

INCUBATION STRATEGY



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Great partnerships are crucial to Pet Food Experts' success, and our aim is to work with vendors with whom we share strategic goals and strong core values.

VENDOR DEVELOPMENT

The Pet Food Experts Vendor Development team are the liaisons and advocates between our vendor partners, our PFX team, and our retailers. Responsible for managing the partnerships in our portfolio of brands through all phases. As a team we are focused on establishing solid strategic partnerships with our vendors that are built on honesty, integrity, and trust.

Category managers and brand coordinators work side by side with their respective vendors to help develop go-to-market strategies utilizing data and appropriate metrics to provide brand-specific performance analysis, such as market-penetration, fill rates, and gap analysis, to make informed decisions and generate opportunities for our vendors and our sales teams. Market strategy team determines new brands through a strategic process.



MARKET STRATEGY

Within the Vendor Development team, there is a group dedicated to carefully identifying, evaluating, and incubating prospective vendors and brands that we add to our portfolio of food, treats, and supplies.

Our Market Strategy Team, led by industry veterans with over 20+ years experience, manages the *Incubation Strategy* which has quickly become an essential process in curating new brands to be successful within the independent pet channel. The Market Strategy Team works closely with all new vendors throughout their incubation period to ensure appropriate growth, maturation, and stability before transitioning to a Category Manager for further nurturing and business development.



INCUBATION STRATEGY

Our Incubation Strategy process is designed to nurture and grow new or small vendors and brands by guiding and supporting them through their early stages of development and setting them up for success. This in-depth strategy gives us an additional point of differentiation from our competitors and has become a fundamental process of evaluating potential partnerships in order to create mutually beneficial and prosperous relationships. Incubation also allows us to identify opportunities for improvement with our vendors through researching and collecting feedback from our retailers and sales team before introducing new products to our customer base.

Our Market Strategy Team works diligently through this process by taking a holistic view of the vendor by reviewing their category, their brands, products, messaging, and packaging. Our intent with this process is not only to provide new and innovative products, allowing our retail customers to remain viable and competitive in an ever-changing environment, but aid in establishing a strong partnership with fully engaged, relevant, and purposeful vendors with similar perspectives.



BEST PRACTICES

We start by taking a holistic view of the Vendor, Brand, and Product to identify if it's the right "fit" for Pet Food Experts and our retailers. Here's what we look for...

- Sales territory exclusivity.
- Channel strategy (*Independent pet only*).
- eComm Strategy/MAP Policy.
- Minimum Wholesale Pricing Policy (*MWP*).
- 2% — 10 NET 30 terms.
- Focused on sourcing, quality, and transparency.
- Distinctive packaging and branding.
- Margins and pricing structure to support retail store growth.
- Open communication.
- Effective sales support (*sales team or rep firm*).
- Defined expectations for distributor.
- Clearly defined go-to-market strategy.
- Quarterly promotional calendar.
- Appropriate promotional activity for growth.
- Sales collateral and marketing materials for sales.
- Clearly defined marketing and social media strategy.
- 100% satisfaction guarantee for consumer returns.
- Clearly defined and reasonable inbound damage policy.
- Timely credit and returns policy.
- Takes responsibility for own success.
- Receptive to feedback and open discussions.
- Quarterly business reviews.

PHASES OF INCUBATION

PHASE 1

STEP 1:

The incubation process starts with mutual interest of establishing a partnership between Pet Food Experts and the prospective vendor.

- Present product line to the Market Strategy Team.
- Mutual evaluation of Partnership and making sure the following items are in alignment with Pet Food Experts values:
 - Channel Strategy and Current Distribution Model.
 - Distinctive/Unique products.
 - Pricing Structure.
 - Go-to Market Method.
 - Company story and messaging.

STEP 2:

Once the partnership is deemed a mutual fit, there are some final steps and paperwork that need to be completed and agreed upon.

- Facility visit.
- Potential Vendor Questionnaire completed.
 - Includes return policy information, order minimums, lead times, etc.
- Vendor Partnership Guidelines are provided, signed and returned.

STEP 3:

Once the Vendor Guidelines have been signed, vendor account set up begins

- Account setup forms completed
- Item setup information complete with specs, pricing and high resolution images for marketing materials.
- Discuss current customer base and game plan to alert them of the new distribution partnership.

PHASE 2

STEP 1:

Finalize details around promotional calendars, initial orders, and sales support.

- Agree upon ISO discounts and create marketing materials.
- Providing Pet Food Experts with a “suggested opening order” based on the sell through of current items. This is a crucial step in making sure we are properly stocked throughout the initial launch.
- Identify target accounts for the sales team.

STEP 2:

Rallying the Troops!

- Alert and educate sales team of new vendor and their product offering
- Schedule a training for the sales team, in person or via webinar
- Schedule initial ride alongs with Pet Food Experts outside sales team
- Provide customer list, for Pet Food Experts Sales reps to follow up on
- Send out samples to the Pet Food Experts outside team and home office

STEP 3:

- Pet Food Experts will place initial POs

PHASE 3

STEP 1:

Getting the word out there.

- Announce product launch on blogs and newsletters
- Work together on a Press Release that announces partnership
- Work with marketing team on social media posts, blogs, flyer covers, etc...

STEP 2:

- Product arrives in warehouse.

PHASE 4

Once sales teams have been educated on the product line and their samples have arrived they will begin working on placing the product.

- Contact customer list provided by the vendor to let existing customers know they can purchase through Pet Food Experts
- Identify accounts that will be the right fit and schedule meetings
- Pre-book/sell in ISO orders

PHASE 5

STEP 1:

ISO Orders begin shipping to retailers

STEP 2:

Once ISOs begin to ship, tracking will begin on the initial response from retailers as well as sales teams

- Monitor ISO sales and trends.
- Gather feedback from sales teams.

STEP 3:

Collectively analyze the challenges and wins of initial launch

- Work together on providing solutions to potential roadblocks.
- Communicate and capitalize on successes from the field.

PHASE 6

Regular reviews with the Market Strategy team to evaluate launch and give feedback

- Post launch review, quarterly reviews, and a 12 month review.

PHASE 7

Post 12 month mutual review to determine next steps

- Transition to category team or mutually determined exit strategy.

CONTACT & NEXT STEPS

If you think your brand is a great fit for distribution through Pet Food Experts and want to have your products distributed to pet specialty retailers accross the country, then let's get started!

Please visit our ***become a vendor page*** on our website. Once there, you will be asked to fill out a form and tell us more about what your products have to offer. Once submitted, we will be in touch with the next steps.

INFO.PETFOODEXPERTS.COM/BECOME-A-VENDOR

If you have specific questions please contact our Market Strategy Team.

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