "*need to know*". With the aid of this little exercise, we succeeded in finding an extra week within a three-month period.

Do the maths yourself, including all the managers in a company. Think not just of the immediate effect, but also the derivative effect of employees who are truly given leave and space to grow and develop, managers with a sizable surplus

of time and energy to involve their team, and last but not least the gain in performance that can be realised if the above premise has been assumed correctly.

The balance is important …

There must be room for diversity, because diversity makes for better solutions.

As a manager you have to be able to work with the collective as well as the individual level in the organisation. The former typically takes the form of holding meetings and dialoguing openly in a more or less controlled form. In an HR context at least the latter is formalised through dialogue or staff development interviews (SDI).

As a rule the purpose of these meetings is pretty carefully formulated, but my experience tells me that there is also an underlying, and possibly still more important, agenda. Figure 16 is used to explain this.

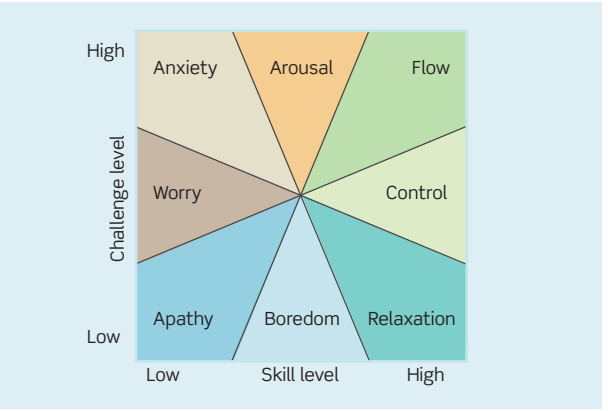


Figure 16

According to the figure, for every level of competence there is a corresponding degree of challenge. When the two are in harmony (the 45-degree line), the optimum point has theoretically been hit and the best conditions created for the employee's results. Imbalance leads to loss of performance either on account of stress-induced errors or because the employee quite simply gets bored and becomes unfocused if the imbalance becomes permanent.

The manager has to be able to intuit this at both collective and individual level. But if the manager is engrossed in his own e-mails, meetings etc., he is too busy to be a manager, for a manager must spend time talking to his employees. This is not just a chore to be performed, but an altogether simple proviso for being able to exercise management; and in most companies we wish for good, proficient managers who are capable of "*envision, engage, deliver*".

Management in good times and bad

HR's task is to support and safeguard cost-effective solutions. But it is equally important that HR be able, willing and daring enough to challenge managers about their managerial skills.

What characterises professional managers is that, for one thing, they demand, find and appoint committed employees who generate results and, for another, have the ability to address and comment on performance without making a personal issue of it at the same time.

It is my experience that the vast majority of (at any rate Scandinavian) managers have a fear of close contact with employees when it comes to criticising inappropriate behaviour – and indeed even appropriate behaviour, aka praise.

Let us take an imaginary example of the way one's immediate personal preferences can be stripped down and people treated on the basis of what they actually contribute, without being led by their choice of clothing, perfume, political views and so on.

The employee delivers good results but displays behaviour which is unacceptable in the long term.

As a manager I have to be sure to show both that I am alert to and can provide concrete examples of what I mean. Initially, in order to stress my objectivity, I seek to document the employee's actual results to allow him to understand that it is not a question of whether I like him or dislike him.

Producing good examples of the actual results is seldom a problem, or not often a major problem, at any rate. What is slightly harder (for most people) is having to criticise behaviour. Here again one needs to be objective; it is not about making the employee out to be a good or a bad person, but about criticising and expressing a desire to see a change in their behaviour.

At Arla Foods all employees have been instrumental in establishing and translating lead, sense and create at department-specific level, and the employee himself should not, therefore, be in any doubt as to where the shortcomings arise. But to be on the safe side I choose to provide concrete examples of inappropriate behaviour from my own experience so that I do not fuel the spread of rumours but clearly show I am basing my assessment on my own observations.

Like circles in the water …

Just as it has gradually (and fortunately) become socially unacceptable in most societies to drive a car under the influence, my hope is to see it become unacceptable for companies not to display sufficient commitment and **passion**.

A high-performing organisation requires the individual to challenge himself and put his own personal needs to one side in order to pad out his role in the organisation. We must be an organisation that is difficult to join, because the requirements are high. And by the same token it must be at least equally hard to retain one's position in the organisation, because so many want in.

To get to that point, we must appoint and develop managers who have a **passion for management**. If we do not, there are far too many far too readily available arguments in favour of not relating to one's managerial role. If we want to attract **passion**, we must show **passion**.

In that situation we will seriously exploit the commercial potential in the organisation, and I find it difficult to spot others in the industry (globally) who will be able to do it with the same degree of authority and authenticity throughout the entire value chain.

Career as a salesman – and manager

Having a past with Føtex, the large Danish supermarket chain, among other things as a shop assistant and head clerk – terms which no doubt very few people today will be able to decode – I learned to do business with salesmen. As a tradesman during that era you were still responsible for your sales area and for the positioning of goods in the sales area. My aim as a trader, of course, was to ensure that whatever funds were available to the salesman to achieve his sales targets accrued to my store and not to the supermarket at the other end of town. And so, along the way, I discovered that there really is no conflict between shop and suppliers; rather the goal was a lasting and mutually fruitful relationship which produced results, because we were creating a win-win situation.

To be perfectly honest, I used to divide the salesmen into two groups: those who wanted something from their sales and those who just wanted to sell at any price. The latter were given only very limited attention, and I purposefully set out to empty their pockets of any form of reimbursement; complimentary goods especially were a popular target. With the former, a more equal rapport developed, focusing at some length on creating results, because the people concerned clearly had an emotional connection with their work and displayed a commitment and knowledge about substance that I was more or less able to transfer directly and apply to my own sales work in-store. The salesmen became my prime source of

knowledge about the goods, not just in principle, but quite specifically in terms of the individual article and/or article group.

My impression was that these salesmen were highly attuned to their discipline, and had I referred to them as KAMs, they would definitely have protested loudly. But the world is constantly changing, after all, and these days there are probably very few people who envisage a life-long career in sales; and that is a shame actually, at least if we are talking about the type of salesmen who want something from their sales work. At some level, selling has successfully been vulgarised by both education and general opinion, perhaps because too much emphasis has been placed on KA(**M**), i.e. being able to call yourself a manager.

As described elsewhere in the book, the price of an article is just a figure, but there again it seems as if figures and short-term economics are the only things that count in the present-day dialogue between the retail trade and suppliers, and very few people can tell you the entire history of the products. That contributes to a superficiality where all that is left is the figures as a basis for dialogue, which therefore becomes fairly predictable.

My assertion is that, in many ways, a career as a salesman of the qualified variety will be a good springboard to a career as a manager, as the two types of mediation, i.e. sales and management, basically have many features in common. Both the salesman and the manager must have the ability to enthuse and make others see advantages and benefits, not just for the sake of their own gain, but because it creates results, at an organisational level too.

Or to put it another way: show me you can **sell**, and only then will I believe in you as a potential **manager**. Or what about: If you want to be a **manager**, then start by teaching yourself to **sell**.

Motivating people to sell – a managerial task

Assuming for a moment that a population of managers could successfully be created who are passionate about managing, with the above formulations in mind we will also have managers who are not just product describers but can sell and hence motivate others to sell, i.e. active selling.

But what are people actually motivated by typically? I am neither a psychologist nor a therapist, but over the years I have nevertheless had a number of managers pass between my hands, and I have always been driven by curiosity about people's motives underlying their desire for a career as a manager. There is the obvious reason that the average pay is generally higher than the average. But salary and compensation are only a maintenance factor at levels 1-2 according to Maslow's needs pyramid, so that cannot be the only thing that makes people tick.

I have gradually come to the conclusion that people are motivated to a greater extent by having an impression of doing something that makes sense, and that

this sense can be either promoted or stifled by the managerial behaviour one experiences. To illustrate what I mean, here are two different situations:

Situation 1

The sales manager has appointed a new salesman and is now spending all his time and energy partly on clarifying and documenting the expectations and requirements for qualifying for a bonus, partly on telling people about the good results that have already been generated and partly how hard it is going to be to live up to those expectations. The boss devotes very little attention to knowledge about substance and the relationship with customers and consumers. Accordingly, he assumes that the salesman will seek out the necessary knowledge under his own steam and fails to satisfy himself that the salesman is actively equipped with this knowledge.

Situation 2

The sales manager has appointed a new employee who will represent the company and its products to the outside. The boss spends all his time making sure the employee understands the product in its substance, the company's production methods, quality requirements, ethics, environment and accountability in all matters. In addition, he spends lots of energy passing on his knowledge about the customers and the consumers and offering his passion as a catalyst for the employee's own passion. And last but not least the sales manager actively ensures that the employee feels passion for the product/products as a feature shared by the whole company.

So if you were the new employee, how would you answer the questions below?

- Where is the motivation greatest?
- Where is the prospect of results greatest?
- Where will the employee stay longest?
- Who has the greatest chance of being chosen as supplier?

Just think what an effect it would have if

- managers had sales in mind when communicating with their employees generally
- managers factored in sales when conducting performance reviews
- the manager factored in showing passion for his task as manager, and
- this thinking could be implemented and made into displayed behaviour, not just words in a book.

Then the world would be an even more exciting place to be, and workplaces far more than just a place to earn a crust, chiefly because those who think that way would be somewhere else.

Motivating management – a sales task

First a short quotation from my time in-store, when things were hotting up a little in the checkout queue: *"Ah, if it weren't for all those customers, we'd be fine and we could go home."*

Or, to paraphrase it slightly for the context in question: "Ah, yes please, I'd love to be a manager; and if it weren't for all those employees, we'd be fine."

Let me say straight off that I too think employees and people in general can occasionally be tricky and unreasonable, and act inappropriately – but that is precisely what makes management a discipline after all. The challenge, I suppose, lies in the fact that we cannot programme behaviour, that factors outside the manager's control affect behaviour, and that collective behaviour (organisational behaviour) will always be a work in progress, with or without the manager's influence.

Apart from the previously discussed and crucial difference between having a managerial task and not having a managerial task, management is also characterised by not only everything one says and does being noticed, but also everything one does **not** say and do being noticed and interpreted – and sometimes even misconstrued.

By entering into a managerial role you put yourself on display, and indeed invest a part of yourself – without knowing beforehand or being able to expect the investment to yield the anticipated return. A managerial role therefore has to be sold. And in any business there must also be a buyer who can and will pay the price – in this context, pay with passion and personality. Failing that, a person will not become a good manager, only a personnel administrator, with a little good will.

