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**Baltic Sea Food**

# BALTIC SEA FOOD PILOTING REPORT

## **Bondens Skafferi - Sweden**

Report made by  
Ystad Municipality/Culinary Heritage Europe



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## 1 Background

The pilot organisation BONDENS SKAFFERI ([www.bondensskafferi.se](http://www.bondensskafferi.se)) is a local food distributor located in Åhus at the east corner of the region Skåne. Most of the famous things in this little coastal town are related to food and the most famous example is for sure the production of Absolut Vodka.

The region of Skåne is a very important area for food production in Sweden with a lot of different foods produced and harvested here. Bondens Skafferi are therefore ideally situated in this area as there are so many small and local food producers here along with the big food giants. At the same time the region of Skåne has a high density of towns and people. To add to the density of population we must also mention that the area is very popular for tourists.

The distances are therefore very short between the actual production and where the products are used. This is a great favor for the local food distribution company Bondens Skafferi that focuses on B2B-sales. The company is a member of the network Regional Matkultur Skåne (Culinary Heritage Skåne) and a lot of the sales goes to members and comes from members of this network.

Bondens Skafferi was created 2008 and the previously mentioned network started 1995. There is therefore a lot of history behind the concept of Bondens Skafferi and that is one of the reasons together with a strong business model why the company actually has survived the pandemic in the so hard hit HoReCa sector as their main customers are in this group.

Bondens Skafferi has developed a very sustainable logistics concept both in terms of economy and environmental aspects. The delivery and pickup routes intersect with each other so the vehicles are filled up most of the time and then reloaded at their warehouse.

The concept has successfully been developed over the years and also been spread to other parts of Sweden. The business concept in itself is quite simple - to deliver good local quality products with the highest of service. The turnover has increased more or less year by year except for 2020 when the pandemic hit hard since there have been a lot of recommendations and restrictions to prevent spreading of the virus.

The company has survived nicely somehow since they have been able to adapt themselves to the situation and at the same time implement some new features in the concept such as own B2C shops and gift packs to companies.

## 2 Description of B2B model used for piloting

### 2.1 Customer segments and target groups

Mainly Business to Business (B2B) clients but increased efforts, due to the pandemic, have been done towards private customers by opening up two small food stores and with plans on opening more places in the closest future.

The B2B clients are mainly found in HoReCa but also municipality schools and some retail shops are on the regular client list. Schools and retailers are essential for the year round business as they drive the sales on normal low season for the HoReCa segment.

### 2.2 Customer value proposition

To deliver local food products in a sustainable way year around based on seasonality.

### 2.3 Channels to reach the customers

There are almost endless marketing channels available to SMEs. Bondens Skafferi are mainly focusing on Word of Mouth Marketing plus that they really are focusing on the personal meeting since each pickup from the producers and delivery to the customers of the local products are done by themselves. The distribution process in itself is therefore essential for the company's success regarding its clients.

### 2.4 Customer relationships

As mentioned before the distribution process in itself is essential for the success story of this company and its business model. There is built up long term confidence between the distributor and its clients either it is a producer they are buying products from or it is a customer they are selling these products to.

The middle man, the distributor, is the connecting link between the producer and the buying customer acting as a representative for both parties as well as doing the essential transfer of the product.

### 2.5 Revenue streams

The business model is solely based on sales revenue. The distributor buys the products and resells them to the customers with a various price range on top. In most cases the products are bought as soon as the distributor picks up the product from the producer.

The distributor therefore takes the credit risk regarding the product if it is not sold. This goes for the most cases but some producers have a small supply held in the distributors warehouse but this is quite rare.

## 2.6 Key resources

For the business model of Bondens Skafferi all of the different types of key resources (physical, financial, human, and intellectual) are in use.

There are physical resources built up in the warehouse and in the car park of distribution vehicles that are totally adapted for the purposes.

Financial resources have been built up over the time - one of the most essential things in this is built by the confidence between the producers that sell the products by invoice and the trust from the distributor towards the customers as they have longer payments terms than themselves.

Human resources is the most valuable asset in the system as the business experience in the company is very high. The founder comes from the restaurant side from the beginning and thus knows what this side requests in the way of quality. This knowledge is spread down to the rest of the company and the very profound base of the business that locality and quality are the most important cornerstones.

Intellectual resources have come by time as the company name and its services have been kind of a standard within the business segment. The concept and the business name have therefore been spread to other parts of Sweden where Bondens Skafferi have interests in the companies under the same name without being the main owner in cooperation with other business partners.

## 2.7 Key activities

The key activity for Bondens Skafferi is logistic activities. The logistic activity in itself has many steps in itself for a company that has specialized itself on selling local food products.

The key activities can therefore be specified to order processing, product handling, warehousing, inventory control, transporting and repackaging.

The shorter time the products are handled the better cash flow for the company. Order processing is one of these steps and the company therefore needs an office that takes orders from customers and dispatch orders for their own pick up and deliveries.

The handling of the products, the real logistical part, needs a lot of attention since the vehicle park and the warehouse are essential in the business model and the key to the success of the business model.

## 2.8 Key partnership

The network of suppliers is the key to make this kind of business rolling. The suppliers network consists of 120 local food producers that are the base for the business since they are producing the products that are sold to the customers.

Since the business is so specialized in its approach of selling local food products they are totally dependent on having a good product to sell. The company is also in this way very important for the local food producers as it's them who bring their product to customers they perhaps might not reach otherwise due to their quantity of products. This fact makes this key partnership a dependent symbiosis of each other in a very nice way.

## 2.9 Cost structure

The cost structure of the business model is of course based on fixed and variable costs. The main part of the fixed costs are staff costs, the costs for the vehicle park and for the warehouse.

The variable costs are the biggest part in this kind of company as the sales reflect the costs. For getting breakeven of the fixed costs a specific amount of variable costs are needed but at a certain variable costs level the fixed costs will increase pretty much since there is a need for a bigger vehicle park and more staff. It is therefore necessary to always find the right "amount of sales" so turnover isn't the only factor...

# 3 Changes in operational plan

Due to the pandemic situation Bondens Skafferi have been needed to readapt its business model with some modifications since their customers in HoReCa sector have been very hard hit due to governmental recommendations and restrictions. Luckily for the company they have customers in the municipality sector as well as in the retail sector.


These two sectors have not been as affected by the regulations the past year. There have also been some furlough helping actions initiated from the state that have helped out during the real low season.

The company has also looked to some new implementations in the business model such as selling and distributing gift packages to companies that can order the local food goodie bags to their customers/employees. This new concept very much helped out to hold the turnover up during the festive seasons around the holidays of Christmas and New Year.

Bondens Skafferi has also put more attention to the B2C during the pandemic with the opening of a couple of grocery shops with good results. The company already has the ability and facility for storing items and from the warehouse it is then possible to deliver to their own shops during their normal routing to existing B2B customers.

## 4 Quantitative results

<b>BONDENS SKAFFERI 2020</b>	
Customers B2B	<b>195</b>
Producers	<b>120</b>
Business Transactions	<b>17.500 (B2B) 9.100 (B2C)</b>
Assortment	Seasonal local food and drink products grown and produced in Skåne region. Local meat sold year round.
Turnover B2B	<b>5,6 Million €</b> (Monthly % annual turnover) January - 300.000 € (5,4%) February - 250.000 € (4,5%) March - 400.000 € (7,1%) April - 480.000 € (8,6%) May - 520.000 € (9,3%) June - 580.000 € (10,4%) July - 580.000 € (10,4%) August - 650.000 € (11,6%) September - 520.000 € (9,3%) October - 440.000 € (7,9%) November - 480.000 € (8,6%) December - 400.000 € (7,1%)
Turnover B2C	<b>300.000 €</b> The monthly sale volumes are reflected and divided in the same percentage range as for the B2B sales with main sales summertime.