HR without fear of close contact

If HR is to properly support the organisation as a sales parameter, we have to let go of our reserve, our fear of contact, and dare to challenge managers and employees not only on their academic and technical expertise and experience, but to a far greater degree on their displayed behaviour.

Performance management and the use of stimulating structures are about just that – behaviour-stimulating or even behaviour-regulating systems – and HR should start by taking it seriously and safeguarding the link between the portfolio

of activities, processes and concepts currently being rolled out across an astonished managerial population.

So perhaps it is also a case of HR having to master the role of seller?

Pointers from Chapter 11

- Education is expensive, but the opposite is a catastrophe.
- Behaviour controls human relationships in the organisation.
- Commitment, charisma and self-confidence are a proviso for results.
- Most people will prefer to be together with people who take the lead and take responsibility.
- HR must undertake to ensure that employees have optimum knowledge about substance.
- All-round, balanced management is a proviso for a passionate learning culture.
- The salesmen must belong to the group perceived to be investing in customers' development.
- Managers who factor in sales are better qualified to promote passionate behaviour.
- HR should challenge sales behaviour in the organisation in order to optimise results.

Chapter 12

The product connects us

We humans are connected by food. Shared meals and communal eating make the participants companions. The word **companion** comes from the Latin *con pane*, meaning *"with bread"*. Two people who are companions have *broken bread* together, therefore.

In his novel *Livret* ["Favourite Dish"] (2004), Kristian Ditlev Jensen described how two Danish women in Sicily solve a problem they have with their house using food. The house is listed and they cannot get the town's local planning office to accept their kitchen conversion. When the owner of the local restaurant hears about their problem, he suggests that they invite the town council to dinner at his restaurant. There are 11 people on the town council, and they all accept the invitation and attend the dinner.

While sitting eating, they say hello to the two Danish women, who are seated at another table. When the town council has finished dining, they get up and leave the restaurant. The two women also go home, disillusioned. Once home, they pack their suitcases to fly home to Denmark the next day. But before they leave the house, an envelope flops through the letterbox. It contains permission for a kitchen, carport and covered-in terrace.

Small-scale corruption or no, the story contains an element of food, around which people gather to solve problems.

The same applies in the context of business dinners, where people sit and fence with a knife and fork, while at the same time closing the gap between one another and becoming companions.

Companions in global teamwork

In global companies the food may not be exactly what unites all the employees. No, here it is the *product*. Global sales of Danish products require teamwork that cuts across the company's various functions because, as mentioned in Chapter 9, functions and colleagues are no further apart than the product. It has the potential to bind us together if we understand how to stay focused on the product.

In one company I was employed in, we used to arrange for all the warehouse staff to take turns travelling with sales and marketing. That meant, firstly, that they did not just see grey and brown boxes when they were handling the products, which were often delicate objects, in their shipping box. Secondly, we were able to deliver products undamaged far more often than before the scheme was introduced.

The warehouse employees saw that the people manufacturing the goods at the factories around the EU were putting their hearts and souls into it. They had great *passion* for the product. And as often happens when you meet passionate people, it rubbed off on the Danish employees.

If we understand it, the products bind us all together, right from concept developers to the finances department. The company gets an unbroken chain of value, and that is hugely important, as it makes for team spirit.

In Denmark large parts of the production have been outsourced abroad. The consequence is that we are losing whole generations of factory workers. We are manufacturing abroad and trying to be good salespeople. So you can say that countries abroad enjoy the benefit of our being good at manufacturing.

Denmark therefore lacks something which, relatively quickly and without great investment, can be launched and used until we get this production back, not in its original format, but in more value-adding form. It may be local niche production, for example, in more rural and remote parts of Denmark. It will be a logical mirror image of the growing global middle class's call for access to differentiated product quality. In the meantime, though, we must make ourselves into champions of selling products passionately, for that will stand us in good stead when it comes to selling global specialities in the near future.

There are many sides to distributors and grocery chains internationally that require handling by highly qualified dealers, salesmen etc., but by taking part in different fora I have discovered that the prevailing line of thought on this is highly simplified, and it can result in failure to fetch the best price.

Go to Gemba

The simplified line of thought on product knowledge can extend all the way back to those who manufacture the products. In a production company outside of Den-

mark I myself once experienced a production manager who used to complain that he never had the time to come down onto the shop floor and was therefore out of touch with the products.

I recommended that he park round the back of the factory when he came in the morning, walk through the factory, say good morning to those who were working for him, then go upstairs to his office. That resolved the matter. He was in touch with the product and the production every day.

I was forced to have a taste of the same medicine myself later on. The distance separating me from the warehouse was too great, even though there was only a wall between us. One day I had to get my act together and park behind the warehouse and go in the back way and through the stores.

The first morning they gave me a strange look: *"Who's he?"* I actually had to explain to them that I was the manager of the company. *"Aha, so that's the set-up."* My daily walk through the stores solved my problem. Now, during the day, I was able to refer to what I had seen and heard on my walk through my production facility. The mood in the warehouse, cleanliness, replenishment etc. were important insights.

In *kaizen* (lean) it is called *going to Gemba*[42]. That is to say that you have to confront yourself with reality when you work primarily in an office and meeting/conference rooms. When it comes to optimisation or value creation, the secret gold is located wherever it is happening, and the solution to seemingly unsolvable problems is to be found here. The factory floor, stores and shop shelves are very telling if you focus on them.

Selling in different group departments unites and separates

In a group engaged in selling products, selling in different functions can both unite and separate. This takes different forms in different departments of the group. Generally speaking, a distinction is made between volume sales and niche sales.

Volume sales

The trading department typically sells goods used in the production of other goods. Price plays a very big part, because quality is perceived generically from company to company. If the listing on a particular product is high, more raw mate-

42 *Gemba* (or *genba*) is the Japanese term for *the real place*, e.g. the scene of a crime or the spot where a sporting event takes place. The detective or sports reporter goes to the place where the criminal act occurred or the sporting event is taking place in order to solve the crime/report on the event. Transposed to *kaizen* (lean), "*going to Gemba*" is an expression of going out into reality, i.e. as a manager, not just managing *behind the scenes*, but actually moving around the organisation and observing real life.

rial is produced in order to make the extra profit right now without being particularly concerned that it will be instrumental in squeezing the price down later on.

The department selling private label to the supermarkets is also concerned about the price, but to some extent the supermarket chains are instrumental in determining what quality should be supplied for which types of products that they wish to profile themselves on.

Unlike the other two product types, the sale of branded articles earns money to cover a wider range of costs. The profit from these is spent on developing products and meeting large parts of the fixed costs, including wages for marketing and sales as well as investment in innovation.

The company's progressive profitable logic stems from the sale of the branded article. For one thing it provides a negotiating position vis-à-vis customers, and for another a competitive edge over other food companies. The branded article unites the company around a secure, collective future. It goes without saying that the act of selling the branded article must be profitable, otherwise it will be phased out.

Used correctly, active selling is a guarantee that the sales department is making a positive contribution to net profit.

Niche sales

Niche sales is a specialist discipline that takes us right out to our extreme notions of selling, because we need to throw so much of ourselves into the product concept. It typically takes five years to become a good niche seller. The reason for this is that the learning curve is very flat, because you have to learn a lot about your own products and concepts, and you need a great understanding of the customers' situation. It is complicated and therefore irksome when niche sellers hand in their notice, because a lot of the tacit knowledge disappears from the company together with the salesmen.

Selling niche products requires the salesman to be a specialist and know a good deal of specifics about the product. He thus becomes part of the service package surrounding the product.

Since it takes time to get to know your product, the niche salesman needs to understand that the time he spends on learning provides knowledge, which becomes part of the product concept.

A niche product is defined by either appealing to a smallish group of consumers (trendsetters) or by having a limited quantity of the product. Whether it is one form or another of niche product, you must have niche products in your portfolio because it is a way of distancing yourself from your competitors, given the difficulty of imitating a concept.

Niche products are more important for high-volume operators to work with than might at first be assumed. This is because it is only when logistics costs have

been driven down by volume growth that the work on the niche product can be seen as a direct contributor to the bottom line – assuming there is no need to add in too much specialised labour.

The niche product does not incur high logistics costs. Nor, however, does it contribute to cutting costs, because not many units are being sold. But it can cause a drastic drop in logistics costs as a percentage of the sales price for the entire transaction once sales have picked up, because niche products are worth a lot, relatively speaking, and therefore add a lot to one's turnover proportionally.

For the grocer/franchisee, the sale of niche products is often forgotten territory. I once had the opportunity together with a grocer to work out that he actually made about 25% of his own wages on overlooked niche products in his supermarket. Suddenly, he was selling more of these products for us!

Niche sales are a very important area to control for the food industry, because it is often the *early adopters* (trendsetters) who drive the following sale.

80% of the population will not touch a product until the first 20% have accepted it.

Niche sales are a particular metier, and it is difficult for salesmen operating with volume sales to carry off. Industry often has a hard time getting started on new product types, because it has failed to self-organise so as to have a department for niche sales.

But for anyone going in for trail-blazing innovation on the food market, it is strategically important for the cooperative movement's food industry to nail niche sales, which at present are not attracting that much attention. Sales centre around the volume products, since the traditional supermarkets base their sales on the 80% of consumers who do not embrace novelty items.

The retail-minded industrial companies must therefore have specialised salesmen to take care of selling to food service departments, specialist shops and deli counters. If you do not have that, you will find it hard to live off indirect price rises, which come through just such novelty items, when successfully introduced at large scale.

The champagne of cheeses: Parmesan

Some products are in short supply, as previously mentioned. They are reserved for those sales channels that can take the right price. Parmigiano Reggiano cheese (Parmesan) is an example of such a niche product. Only limited batches are sold at a low price.

In the Po Valley in northern Italy, lucerne and clover grow in quantities that can yield 110 thousand tonnes of Parmigiano Reggiano cheese. The cows in the valley have always fed off this and make the ideal milk for the dairies, which process the milk to make cheese according to specific recipes and methods. It takes

16 litres of milk to make one kilo of cheese, so it is a very expensive cheese, but it also has that particular taste you never really forget once you have eaten it with e.g. a glass of champagne.

The cheeses are stored like round wheels on long wooden shelves and are occasionally turned according to specific instructions. Temperature and moisture are checked regularly. The cheese's distinct taste emerges over three years, and the cheesemaster determines the best timing for the different types of Parmigiano Reggiano. The whole process oozes skill and longstanding knowledge and aesthetics.

A cheese can be stored for several years, and it gets better and better. That makes it an object of speculation.