To get the quantitative results among the customers and the producers there were conducted an online survey regarding the results of the piloting period. The online survey was anonymous but the respondents were contacted in person for getting the link to the survey. The anonymous online version was chosen to get truly adequate answers without reflections of how the respondent acts in the daily business life as they distributor and the respondents are in so close contact almost on a daily basis.

In total there were 54 respondents answering the questions regarding the piloting period. We shall of course have in mind that all the respondents as well as the distributor have been targeted quite hard by the pandemic situation but we can read out very interesting facts from the survey.

The 54 respondents consisted of 37 HoReCa customers (where the distributor delivers products) and 17 local producers (where the distributor buys products).

In Sweden we have an expression and common thesis called “lagom” and that can be equalized to something average. In more verbal terms it's translated to “We don't say too much and not too little regarding our opinion and keep our expressions quite moderate”.

This way of thinking and acting is also reflected when Swedes answer surveys so we have refined the way of reading the numbers to a more practical level when analyzing the survey.

The respondents could answer the questions in six levels ranging from 1-6 where 1=low satisfaction and 6=very high satisfaction.

After talks with the respondents we can understand and elaborate the numbers more properly. We can find a code key in the pattern of answers and put the numbers to other intervals for a better understanding of the survey and where future efforts and resources shall be focused on for the distributor and where they can see full success for the moment;

1-2 = Where improvements can be done. 3-4 = All is working good and as expected.  
5-6 = Very good and over expectations.

## HoReCa Customers

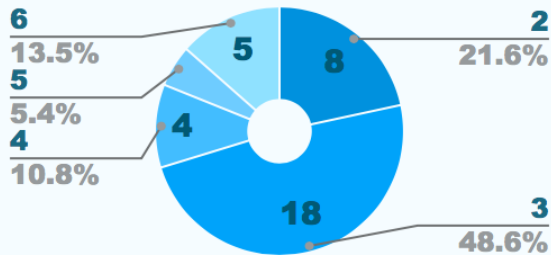
(37 respondents)

## Producers

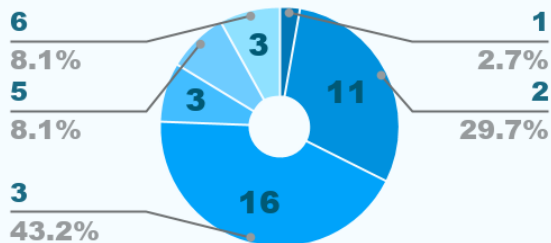
(17 respondents)