Parmigiano Reggiano is used in different ways. E.g. the heart, i.e. the middle of the cheese, is a special delicacy used to break into chunks and eat. That can be done with the whole cheese for that matter, but the heart is creamier. The triangular part, which is typically packed into retail packs, is best used for grating. But you will always be left with the last piece, the hard outer rind, and not quite know what to use it for. The Italians themselves use it as a stock cube when they make soup. The shell is home to the salts that have collected in the brine. It is hard as rock, but edible. Hence the whole cheese gets used and has some importance for an Italian housewife.

Parmigiano Reggiano must be grated properly. If it is just grated into long strips, the shreds will not be correctly oxygenated. The surface becomes too small. It has to be grated on a grater, which tears out the small pieces so as to make the surface as big as possible in relation to their weight.

The entire process – collecting and weighing in the milk, processing it in copper vats, training the cheesemaster, curdling, filling the moulds, brining, mineralisation, storage, sampling and tasting, and the investment, has been organised so as to be certifiably eligible to bear the designation "Parmigiano Reggiano type" and the sub-designation DOP *(Denominazione d'Origine Protetta)* [Protected Designation of Origin].

Every Italian knows it is a fantastic product[43], but the best thing is that only 110,000 tonnes of the cheese can be produced. As also with champagne from the Champagne district, roquefort cheese from Roquefort in the French region of Aveyron, or Lurpak® from Denmark, only a finite amount of the milk from this area can be produced. That sets a benchmark for what is the optimal quality.

When we had visited these fantastic little factories, we were all set to sell the products. Actually, the Italian salesmen were not particularly good. They were living off the laurels of their past.

43 Like the French, the Italians are proud of their food, and they can really go to great lengths to ensure that their olive oil, flour, cheese etc. is as it should be in order for the taste to be absolutely right in the dishes it is used in, just as their cooking of pasta to give it that proper *al dente* bite is the subject of much attention. It is fascinating to observe them launching into such a conversation.

In fact, we must be able to do a better job than them when selling Lurpak® in Denmark. There can only be a finite supply of the Lur brand butter, so in a way the price can only go up as more and more affluent people concentrated in urban centres worldwide demand this product.

Loyal consumers of branded articles

The industry's brands are the guarantors of high, uniform quality. The innovative branded articles are the interesting ones. The best novelties give the consumers new experiences, and that makes them loyal to the brand.

As previously mentioned, most marketing and sales employees in a company earn their pay by selling and marketing brands. It is important to abide by that, because many companies in the global game to be best at selling products get so big that they end up relatively alone on the markets. As a result, the chains naturally want to maintain a balance in the competition by launching their own brands. That is the type of countermove the salespeople will find the customers making. The chains can do things themselves, in other words, and often convince the salespeople that their brands are truly important for them; and they are right.

Uncertainty about brand value and substance

KAMs are subject to large-scale pressure, as are their category managers too. Of course, they want to fight for the industry brand and regard the chain's brand as a means of eventually achieving better sales of the branded article in the relevant category. In order to find the balancing point in all this, all parties need to understand the point at issue and agree on it, and it is the food industry's responsibility to see that it happens.

It begins with industry and chains understanding *why*, and agreeing on that. The chains need to be on side; only then can everyone pull in the same direction.

As things stand now, disagreement reigns, because the industry itself has not really understood how to activate the components and processing of the substance so that everyone agrees **that** is important. On the contrary. Everyone is ignorant and unsure whether it is important. In fact, everyone implicitly agrees that it is not important. People are, so to speak, collectively ignorant.

Only if the consumers like a product will it be championed. But who conducts basic checks on the taste of eggs, carrots, onions, potatoes, leeks, raw meat and milk? They are all unprocessed primary products with great untapped potential to reach the markets with a high degree of freshness and at a price that reflects their very high taste, texture and nutritional value, for instance.

If the products are to be sold close to their original form, it will be a problem to find salesmen, KAMs etc. who can activate a need for them. Sales departments

in Denmark do not generally have a head for activating needs for these qualities. They have grown accustomed to selling something supported by large-scale campaigns.

Slow market penetration without highly weighted distribution greatly depends on personal sales. There is not enough weighted distribution to rely on the pull effect for up to three years after new sorts of food types are launched in fruit/vegetables or cheese types. This fact is overlooked, and it is problematic when it comes to developing unmixed products, where the product development has to be done primarily in developing the raw material.

In order to tackle the problem, a dedicated sales education programme must be set up in the industry, with large-scale training in selling branded articles at an entirely new level. As previously mentioned, it generally takes five years for a salesman in niche companies to get to know the products well enough to be able to contribute to the concept.

The substance is the foundation

Danish farming produce does not have imported things added to any appreciable degree. We can really cultivate that fact intensively with a high degree of passion if we understand how to take pride in it– and activate a need for it through the channel of qualified (new) types of sellers.

In the future we will have to live off, among other things, producing and selling foodstuffs in farming that operates on the basis of industrial methods. The form of agriculture we have is capable of producing some of the best and globally most widely acknowledged products among buyers. But we Danes just do not really understand how to appreciate them and stage them as quality goods on the global market.

Products with no brand to them, where there is no PR on either the product or the country of origin, do not have a *halo effect*[44], and the good reputation therefore fails to pull the next product along with it, simply because it comes from Denmark or belongs under the umbrella of a popular brand.

The value of reworking farming produce into global brands is very high. For the dairies in Denmark, for instance, it would mean an extra DKK 200m or so a year if the proportion of brands grows by one percentage point in relation to the proportion of bulk production.

But firstly it requires farming to be able to convert the obvious advantages of the substance into a brand value which consumers worldwide with high spending power will buy, and secondly that we shift up a gear in order to continue being able to exploit this.

44 The halo effect is an expression of a tendency to allow a general impression of a person or an individual attribute to colour and determine one's overall assessment of the person concerned. The halo effect is the opposite of the Rosenthal effect, which is an anticipatory effect.

By converting our high level of knowledge about food manufacturing into hard-nosed sales arguments **and** concepts/solutions, we can get even further, faster.

The interesting and unique thing about brands rooted in the cooperatives is that they only use raw materials that are familiar. Not all other producers of branded articles always know where and what has happened to the raw material before they buy it.

As can be seen, the substance is the foundation of so much. It is a foundation for making some immensely powerful concepts and solutions that satisfy customers' demand, more than they expect.

The untapped potential can prove much greater than first assumed.

Team play between HR, marketing and sales – a classic challenge

We have previously gravitated towards the classic challenge of getting the team play to work between marketing and sales. We will take a closer look at that now, because it is of extremely great importance to a company's ability to succeed.

For groups and companies one of the challenges is that sales and marketing do not exploit the great potential they have for working together as best possible. Sales thinks marketing is too aloof, based on the motto: *"Marketing doesn't understand what is going on in the sales departments."* It is made no less complicated by the fact that even when the category department goes along with sales on customer visits, they do not fully understand the customers anyway.

The problem is that the sales department and the department's interaction with the customer can seem slightly enigmatic and closed. For an outsider this can be difficult to understand, as the tactics played out in a sales department and the KAM's old relations with the customer leave the rest of the company out on a limb. The pace is too hard to keep up with, and in this way the sales department is isolated from the rest of the company as such.

One solution to this classic challenge is to devise a *product language* that everyone can reference. Having a common point of reference bonds the departments together better.

Over the years we have tried to give employees in marketing a simple introduction to selling technique, and it has been a success. It suddenly dawns on them when they see that there is actually something going on in sales, something based on a very rigid structure of a psychological nature.

The really big breakthrough occurs when marketing learns that the form of presentation they have been giving to date has not involved the salespeople but has merely been a long list of features reeled off. They have typically not been in

tune with the objective of informing the salespeople about the *advantages* and *benefits* the products have for the customers. The salespeople themselves have had to figure out how they are going to get the customers involved in the products. Marketing takes it for granted that the salespeople will take on this job, and it is therefore not a controlled process on the part of the marketing department. But it should be.

If the marketing budgets were to be cut back, or removed completely, that would leave only products, customers and salespeople, and that is actually rather a lot. It just has to be used optimally.

As an input parameter which is understood and controlled by a company, salesmen's behaviour ought to be high up on the agenda of the marketing departments.

Salesmen have their own logic, on which they base their actions. They typically select whatever is easiest for them to steer through during the day. Of course, it is done on the basis of a certain loyalty and targets for orders the company aspires to. But it can be optimised, and that happens when the marketing department understands what selling technique is. Then the team play kicks in.

Acquisitive behaviour

There are many systems that track employees' performance etc. But the most efficient one is when the organisation in companies is seen as a sales parameter working closely together with HR. The employees in the company should be equipped with acquisitive behaviour, to use a sales expression taken from the legal profession.

Regarding the organisation as a sales parameter calls for a knowledge of selling technique on the part of the HR department, which has a special interest in ensuring that team play and skill levels in the companies are calibrated.

In reality the HR departments have special qualifications for understanding sales since, by their nature, they are interested in interpersonal processes. Sales focuses particularly on people's behaviour and skills as a tactically controllable training process.

Basically, it is not possible to train (study) to become a salesman. No special educational establishments exist for the purpose, as they do, say, for engineers, finance managers, HR managers and marketing managers. Sales should therefore be an area where the HR function specifically imposes objective requirements internally. What must people actually be able to do in this special discipline, and how should people be continuously trained to act optimally?

Of all things, that ongoing training is important. On a day-to-day basis people are confronted with having to act towards customers. If you take a break from it, even for a relatively short time, you get rusty. I have first-hand experience of that.

Once people understand that selling is a matter of training, they can also understand perfectly why the sales departments are introducing regular training of their sales force in connection with their sales meetings.

Selling is a core competence which the company has the scope to optimise, perfect and make into a unique process for that particular company's products and concepts.

Pointers from Chapter 12

- Food can make us business partners on a higher level.
- Understanding the products in the company makes us a team.
- Branded articles guarantee wage rises, innovation and investments for everyone in the value chain.
- Niche sales are difficult, but important for the future of the entire company.

Chapter 13

Take responsibility for food

The more that food enterprises and their suppliers, i.e. the cooperative companies, grow, the more nutritional responsibility all of us in the food industry take on. We have to be constantly abreast of the latest knowledge in nutrition and objectively seek to promote a diet that promotes health as best possible at any given time.

We have to grasp the responsibility that the consumers trustingly place in the hands of the food industry and the retail trade. All over the world, consumers are striving to accumulate the greatest stock of spare resources to expend on their interests. That often takes place at the expense of the time and resources available to spend on buying and preparing their everyday food.

Below we will look at why foodstuffs are particularly vulnerable and require the food industry to take responsibility for all consumer segments.

Fresh milk for the whole world

A totally off-the-wall example of farmers in Denmark being able to appeal to top consumer segments around the world is to freeze milk and sell the frozen milk to countries in Asia. They have too little milk, and what they have is of very inferior quality.

The milk deficit is set to grow to chronic proportions in that region, because they wish to eat tasty products with proteins to make them taller.

They think milk and meat can fulfil that task and they will get richer and richer. The middle class will grow by about 0.7 billion people over the next five years. They are copying all the western world's food intake, because the large food service groups and retail chains hail from the western world and have an interest in working quantities of uniform products into their ranges. That consolidates and broadens their negotiating positions with the suppliers and increases productivity throughout the system.

China alone will need just as much extra milk over the next five years as the excess 2 billion litres or so a year produced by the Nordic countries.

A taste for fresh milk

That is good news both for the people who want the same taste experience as we have had for generations and for Danish farming, provided that Danish farmers can still borrow money and invest in producing the products, develop the sector and grow.

We have to sell the products as brands in the same style as we have been doing in the Middle East, where they were keen to import products containing protein, as they did not have sufficient food themselves.

Globally, there are companies that have a strategy of developing styles in taste. Structurally, it is important that Danish farmers are able to match these to the natural raw materials from the cooperatives. The sweet taste of fresh milk must be able to compete or be developed in order to be accepted by the local consumers, because flavour manufacturers will be entering the market and emulating the sweetness acceptable to the locals, and we must then set a progressive agenda for the direction to be taken by the sweet taste. We have seen it in Europe, where yoghurt has typically been brand providers' preferred category, because it is easiest to juggle parameters like taste, colour and packaging in yoghurt.

For many years people have staked their efforts on making money from that kind of product rather than from cheese, because the "action parameter" is greater. Cashflow in relation to invested capital is optimal in this category, whereas it is smaller when dealing with cheese, which often has to be matured before it is at its best.

The cooperative movement, which is growing and consolidating considerably, will have a global strategic interest in keeping its produce as natural as possible, while at the same time also receiving a cash reward in the form of the consumers' and the buyers' recognition via the branded value.

Viewed from a cashflow angle, for those countries that are new it is important to introduce and activate needs for products which are as fresh as possible when it comes to a large-scale switch-over to dairy products. We can help them by promoting the use of imported, safe dairy produce and making our know-how available in parallel.

Many of the countries are poor, but they have scope for improving their production and, like us, are often brand oriented, because it provides an assurance of quality and origin.

Food safety

In the slum quarters of Bangladesh there are branded articles to match whatever a day labourer can afford to spend on a product. The phenomenon exists everywhere in many poor countries. They are brand conscious for different reasons.

Two penniless men dressed in a loin cloth, each sitting with his own cup of tea in front of a TV, make you feel there actually is quality of life in the middle of the slums. When you see it is Lipton's tea from Darjeeling in India they are drinking, you have some respect for the fact that they are completely like the rest of us. Like us, they are extremely anxious for everything to be just so. They sit there on their stools, insisting on having a dignified life within the confines of their own setting. That is not so different from us in the affluent western world.

Two little children, born in the slum quarter, run past them. They do not know any world other than this. They come from a small home, 3 x 3 metres, with a hearth and a bed. A TV, a radio and a small table to eat off make me think it is a home. That thought persists until I hear there are six people living in this room.

Down the street, which is approximately two metres wide, you come to a small crossroads, where a well-known telephone company on a poster stuck to a wall made of crude planks is advertising top-up cards. Opposite the advert there is a small shop selling sundry small items. Small items are particularly popular for these people, who are day labourers and can only buy things in small portions because they are paid daily.

They can spend this money on fruit or fish on the market, but they have also discovered that much of the local food is preserved in formaldehyde, a toxin that kills off everything in the product.

Formaldehyde is widely used in poor countries that lack refrigeration facilities, because they do not have a reliable power supply. As a result, even less well-off people are on the look-out for branded articles, which guarantee their peace of mind.

In some ways, we are struggling with the same things in many respects, very relatively speaking. They are fighting to avoid formaldehyde in the products, and we are fighting to avoid emissions of methane, ammonia, organic compounds and so on. Yet our battle seems very different to getting enough food.

We can produce enough food for these countries, among others, and we ought to be doing so. But it starts with us as a nation taking pride in our ability to do so, and wanting to commit even more to it.

Food insecurity

The visit to the slum quarter in Bangladesh made me recollect a stay in Honduras during my youth. In Honduras, eating was not something you just did. There was always a risk involved. You could never be sure where the salad or the ice cubes for a drink came from. You occasionally fell ill, and some people got chronic amoebic dysentery. Some later died of it. Food was a serious business. You did not take it for granted that it was safe.

That left its mark on me for many years to come, of course. Luckily, however, in later years it became possible to dine at the international chain restaurants in many places in Honduras. In tandem with that, many international branded articles have appeared on the scene, making food safe to eat.

Around the world it is still a challenge even for the local population to survive food poisoning, which is usually due to unhygienic handling of the food and the way it is fertilised. Branded articles are a sure-fire hit in these countries, therefore, because the local population has figured out that it is hard to cheat with this form of food, which is packaged.

The experience as a tourist of being seduced by the open sacks of spices or sacks of beans and rice at markets is due solely to the lovely way they look. Unfortunately, it is naïve to believe that they might be any better than the spices, beans and rice manufactured industrially and packed in hygienic bags.

Think that the food to be weighed is exposed to the grocer's fingers. At regular intervals he draws his hand through to make it look appetising. What is worse, the open markets are home to myriad rats, scurrying around to scavenge for food, especially at night. I experienced this at very close quarters one night at a market in Honduras many years ago, where I had to stay hidden for a couple of hours. The rats were scuttling around the tent canvas, up and down the poles. Even though there were Indians who were supposed to be on guard, there were rats everywhere. On night shift in Port Cortez too, I saw how rats attacked a heap of grain.

That cured me once and for all of any thought that lovely foodstuffs packed in open sacks are any better than industrially packaged foodstuffs.

As I said, it was outright dangerous to eat the food you were given in Honduras at the end of the 1970s, so it is just as well that we have moved over to portion-size servings in the meantime.

We must remember that we are dependent on those who make the food for us. Unfortunately, they are not always to be trusted, not even when it is a personal sale, when you look the salesman in the eye during the purchase.

Having said that, in Honduras as in many other places around the world, you could find an abundance of oranges, grapefruit, avocados, pineapple, sugar cane, papaya, lemons and many other freshly harvested fruits and vegetables, which tasted just as wonderful as the coffee. There was a glut of produce that we ourselves do not grow here in the EU. I suppose we have all learned that the taste of freshly harvested fruits is very different from those picked before they are ripe and arriving in Europe after a long time in transit.

There is a big difference between what they can do and what we can do. We ought to be taking greater advantage of our collective strengths in order to encourage a greater degree of mutual trade. Imagine what that could lead to!

The taste in foods

The food industries have a specialist terminology to which different tastes can be related. The taste judges on a panel in a food enterprise can therefore communicate objectively across their experiences.

The specialist terminology known best to us as consumers is from the wine label on the back of a wine bottle. Here they write about berries, bitter berries, sweet berries, blackcurrants, strawberries, fruit etc. It may well seem abstract to some people, but it has a conducive effect on taste judges in the food industry when it comes to isolating a taste and evaluating whether a particular product is consistent over time and across different production dates.

As far as a branded article is concerned, as well as an individual experience the brand promises a uniformly experienced taste with very small variations over time. That is part of the assurance the consumers get apart from the pack design, shelf-life etc.

There are products that have an origin, a provenance. It can be a place or many places, and can be determined by the climate. There are also products which are produced from time to time and are a controllable blend, in which variations are minimised.

So what is the right taste? It can be hard to give a clear-cut reply, but I have tried to narrow it down.

Good taste in Honduras

In the Honduras of the 1970s I was exposed to tastes in which the climate plays a part. As a field consultant in the tobacco fields, my job was to check whether the tobacco was growing as it should and when it could be harvested. One day when we were on a visit with several seasoned agronomists, one of them asked whether I had tasted coffee? Yes, I certainly thought I had. But I sensed that there was some special intent behind this question, as Efrain, as the agronomist was called, did not feel I had tasted the real deal.

Post haste, we drove off in his four-wheel drive to his coffee farm, which was out in the jungle. Efrain issued some orders to the people on site, and a start was made on brewing the coffee.

The coffee was served in a white, slightly chipped cup. It looked like ordinary coffee, a tad thicker perhaps. I sipped it, as it was hot, but just right. The taste went straight into the whole of my inventory of tastes and into my whole mouth. It was like chocolate, cocoa and coffee mixed exactly the right way. From then on, the coffee we got in town was just a load of dishwater. It is a wonder it could even be called coffee!

My next experience came about when some other local agronomists asked me whether I had tasted oranges, bananas, sugar cane and so on.

The oranges were superb, of course, and delicious. They were not like oranges ripened in a container on their way to Europe. No, they were ripened in the Honduran sun. The bananas surprised me because there were about 20 different varieties, right from the taste bomb in the form of mini-bananas to a plantain, which is a big green banana that can only be eaten if fried in a pan. They were delicacies whose taste I will never forget. And I savoured all these foods in their country of origin, Honduras, and that became my benchmark for taste.

The quest for good taste

It was still hard to describe what characterises good taste, so I continued my quest to narrow it down and found some answers along the way.

The taste must cleanse the mouth and not have any astringency, which is necessarily found in some red wines and teas. The taste must not stick in the throat and keep coming back up again after several hours. If you take a piece of bread with grease (dripping) and very mature cheese with aspic jelly and rum on, Danish style, it tastes magnificent, but objectively speaking, it cannot be classified as good taste, because the taste will keep repeating on you at the base of the oral cavity and the top of the throat. For most people this makes for a negative experience, and it generally takes some time until people fancy having such old cheese again.

There are different examples of the industry having played around with taste and not making a decent success of it. With time the consumers will usually reject

the product, even if they have had some palatable sensation at the moment they ingested it.

When we at AM-Foods once had to develop a drink for McDonald's, we searched for a drink that would be totally delicious. The idea was to enjoy the drink together with a burger. The customer would have an impression that compared with the other branded articles he preferred to drink, e.g. Coca Cola.

In order to get into the subject, we contacted a company that sold industrial flavourings. The taste from these additives was extracted synthetically and as such was just a taste arrived at by mixing up different ingredients to give a taste of e.g. banana. Only the taste was not extracted from a banana.

We invented the drink; it was tested to great success. It had exactly what it took, because we expanded the concept of pouring ice into a beaker first and then, via a dispenser, blending powder and water, which was poured out over the ice cubes in the glass via a tube. The first swig of this milk-based drink tasted very strong, so that you remembered the taste, and the swigs that followed got milder in taste, but quenched the thirst better in connection with the meal, because the ice melted. The astringency was completely absent, and we declared the product ready for marketing.