### How Satisfied Are You With Your Distributor Regarding?

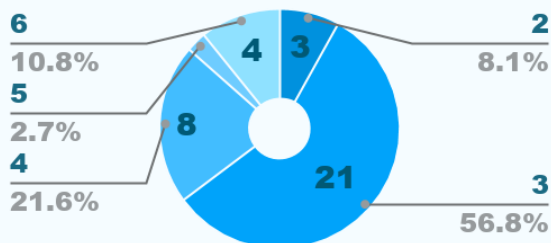
#### Communication



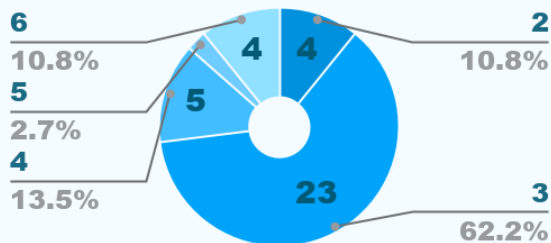
#### Ordering System



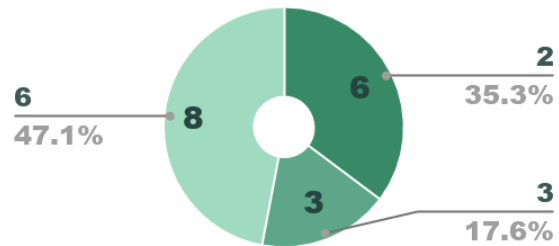
#### Product Delivery



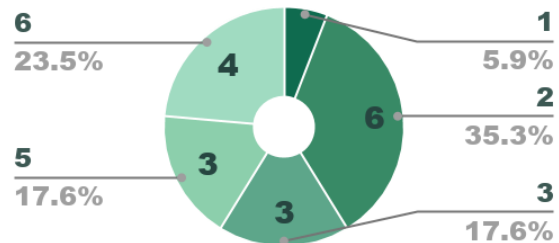
#### Product Portfolio



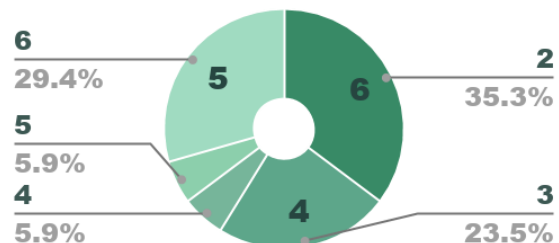
#### Communication



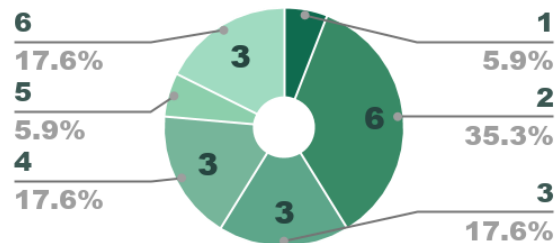
#### Ordering System



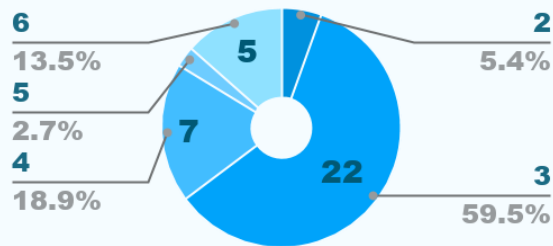
#### Logistics



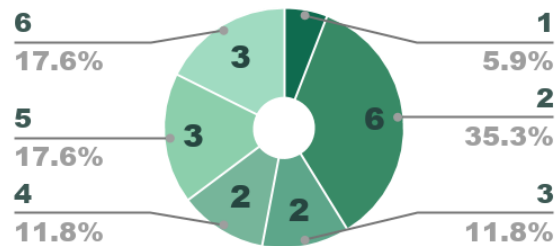
#### Sales



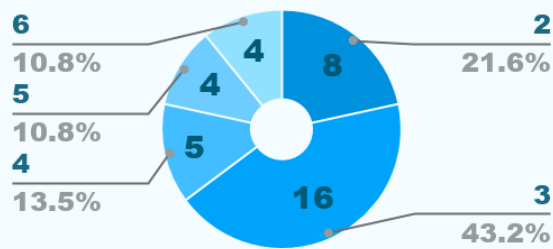
## Product Quality



## Distribution Costs



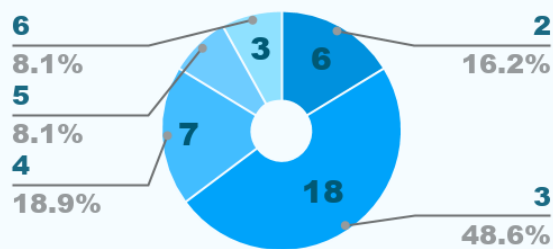
## Product Pricing



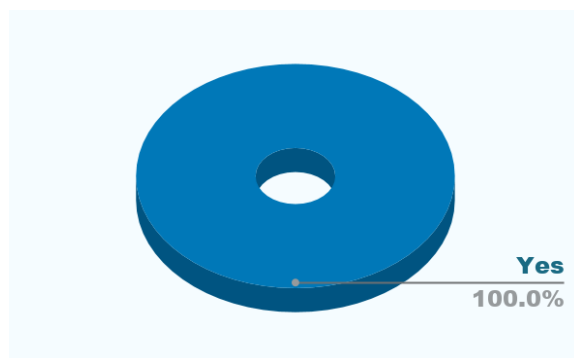
## General Satisfaction



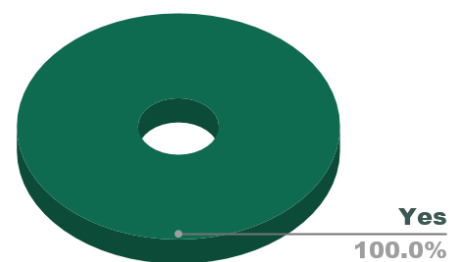
## General Satisfaction



Do You Plan To Continue Cooperation With The Distributor?