The question is, however, whether heavily industrialised products can also withstand these tests, in which unmixed products come straight from their original environment?

The answer is yes. We will use the story from the Holstebro Butter Dairy once again, this time in a new version.

Butter – an important taste additive

The Holstebro Butter Dairy is the biggest butter factory in the world. The factory is owned by Arla Foods and is part of the Danish cooperative movement.

John gave me a friendly reception and using some wall charts told me briefly about the factory, in a mildly boring but informative way. It was primarily something he himself was proud of the factory being able to do. For me it was actually a little inane, now that I found myself in the Mecca of butter.

A visit to a food factory always ends with a tour of the tasting room, where you are served something that is pleasant on the palate. At a cake factory or a brewery it is the highlight of the visit, but at a butter factory you are probably a little reticent. You do not just taste fat like that, after all. But at the Holstebro Butter Dairy something fantastic happened.

John grabs a packet of butter, opens it in a jiffy, lays bare the butter and presses this yellow chunk up onto a wire, which is a device he has devised himself; and, hey presto, the half pound of butter is divided into two. He turns the freshly cut sides up to the light to allow people to see whether there are any air holes inside

the butter, and whether there is any water on the surface. Everything takes place at lightning speed, as he has done it many times and perhaps knows that a lot of people will be bored when he is doing it. But he does it every time he has guests, because he has a passion for his product.

I really open my eyes wide when he grabs a wooden spatula and guides it through the butter, as he sort of recites that the butter is 13°C, can keep for a fortnight at an ambient temperature of 16°C etc. As a result of his swift swipe, the spatula has a deliciously creamy, displaced dollop of butter on it, and John voices his satisfaction because the butter does not break.

"You just need to run that past me again," I say. *"Well, that's fine, but now it won't be baking butter but spreadable butter in tubs,"* this high-priest of butter continues to chant, simultaneously guiding the spatula into his mouth, pulling the butter off the spatula with his lips and spitting it all out again with an 'ah' of enjoyment, then saying: *"You feel your mouth has been cleansed. The butter mustn't leave behind a greasy taste, otherwise it's not good butter."*

At that point I know that what I have here is my aesthetic coffee, oranges, bananas, wine etc., only in the form of butter produced in Denmark. Over the years I have eaten it and now I am responsible for selling it around the world. But I am also left with a sense of being on my own, because it seems as if only John in Holstebro knows it, and now me.

We therefore run through the whole process again, through the crystallisation of the butter, what it does to the hardness, across different seasons, and how you juggle it around, and on to the revolving churn, which we open, only to be greeted by the smell of freshly whipped cream, so that the cones and cornets of my childhood full of whipped cream dance before me, and across to the secrets of the vacuum chamber, where air and water content are monitored and kept at the optimum level so that the butter stays fresh.

I understand that a heavily industrialised product can be art, aesthetics and no doubt much more, and on the spot I fall in love with Danish farmers who, year in and year out, have worked to ensure that their animals can make the raw material, milk, in a way that allows us to produce this gold and sell it all over the world at the highest price.

Back to selling

The visit to the Holstebro Butter Dairy is the starting signal for me to study products on a far higher level. I become curious and want to try and pass this curiosity on to others.

Salesmen have to understand that they are a part of the product concept, because that is where the difference can often lie for the buyers. It is important,

because there are so many products in the world. Our salesmen and marketing employees have lost a point per se. They do not feel called upon to take on the responsibility of optimally administering and communicating what the company already has vis-à-vis the buyers in the chains.

The buyers and the salesmen come on a factory visit, but just as I myself used to do, go round in a disengaged fashion, because they do not know precisely what use to put all that knowledge to. But it has to be put to active use in selling technique and hence the aim of modifying behaviour.

Everyone is equally to blame for this, but a special obligation rests with the cooperative food industry in Denmark to push this much higher up the agenda – i.e. the **sales** agenda.

Pointers from Chapter 13

- The cooperatives' strategy wins on naturalness.
- Countries with a low GDP need access to safe and wholesome products, packaged in packs they can afford.
- Tasty products are the prerequisite for developing the sale of natural products.
- Heavily industrialised products can be aesthetic products.
- Salesmen and marketing employees must find the point in themselves that enthuses about the optimal aesthetic substance, so that they can enthuse others.

Chapter 14

At the beginning of a new paradigm

We are approaching the end of our tale. We hope that you as a reader feel you have been immersed in the substance, historical outline, pictures, history, philosophy, sales & marketing and organisation of the food sector, but most of all that you have been inspired as regards possible ways of using and activating knowledge going forward in active and passionate selling.

Hopefully, you will also have been given an understanding of the need for everyone in your organisation to know and understand your products, so that the passion for the substance bonds all links in the entire value chain together, and the history of the product can be sold both internally in the organisation and to customers, shoppers and consumers.

It does not end here, because it will require courses and continuous training to be in a position to use your new knowledge professionally, just as it will take time to instil a better sense of food in the population.

Let us start with ourselves and our customers, and together develop a feeling for foods and their aesthetics.

Paradigm shift in sales and HR

The Danish farmers, who make up the first link in the cooperative movement's value chain, are constantly refining the primary products, just as new requirements and demands are constantly being made of animal welfare, the environment and productivity.

The great effort being made on the farms must be actively used in sales work as a commercial sales-promoting asset, so that it is acknowledged in the shops and by the consumers. In order for it to be able to succeed, not only must that effort be made clear throughout the cooperative movement's value chain, but we in sales must also (re-)invent a system so as to use it actively. All told, it will take something new and fundamental, as it involves rebooting the whole system.

We have to revitalise sales. Indeed, a paradigm shift in selling is going to need to take place after the great advances of the 1990s, when category management and concepts took over in the big international FMCG companies. Selling was once a genuine power factor in FMCG companies, but in about 1994 it was reeled back in to the desks and made into category management.

The paradigm shift consists of both activities having to now simultaneously enter the game at a higher level. The big task for HR will be to commercialise itself so as to join in and help out with this process.

In order to be able to sell actively, sales needs to know its products so as not only to involve but also activate the buyers' needs for the products in the process. The category managers must be better equipped for customer meetings and contribute to the customers acquiring an in-depth understanding and respect for the cooperative movement's products.

New types of salespeople may also be expected to enter the stage and make a career for themselves on that basis. It is conceivable that women will find it exciting to consolidate and expand a career position in sales once it is known precisely what makes a good salesperson. An MBA in Food Marketing will be relevant.

HR will take on a prominent role in this perspective because specific training in salesmanship will have to be set up in the food industry so as to generate a steady flow of employees who can sell foods in the way the penetration of new foodstuffs *de facto* happens, i.e. through the right channels basically.

Finally, on a global scale, primarily in cities, we must be capable of collectively arguing why we are good at doing food, and why we expect a high price for the high quality.

The cooperative movement meets all needs in the EU responsibly

It is the actual substance which is the distinctive hallmark of the cooperative movement's food production. We must clearly highlight the advantages and quality benefits which the substance gives customers and consumers. Indeed, our brands guarantee consumers and our customers' buyers quality foodstuffs. Denmark has a great global responsibility to manage in terms of selling quality foodstuffs. The cooperative movement's success comes with its own obligations.

The cooperative movement's food brands are synonymous with growth, innovation, status, enthusiasm, collaboration, environment, freshness, well-being, safety. These special features relating to production are the benefits which the consumers and our customers' buyers receive, and which we can vouch for.

Denmark bears a responsibility to manage and administer the global sale and marketing of safe, high-quality foodstuffs.

It is perfectly thinkable that this responsibility will be shared with France, because the two countries have traditions which are complementary: Denmark is good at imitating, adding value through industrial processing, and particularly at selling. France has a fantastic food tradition with scope for continued development.

The two countries' cooperative systems in different sectors should cultivate each other more in the future. However, that presupposes that the farmers in the cooperatives of both countries can see the virtue of sharing global sales organisations for their products.

In the long run it will be an obvious move for the EU to work towards achieving that, as many of its member states have a well-preserved cooperative tradition which we can continue to develop commercially. One consequence of this, however, will be that the cooperatives do not pursue subsidy schemes *en bloc*, but focus on commercialising their quality systems.

Reaching that point will be a long, hard slog, but it can be facilitated by well-trained local commercial managers who have chosen to work with foodstuffs early on in their careers because it is exciting for them to release the giant potential that exists in the food sector globally.

It takes professional, targeted management to release that potential.

The paradox is that the tactical game is a strategic one in cooperatives

The cooperatives have a potential for communicating, which they are not exploiting to the full. That means that neither the company's DNA nor the investment in the capital stock is being fully exploited, which is how it all began, by the way: Investment in a butter churn, amalgamations, optimisation, perfecting, cutting

kilo prices and micro-product development in all of the 1,300 or so dairies there used to be in Denmark before 1970.

There is no need for us to invent everything from scratch, we simply have to continue on the basis on which the cooperatives were built. Nor do we need to copy the private companies that have opted to outsource their production to the cooperatives, amongst others.

The cooperatives live off getting more and more kilos of raw materials into their own system. They are brilliant at optimising the raw materials, but scarcely as good at achieving the best price for their brands, because they do not invest in active sales to the maximum extent.

Taking the sales and marketing department as such, a lot has been done, and the sales department does capitalise on that, so to speak, at the same time as there is too much to do in terms of prioritising both the depth, the breadth and the length of incoming sales to customers.

Strategy

One objective in its own right is to keep the ball in play on both one's own and the customers' half of the pitch, while at the same time ensuring that the terms being competed on are conducive to Good Growth. For the cooperative movement, therefore, it is also strategically interesting to keep the focus on the rising quality of the substance of the primary products. The constant improvements in animal farming, arable crops, greenhouses and production methods are hard for competitors to emulate quickly as well as being a pricing asset when used in active sales. Consequently, the cooperatives' owners do not risk so easily getting trapped between debt, customers and competitors.

There will always be markets for cheap quality products, but there will also always be a market for quality products on which price is not the primary parameter.

The revitalisation of the food marketing strategies, based on the cooperative movement in Denmark, will prove to be a strategic point not only for farming in Denmark but for the whole of Europe at a level where we can compete with the USA and the rest of the world.

If it is to succeed, we need to use education to ensure that:

- based on the product, HR cultivates the relations between employees and offers courses in active sales
- it becomes possible to train as an MBA in Food Marketing (*cand.merc.alimentum)* at university
- existing training programmes in organisation theory are angled to produce a wider commercial perspective on food for Denmark.

Further education

One of our aims is for this book to form a basis for discussions between the food industry and the educational institutions.[45]

At the beginning of the book we asked a question about how we in the cooperatives convey the farmer's burning passion for primary foodstuffs to our customers' buyers.

And in the book we asked you, dear reader, how

- you as an employee in a company or as a sole trader will be able to involve customers and consumers in your product and its quality if you yourself are not wholeheartedly involved in your product
- you will find the inspiration to make your customers feel something for your products if you do not know your own product
- you will get your staff to take an interest in fighting to win those orders if they are not genuinely committed and emotionally involved in the products
- you will so very essentially use this knowledge in sales so that it has the effect of activating and adequately meeting customers' needs?

The answer is that it is going to take more targeted food education, so that the cooperatives can have their potential released. There is scope for improving product knowledge in the field, in that many employees know nothing about foodstuffs, and many commercial employees are not properly trained for the encounter with the customer. That means that the role as a person who is knowledgeable about the product is not being adequately met. It is part of the cooperative concept which has been played down.

With time, situations where there are tough negotiations in the tactical day-to-day business will increasingly come to a head, because the customers' buyers are training faster and better than the industry's own commercial staff (cf. Boston Consulting Group). Customers are getting more stressed over the pace of competition and need to be guided by the suppliers without wasting any time.

The level of analytical expertise called for in customer meetings is growing. The cooperatives' leverage and clout can be beefed up by involving the customer in the product. Active selling management therefore expands and consolidates the negotiating position of the sales department, also by means of professionalisation.

The cooperatives can optimise themselves by deriving commercial inspiration from the USA's SALE of substance and France's SENSE of substance.

45 See appendix: St. Joseph MBA - Food Marketing, Philadelphia.

Earlier in the book we argued how HR can oversee internal continuing education, just as we have often mooted that a good salesman has to undergo ongoing sales training.

These are all initiatives which the individual company is going to have to oversee. But there is a need for programmes to supplement the in-house courses.

The Danish commercial educational establishments could take on a greater role by segregating strong international brands and the true metier of being able to promote their sale, in addition to assuming responsibility for extending the repertoire to market competences concentrating particularly on bringing the food substance into play vis-à-vis customers.

We could also work to establish a long-cycle higher education in the form of an MBA in Food Marketing or *cand.merc.alimentum*. It will be a strategically astute move to offer such programmes in Denmark, because

- food production makes up 9% of our total exports[46]
- Denmark has a great global responsibility for managing the sale of safe, quality foodstuffs
- we must have specialists in sales who are capable of putting the special quality of our foodstuffs into action at global level
- we have to constantly strive to consolidate and expand our special position as a highly recognised food nation, and one that will gain even more recognition in the future
- globally and collectively, we must be capable of formulating and arguing why we are good at all that "food stuff", and why we expect a high price for the high quality.

The training programmes must be instrumental in ensuring that the sales departments command the requisite skill-sets. The companies will be able to demand that the departments' employees take a masters or a degree in sales.

An academic education will not only enable students to develop creativity and foresight in their encounter with the customer. For one thing, the theoretical education will be grounded in practice, so that the students have a chance to try out the theories in practice – not only for their own benefit but also for their workplace, which in this way will amass ever greater knowledge about sales, and what happens during the retail stage.

46 Cf. Henning Otte Hansen: *Værdien af den danske eksport af henholdsvis fødevarer og fødevarerelaterede teknologier* (The value of the Danish export of foodstuffs and foodstuff-related technologies, respectively) in FOI Report 2012/4, Institute of Food and Resource Economics, University of Copenhagen.

Passion first and last – and in between

The sales departments were originally the ones that made the big difference for the cooperatives, and also home to the people with the greatest seniority, those able to pass on the stories. All in all, then, the sales departments rest on a solid foundation, but they must develop as times change and the chain managers become better educated.

The educational establishments could beneficially take this up and train graduates for more sophisticated selling, so that the customers encounter really knowledgeable salesmen who are constantly developing themselves and are always ahead of the customers in terms of development.

The last way to do this is by giving sales a crutch to lean on in the form of category management. The worst thing that can happen is to share the responsibility for whether or not the customer makes a purchase, as that is simply an invitation for responsibility to become diffused. Sales should be the ones to have full responsibility for whether or not the customer buys, at all times.

We all know sensible and competent salesmen who have not had long periods of formal education. But many of them would wish they had been trained in sales, because they glean so much hands-on experience that they lack a research-based framework and language to allow them to express their views on problematic issues internally within the companies and argue their corner against a lawyer or economist. Too often, as things stand now, it ends in an unequal struggle for power, sales' only argument being that the in-house lawyers and economists and others have no understanding of real life. And that is quite simply too unprofessional.

In relation to the customers the lack of formal education is also a problem, particularly when it comes to the food industry, as the vast majority of salesmen's insight into foodstuffs comes from two years' teaching in home economics during their early school years or has been picked up in a previous job in a shop, as a chef, or else it is just rooted in a general interest in food.

Although every little counts, there is no getting around the fact that not having to actually know anything at all about foodstuffs, the substance in them, their shelf-life etc. is problematic when seeking employment in the food industry. As long as you are from FMCG, you can get work.

So it is also hard to convince buyers who have been dealing with food all their lives that the industry means business when they meet such a salesman, and we are going to have to do something about that, of course.

Transferring the farmer's passion to the customer's buyer is a major exercise.

It used to happen in the old days because people acquired a feel for the substance through their traineeship, and because they naturally came into contact with the production side of the company. New generations have not been encour-

aged to serve an apprenticeship and gain a knowledge of the substance and the craft, just as they are not in touch with the production side of companies. But we must change that, as it will provide an entirely new basis for selling products.

Those we sell to have not learned much about the products either. The salesman's task will be to teach the customers about the products, because this is the key to releasing the potential for the cooperatives.

The whole value chain for a food is represented in the cooperatives, right from the primary producer, the farmer who is co-owner of the cooperative, to those whose job is to make sure the processed raw materials make it out onto the shop shelves to the consumers.

Overall, therefore, there is a huge body of knowledge about the products, which must be conveyed from one link to the next throughout the value chain. In addition, the individual farmer has a fundamental passion for the substance in the foodstuffs. The cooperatives must strive to ensure that the sum total of this knowledge and the passion for the products become the mainstay of the whole value chain, because it is so persuasive when used correctly that nothing can beat it in the long term.

The sales departments in the cooperatives have an untapped potential, however, as an even more professional player and team member in the marketing of products. This can be harnessed by having the cooperatives introduce *passionate selling*, which is a concrete system of behaviour that turns product knowledge into an active sales asset.

Since the basic production advantages of large-scale operations in an industrial society are merely part of the cooperatives' base, cooperatives can only welcome the opportunity to learn to sell sustainability, proximity, animal welfare, tastiness and security to the buyers in the retail chains, and through them to the consumers in the shops.

If you believe, as we do, that there is still scope commercially for honest, genuine, unadulterated, pure products in the future, then the future belongs to the cooperatives, and it will be fabulously inspiring to sell the story of farming produce with the passion we all deserve.

About the authors

For 30 years **Steffen Andersen** has been engaged in the international sale and marketing of FMCG products in different companies and marketing & sales posts, and as a CEO.

His passion for trading in groceries, *terroir* products and foodstuffs in general stems from his time as an apprentice with the timber department of the East Asiatic Company (EAC), working with tobacco in the fields and production during a stay of almost three years in Central America, Mexico and the USA, and trading in French and Italian cheese for five years.

For the past six years Steffen Andersen has been Senior Vice President of Arla Foods' department for international trade in dairy produce. Business trips have provided a broad insight into the way the world at large sees Danish products. At the same time, it has whetted his interest in understanding and conveying how the sale and marketing of products from cooperatives committed to high quality and branded article value can be globally optimised in the future.

The author of the chapter *"The organisation's behaviour – seen through HR eyes"*, **Per Kracht**, was Vice President of Global Services HR at Arla Foods until Per sadly passed away much too early in spring 2015. Per Kracht had a background as a shop assistant and head of the food department at the Føtex Superstore in Viby near Aarhus, subsequently holding a number of different sales-related positions with *Dansk Supermarked* for a number of years. In addition, Per Kracht had also worked primarily in all areas and at all levels of HR for a number of large Danish companies, including TDC and A.P. Møller-Maersk.

The author of the chapter *"Passionate Selling"*, **Carsten Schøler Lass**, is an Associated Partner in Cultivator and has for many years worked on the development of salesmen and managers. In collaboration with Arla Foods, Carsten Schøler Lass has devised a concept that establishes a behavioural foundation, so that the cooperatives' sales staff can be developed into salesmen who are able to transfer the farmer's passion right out to the external customer's buyer.

By making his own study of dairies, Carsten Schøler Lass has been through a process of modifying general selling technique of all-round benefit to the customer to make a customised course with customer-specific benefits at a very high needs level, i.e. release of the potential contained in the cooperative concept. The process undergone by Carsten Schøler Lass is similar to the one experienced by many employees when they discover or learn what a fantastic product they are managing, whether it concerns employees in administration or sales in a cooperative. The product substance in the course Carsten Schøler Lass is working on forms the basis for working with sales behaviour.

Thank you is actually only a poor token of gratitude

Thank you to everyone who has helped me on my journey to publish this book. I am indebted to all of you who have either contributed directly to the creation of the book by giving me tips, useful input or calls to *kill some of my darlings* and ideas for improvements, giving the book its present shape.

Throughout my life and across continents I am also privileged enough to have met many knowledgeable and passionate people, all of whom have helped me to receive sufficient insight into and knowledge of products and sales for me to have been able to pen this book.

My workplace, **Arla Foods**, has given me the possibility and space to write the book on my flights to and from Denmark, and sales courses and discussions with colleagues have allowed me to focus ever more sharply on the aim of the book.

My two co-authors, **Per Kracht** and **Carsten Schøler Lass**, deserve a special thank you for their splendid and fruitful collaboration. Per originally encouraged me to embark on the whole *passionate selling* project together with himself. Without Per there would have been neither project, courses nor even this book, to which he has contributed with his great knowledge about HR. **Carsten** was the obvious choice to be part of the project and has generously passed on his knowledge about sales here in the book. Carsten also had the tough job of going from consultant to involved consultant. Without their contribution the book would have lacked essential points.

Charlotte Paaskesen, my editor, must be thanked for undertaking to transform my very rough, desultory and unfinished text into a structured and readable book. It took a great leap of faith for me to have her read and comment on the subject and the text initially, but that trust has been reciprocated in full. I have learned much in the editing process, and it has been a pleasure to have Charlotte as my professional sparring partner and altogether to collaborate with her on getting the book finished.