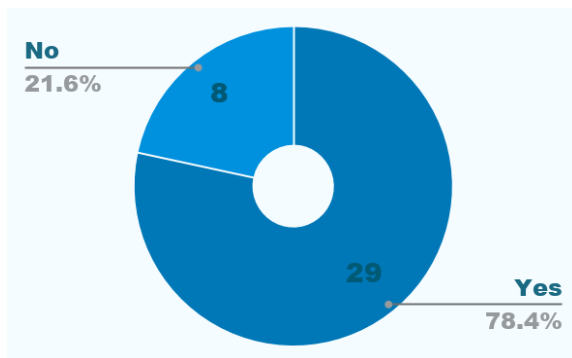
Will You Continue To Use The Distributor?



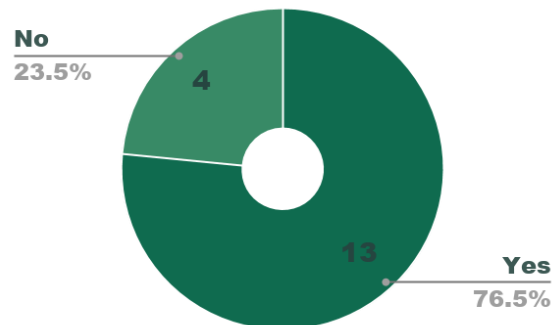
Have You Learned More About Local

Have You Received New Clients As A Result

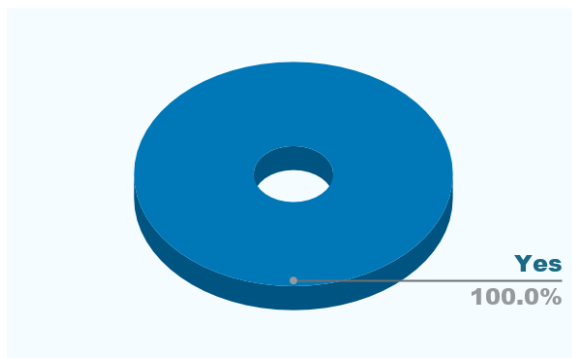
Producers In Your Area?



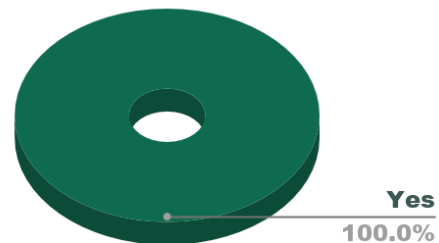
Of The Cooperation With The Distributor?



Would You Recommend Others To Join The Distribution Solution And Start Cooperation With The Distributor?



Would You Recommend Other Producers To Join The Distribution Solution And Start Cooperation With The Distributor?



## 5 Qualitative results

The survey with the 54 respondents (Customers and Producers) gave fantastic feedback and motivation for the distributor in the way of nice words and compliments written by the respondents. These keywords say quite much about the general satisfaction for the distribution solution. We didn't get so much negative feedback to work further with except for the quantitative data we could read information from by numbers.

There were so many positive responses so we have shorted them down for the report and also made a movie presentation about the distribution model. The short movie presentation can be viewed at the following YouTube link <https://youtu.be/d26ZBg66GMc> and it as well explains the business model in a brief and short way.

We have filtered out the most common 25 key sentences for each respondent group.