I really want to thank **Tim Davies** for his very professional translation of the book into English. It is quite a task to engage with the text and give it an expression one can identify with. And Tim has solved this perfectly.

Charlotte Langkilde has also done a great job ensuring that the translation and the perfection of the text were taken to the next level. Our conversations regarding the perfect wording of an angle in the text have taught me how difficult it can sometimes be to find the exact expression and convey the meaning to readers from a different culture.

Last, but not least, I am grateful for my family's, particularly my beloved wife, **Kit Louise Strand's**, patience with me. Generous Kit has listened to my interpretations of the project, encouraging me day in and day out, giving of her time and having faith in the whole project. Kit is my best friend and collaborator, and I owe her more than words can say.

All of you have contributed to endowing the cooperatives' unique product substance with an operative role in the sales perspective which this book is all about.

It just remains for me to mention that any errors and misunderstandings in the book are my fault and mine alone.

Knowledge, experiences and inspiration

My passion for the substance in food and selling the cooperative movement's fantastic products has been rounded by many years of living and working with products. I have had the opportunity to soak up knowledge during my encounters with others, all of whom, with the pride and generosity characteristic of people who love what they do for a living, have generously shared their insight. Without all of you I would never have been in a position to write this book.

Peder Jon Andersen shares with me his insights into sales in the insurance business during our runs in Sorgenfri Park and environs. For me it has been an eye-opener to see how seriously they take knowing their product in that business, so that customers really feel they are being serviced. The commitment and professionalism of the insurance business in sales has truly fascinated and inspired me to write parts of the book. **Erik Ankerstjerne** told me about his experiences selling computer equipment to customers in shops. **Ronald Altman** was my friend and colleague in Honduras. He introduced me to the country on our many drives and invited me home to his family. **Ola Arvidsson** is a good sparring partner who always takes the time to listen and challenges my business ideas. **Azim Uddin** in Bangladesh became my good friend. His wife, **Duluma Ahmed**, and he told me candidly about Bangladesh when they visited my wife and me in our holiday home. That has given me some entirely new perspectives on countries with a low GNP. Azim's faith in the good product gives me food for thought at all times. **Don Ballardo** received me as a son of the family and constantly insisted that a good product is the most important asset one has. The whole of Don Ballardo's family and company are very close to me today, and I will always remember the way they lived through their crisis when their son Melin died. Don Ballardo is one of the bravest men I know, because at the age of 81 and despite having Parkinson's, he once again took the helm of the company and carried it on until his daughters Jacqueline and Alexandra and his son-in-law Raul could take over the reins. **Birger Baylund** makes me proud to be part of the food industry and gives me the energy to sell, because he is unspeakably loyal even in the worst food scandals in Denmark, where he always insists that, instead of beating ourselves up, we should focus on the speed with which these things are brought under control owing to Denmark's comprehensive traceability. **Arnfried Binhold** has opened my eyes to the fact that people in countries around Denmark really do consider us to be the high-quality food nation. That brings with it obligations and responsibilities. Five years ago, in a private conversation, **Matthias Brune** spoke about *"the consumer's emotional attachment to our brand."* That sentence set a wave in motion within me, and I started thinking how things look with

the chain buyer's emotional attachment to the potential and the status of our fantastic product substance and production methods in the cooperatives. In many ways Matthias's statement later planted the germ for this book. **Claus Bruun** is a fantastic conversationalist, with whom I talk about how life is lived when people live in a remote location out in the country. In particular, Claus's life in Greenland and his activity as a self-sufficient pensioner-fisherman here in Denmark are inspiring to listen to and learn from. **Paolo Cavazutti** agreed to take me to Guatemala in 1978. After a short time he banked on me being able to learn the processes in the tobacco industry. After some time he stationed me as a 22-year-old out in Honduras and appointed me *Gerente General*, though I had no reason to imagine that there was any reason for it other than my needing to get a residence permit. Nevertheless, it did bolster my faith in myself, and that eliminated my doubts that there was a place for me in business. **Birgit Christensen** (in memoriam) was a female owner-manager of a supermarket that constantly acts out the highest ethical aims, making customers feel welcome and at home. **Holger Christensen** (in memoriam) accepted me as a lad to man the recyclable bottle station in his supermarket and gave me an insight into what happens behind the scenes. **Mads Clausager** is my amazingly knowledgeable sparring partner in conversations about food, people and aspects of life in general. Thank you also for putting me in touch with my editor, Charlotte Paaskesen. **Berkley Cone** agreed to take me to Honduras and trained me in the most basic aspects of farming. Berkley has always displayed an interest in my life and doings, even though we were not in touch for many years. His family and business values are a benchmark for me. **Jørn Dahlquist** (in memoriam) taught me about teak, and how it is traded at EAC. **Team Delimo** in Skævinge opened my eyes to a world of special cheeses. **Henning Dreyer** shares his enthusiasm for food with me, and we have conversations about how to get regional foodstuffs into local supermarkets around Denmark, so that the rural population can support the local farmers and be treated to a varied assortment of tastes. **Efrain** took me along to his farm in Florida, Honduras, to give me the experience of drinking real coffee. Later on, Efrain again showed me his hospitality and let me live in his house while I was working in the tobacco fields. **Jan Eidolf** was a fantastic partner on the board of *Delimo Specialost*, which saw me through some hard times with constructive, almost daily sparring rounds. **Ronald Ennis** told me everything he knew about grading tobacco in Guatemala and Honduras. **Erdulfo** drove me around in Morazan, where he taught me about tobacco, and how to behave in a flood, when we had to calculate our losses. **Louis Flowers** liberally shared his life experience on our trips out into the tobacco fields in Honduras, and he was willing to listen to me and spar with me. **Hans Foghtdal** urged me to start in marketing at a time when I lacked a career compass during a very hard period of my life. **Bent Hansen** explained to me with great patience the difference between blue-mould cheese from Høgelund and Gjesinge dairies. **Lars Møller Henriksen** introduced me to the food markets in Taiwan and Southeast Asia. **Claes Hestehave** committedly and unreservedly launched into *passionate selling* and has at all times relied on our joint, tacit sales compass. **Frank Hill** and his family let me work on

their farm, where I learned a lot about the farmer's day-to-day work and the link between work and family life. **Joe Hobbs** was my good friend at K.R. Edwards in Smithfield, USA, and taught me how a good laboratory works. Joe also ran patiently through the measuring processes he had to comply with. **Alfred Hobgood** (in memoriam) was a fantastic inspiration because he showed me how you can maintain close contact with simple living despite great affluence. **Pepe Ibarre** took time to show me tobacco fields in Guatemala, just when I had arrived there, insisting that I should argue my case for not wanting to study. That led to my subsequently receiving an education in marketing from the Copenhagen Business School (CBS) and in that respect broke with my social heritage. **John B. Jacobsen** at Holstebro Dairy showed me how to make butter and to taste it so that it comes into its own. Through my acquaintance with him I developed my understanding and respect for the standard of quality delivered by dairies in Denmark. That enabled me to understand that, in as much as we take their high quality for granted, in the commercial stage it prevents us from playing out the potential that Danish cooperatively owned farming actually represents. **Ole Jensen** taught me everything I now know about sales structure. At an important point in my life **P.E. Jensen** gave me an altogether unique insight into the way optimal production works. **Jørgen Johansen** employed me at Reckitt & Colman, where I got to know Ole Jensen. Thanks to Jørgen I absolutely learned to exploit my potential to the full. It is an invaluable process for a person to be allowed to live through. **Pete Johnson** took me along on fishing expeditions in the Pacific and invited me home with him for philosophical talks in Smithfield. With **Henrik Damholt Jørgensen** I have good, serious conversations about the value chain in farming. Henrik has also read and commented on the manuscript. **Tim Ørting Jørgensen** always listens and challenges. By entrusting me with the responsibility for 70 countries in the world, he has contributed many new angles in my life. **Jens Kauffmann** pointed out that not everyone is equally inquisitive, and that we in sales have no choice but to make allowance for that. I entered into long, interesting conversations with **Jens Jørgen Kollerup** while we were in Saudi Arabia. The dialogue has since continued and centres around nature, philosophy, and trade and industry, and how to behave in business. **Viggo Kragh** was kind enough to involve me in the sales process in OTA Solgryn, though I was employed in the marketing department. **Povl Krogsgaard** was a good top-professional sparring partner on the board of *Delimo Specialost*. **Peter Lauritzen** has always been a fantastically open and honest sparring partner, who has taught me to ping-pong openly about challenges in business. Among other things, that has meant that I have trustingly shared my book project with many people while still in the making. Peter takes the credit for my being allowed to act out my potential in the business community, **Peter Lenk-Hansen** for pragmatically cooperating to ensure that sales and HR can and should work more hand-in-hand. **Roberto Mendez** patiently taught me Spanish and showed me how tobacco is graded in Guatemala. **Dick Millenar** brought us to an understanding of his love of animals, grass, sun and wind at the sites he works on in North Jutland. **Peter Munk**, for giving me his invaluable professional competence as Assistant Product Manager and subsequently Product Manager at OTA Solgryn. **Bengt Mårtensson** was

a good and massively committed sparring partner on the board of AM Foods. **Karen Marie Nørgård** introduced me to selling foodstuffs to distributors all over the world. With **Anders Fisker Olesen** I have many rewarding conversations about category work, customers and the interaction between sales and marketing. **Søren Olsen** heartily urged me to read *Start med hvorfor* (Start with Why) by Simon Sinek. Søren uses our publication as a textbook at the Arla Sales Academy. **Torben Olsen** mediated the contact that led to my appointment with the cooperative movement. **Bob Patterson** provided for me while I was living in Smithfield, and he trained me to process tobacco. **Niels Ulrich Pedersen**, my fantastic colleague in Saudi Arabia, who is always uncompromisingly honest and insists that the products we sell must be up to scratch. With great patience **Jan Najbjerg Poulsen** lends financial structure to my mad ideas on a daily basis. **Jacques Recourdon** showed great kindness during my stint as a freshman sales manager and showed me that it is crucial to know your product if you want to be successful. **Ulla Rudbæk** insisted that my wife and I visit a sheep's cheese farm in France. The visit was a milestone in my understanding of food and gave me the most amazing insight into what *terroir* is in France. **Poul Rytter** (in memoriam) arranged for me to get to Central America and the USA to learn all about growing and processing tobacco. He put great faith in me and gambled his good name on my rising to all the tasks I would be set. **Hugo Schrøder**, who after my father's death made provisions for our family to move on financially and arranged for me to be able to go to Central America and work in the tobacco fields. **Simon Sørensen** (in memoriam) gave me the chance to prove my worth in marketing. **Billy Thompson** & **K.R. Edwards'** crew in Tepic, Nayarit, Mexico in 1979 were my good friends and colleagues. During our morning walks around the park in Tepic they showed me how you can do push-ups with just one arm and be self-reliant. Billy was a model to me. He and most of the others on the Mexican team invited me into his home when we had gone to the USA, and through their hospitality I learned much about the USA and the Americans. It gave me a great love of the whole country. From the word go **Peder Tuborgh** relied on my wholehearted desire to contribute to the cooperative movement's commercial development with my project. **Hugh Trustham** was my good friend and colleague while I was in Honduras. Recently he was willing to meet me again, and he was able to tell me inspiring things about his life and projects rescuing orchids in Guatemala. **Preben Tving** generously doled out his knowledge about his farm of Jersey cows near Præstø and showed a great interest in the way we are commercialising his insight. **Jais Valeur**, whom I am lucky enough to bump into at regular intervals, is also capable of acting as a good sparring partner during our random meetings.

The emergence of the book

The process from having the idea to write the manuscript to the book actually appearing has been a long and exciting one. I have not been bored, not for an instant, because I have been constantly encouraged to work through the manuscript from all the relevant angles suggested to me by good friends and colleagues along the way. I feel

privileged that so many people have been willing to devote their time and knowledge to my project. Without your help, I would never have got as far as publishing the book.

Philippe Blanchet provided encouragement and insisted on translating the manuscript into French and instilling faith in me that the personal style of the book is fit for purpose and relevant. As a representative of the younger generation, **Hanh Bui** told me what is interesting, and how to "turn on" the target group in such a book. **Hans Christensen** called for more order in the manuscript and a greater range of perspectives. **Jørgen Staarup Christensen** read the manuscript and voiced the opinion that selling goes deeper than one might at first think when working in the marketing department. **Martin Skovholm Christensen** encouraged me to publish the manuscript after being the first to have read it with critical eyes and put forward suggestions for improvements. **Søren Edelholt** enthusiastically read through the manuscript and made suggestions for improvements. **Pia Mark Foged** read and commented on the manuscript. Thank you for lending me the book about how to write a book. **Erik Folden** read and commented on the manuscript. **Astrid Gade** read the manuscript in its original form and provided many suggestions as to how to continue when I had my doubts or had even ground to a complete halt. **Peter Giørtz-Carlsen** read the very first version of the manuscript and gave me inspiration for the expression '*passion*'. Because he himself feels so strongly about what he does, he is an example to live up to in every respect. **Finn Schrøder Hansen** read the manuscript and gave me faith that the book can be used in the cooperative movement. **Anne von Holck** displayed passionate commitment in her graphic layout of the book so as to enhance the content by her layout and illustrations. **Boje Johansen** took the material from my old sales course and updated it. He has since challenged me about my knowledge of Arla Foods' quality programme, Arla Farm. That was highly significant in my very conscious choice to use it in my sales work-up of the markets throughout the world. **Georg Julin** was one of the first to read the whole of the rough manuscript and encouraged me to write something other than my memoirs. Over the years Georg has been a great inspiration to me, because his passion for food from Bornholm made me discover that there are people other than large-scale industry who can produce fantastic food. **Marianne Kjær** read through the material and shared her reflections on the size of the gap that has arisen in the space of a single generation between her and her own food shopping in supermarkets, as compared to when her grandfather supplied the family with food from the farm. **Karen Forssen Klostergård** made her willing and untiring services available for thorough revisions and proof-reading along the way as the manuscript was being prepared. **Lisbeth Lund** organised our courses in *passionate selling* and thus made it possible for me to gain sufficient experience to dare to get to grips with writing the manuscript. **Gert Mølgård** read the manuscript and produced suggestions as to the focus it should have. Gert has been a constant inspiration to me for the past many years, and it is due to his insight into French food that I have even been able to write about French food. Furthermore, Gert's interest in food has meant that some of my observations have seen the light of day in the dark on our runs at 5.55 a.m. on every other morning, in winter and summer alike. **Lis Correa Rasmussen** read and commented on the manuscript.

Peter Rich read the manuscript at an early juncture and produced constructive comments in a way that only a very, very close friend can. **Jakob Skovgaard** read the manuscript and has been an inspiration in enabling the book's principles to reinforce the collaboration between sales and marketing. **Janus Skøt** read and commented on the manuscript in the very early stages. **Hanne Søndergård** quickly fell in with Carsten's, Per's and my idea about commercialising the value chain in farming and concurrently with that provided an excellent foil for us. Having read through the manuscript, **Lillie Li Valeur** encouraged me to change it so that the publication can be used worldwide. **Lars Aagaard** jogged me along in the writing process when, having skipped through the manuscript, he declared: *"That's just what we need."*

My family

Without the loving support of my family I would never have reached the point I am at now. You have given me the opportunity to develop my passion for products and selling.

Aage Andersen (in memoriam), my father, from whom I have learned the most fundamental things about sales. His temperament, life and work are a constant source of inspiration to me and always will be so in the future. **Arnold Andersen** (in memoriam), my grandfather, who without knowing it taught me everything about the life of a grocer. **Erna Andersen** (in memoriam), my grandmother, who together with my grandfather showed me how a family can congregate around a little piece of Denmark's history and make it work without a great deal of wherewithal. **Hanne Kirkebjerg Andersen**, my mother, who has always given us space to spread our wings while guiding us affectionately. Over the years **Jakob Skriver Andersen**, my brother, and I have had many deep conversations about selling, shared thoughts about new possibilities for getting the product back on track, and the honesty of selling goods based on insight into the substance. My always lovely and positive sister, **Helle Skriver Andersen**.

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Appendix

St. Joseph Food Marketing MBA – Philadelphia, USA

Welcome to Executive Food Marketing, the only food industry focused graduate programme of its kind in the world that is offered through an AACSB-accredited business school. Designed for executives and rising leaders in the food and allied industries, our flexible Friday/Saturday executive format and modular course credits allow you to pace yourself towards a Food Marketing MBA or M.S. degree, or a Post-Master's Certificate. You can self-select which weekends to attend classes at our Executive Conference Center, allowing you to earn your degree in as few as 19 weekends.

The career benefits are clear: over 50% of our students are promoted while enrolled in the programme; 40% of those are promoted more than twice. Our executive students thrive on the interaction with our world-class practitioners' faculty and industry experts, and their ability to develop a life-long network of industry peers. Whether you are in grocery, food retail, food wholesale or food service, in bever-

ages, manufacturing or CPG, read more or view a brief video to learn more about the executive student experience from a cross-section of students. Should you have any questions or need specific information, please don't hesitate to contact Amanda Basile, Marketing Development Manager, by e-mail or on (01) 610-660-3156. We look forward to welcoming you to our immensely talented group of rising food industry executives.

Executive MBA in Food Marketing

The Executive MBA in Food Marketing track is designed to prepare food industry professionals for senior management positions by providing in-depth knowledge and expertise across key functional areas such as Finance, Strategy, Global Marketing, Sales, Technology and Leadership. This broad generalist curriculum is augmented with a strong concentration in food marketing by providing breadth and depth through course work that is topical, practical and tailored to address the critical issues of the food industry.

- Required course work assures learning across disciplines
- Structured for rigorous learning and flexible scheduling
- Learn from other industry leaders' experience and ideas

Participants in this programme earn a Master of Business Administration (MBA) degree in Food Marketing upon successfully completing 31 courses and earning 47 credits. (Up to 4 foundation courses may be waived based on undergraduate or graduate academic transcripts verifying course work.) Each course is delivered in one Friday/Saturday. Student executives matriculate at their own pace, in as few as three years or as long as six years, the maximum time limit.

- Taught in an executive conference centre
- Challenging, interactive learning environment
- GMAT or structured interview
- No application fee
- Join the programme at any time – rolling admission and registration
- Tuition includes all books, course materials and meals
- All course material delivered directly to you

Link to webpage: http://www.sju.edu/int/academics/hsb/grad/efm/pdf/SJU_SS_1012%20Reduced.pdf

Sell the Story about Your Product with Passion!

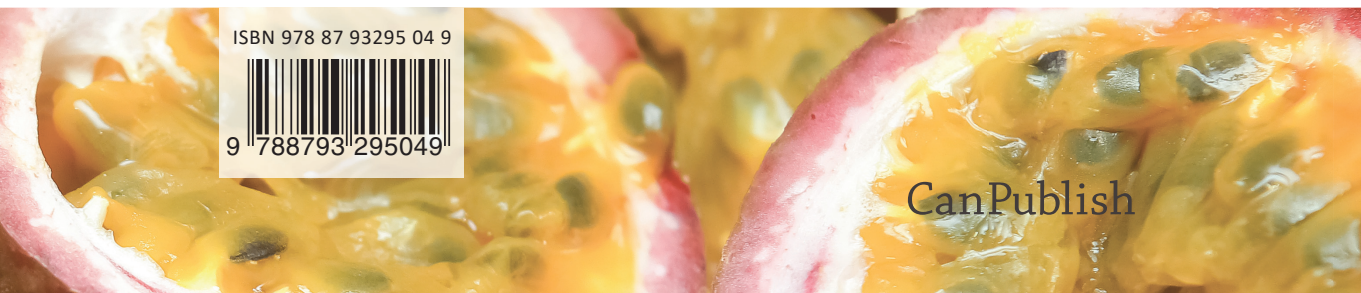
Companies cannot make do with **telling the story** of their products. They must be capable of **selling the story**. *Sell the Story about Your Product with Passion!* argues that what binds an organisation together is the product, and all its employees therefore need to know the substance and involve themselves in it, so that they can passionately sell the story on to the next stage of the value chain, out to the buyer and consumer.

Due to their ownership structure, the cooperatives have a unique opportunity to convey the farmer's passion down the whole value chain. It gives them an invaluable chance to put into action something special that makes products and concepts unique.

In *Sell the Story about Your Product with Passion!*, which primarily addresses sales and marketing managers in the food industry, the authors argue in favour of active selling, with the seller having to know his product so well that he is in a position to identify which of the customer's needs the product meets and what the benefits to the customer are. If successful, the customer will become just as engaged in the product, and the two parties will meet in a magical moment.

Based on a number of personal anecdotes about foodstuffs and work in cooperatives, *Sell the Story about Your Product with Passion!* opens up a world that provides answers to some of the issues which politicians, the media, supermarket chains, chefs, and food critics and writers fail to take on board in the debate on food.

Sell the Story about Your Product with Passion! is the first overall account focusing on the sale of farm produce to demonstrate how active selling can tap into farmers' passion for good raw materials.



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