## HoReCa Customers

*Knowledge*  
*Always On Time*  
*High Quality*  
*Seasonality*  
*Service*  
*Easy*  
*Educational*  
*Solves Problems*  
*Accessibility*  
*Assortment*  
*Attentive*  
*Fast Service*  
*Expands Our Menu*  
*Fresh Products*  
*Less Food Waste*  
*Local Products*  
*Recommendations*  
*Easy To Reach*  
*Skilled Employees*  
*Variety Of Products*  
*Amazing Service*  
*No Need For Own Driving*  
*Interest For Me As A Customer*  
*Try New Things*  
*They Know How To Deliver*

## Producers

*Fast And Reliable Service*  
*Price Competitive*  
*The Good Contact*  
*Personal*  
*The Payment*  
*The Pickup Service*  
*Good Dialogue*  
*Flexible*  
*Loyal To Me As A Producer*  
*Finds Solutions*  
*Positive*  
*Honest In The Approach*  
*Punctuality*  
*Knowledge*  
*Customer Approach*  
*Quick*  
*Easy*  
*We Can Focus On Our Production*  
*New Customers*  
*Reach Customers I Wouldn't Find*  
*Timesaving*  
*Networking*  
*Security*  
*High Food Safety*  
*Friendly*

Bondens Skafferi reflects back of the piloting period that they have got new learnings in how to meet customers and people during this time and especially under the circumstances of the pandemic. More understanding and humbleness for the reality in general as everything can change so quickly. It has given good inspiration and there have come out a lot of new ideas during the process even though all are not effectuated yet.

## 6 Other local food distribution solutions developed in the region

The region of Skåne is a real food region with a lot of initiatives taken regarding local food production and sales. The different networks of producers, very often a producer is a part of

several regional/local networks, are very active in the way of seeking possible ways of selling their products. B2C initiatives like Farmer's Market, Local Food Nodes and sales through concepts like Rekoring (joint SME Facebook driven sales with a common delivery point). At these mentioned B2C solutions it is of course possible for HoReCa to buy as well but not in the same quantity as a direct distribution solution offers.

In the framework of the project Baltic Sea Food a new operational plan was taken out and planned for with the concept for "Local Food Hubs". Due to the fact of the pandemic it was hard to implement this for a real test as the affected companies, Bondens Skafferi, for example had a struggle for survival within the existing business models. It was therefore not possible to put resources for the companies on this new conceptual idea for the moment to give it a real tryout. We are pretty sure that these ideas will be lifted up again in a close future as soon as business eases up more again. Timing is as always almost everything...


## 7 Conclusions

There is no secret that the HoReCa sector has had a real struggle for survival during 2020. When you as a company, like Bondens Skafferi, more or less have the biggest sales in this sector then you are normally in real trouble.

Through a very strong and niched position on the specific market it has though been possible to overcome the obstacles by the fact that the company has been flexible at the same time as the business model is very strong. This is proven now for real and even though there are hard months more to come most likely it looks like the distributor is standing on solid ground.

During the piloting period some very nice happenings have occurred also for the company thanks to good management. They have been optimizing their storage so now they sell out the products with better efficiency which in return gives less food waste in general. Bondens Skafferi have opened up the B2C shops and found other ways of selling the local food products.

During piloting we have seen possibilities for improvements of course as well and that is the most interesting part for future implementations. During the pickup of products at the producers place it would be preferred to have it more integrated in our existing ordering system straight. The drivers should be able to upload the products in the system when they pick up items as it differs quite much how much that gets harvested at one farm for example due to the specific day. In this way we would be able to increase the sales to our customers that would see these products "live" already when we have picked them up. It



could be done with some smart solution through a handheld device as it actually just should be needed to have some data points like amount, item and production place.

Some of the main benefits of participating in the Baltic Sea Food project have been that we as a company have been able to showcase our business model for so many other stakeholders from other countries. We have felt that our strong concept has been able to give other networks and companies inspiration for development of similar business solutions at the same time as we have benefited from meeting new people and getting inspiration back to us as well. We have through this been able to understand and see other business cultures for our own improvements and development of our business model!