

CASE STUDY

# SUMMER HARVEST OILS

## The real cost of distribution



**Summer Harvest is one of Scotland's premier producers of cold-pressed rapeseed oils, dressings and gourmet oils. The business is run by owner Mark Bush and his family on Ferneyfold Farm outside Crieff in Perthshire.**

In 2007, Mark started selling potatoes at farmers' markets, and made the realisation there was real demand for local products. He quickly identified a gap in the market for cold-pressed rapeseed oils. Mark's timing was perfect and a rapeseed oil pilot, with production initially outsourced, followed. In 2008 Summer Harvest was formally launched.

The business prides itself on the fact that it grows all its own rapeseed at Ferneyfold and cold presses and triple filters the oils on-farm. The wide range of provenance oils produced by Summer Harvest has gone on to win many awards.

Like many small businesses, Summer Harvest entered the market at the local level, selling at farmers' markets direct to consumers and getting stocked in local farm shops.

While in the beginning these outlets offered a great route to market, Mark recognised that as consumer demand grew, the need for wider distribution would increase.

'Knowing my real costs gave me the confidence to engage expertise in distribution, and gave me back the time to focus on, and grow, my business,' Mark says.

### KEY LESSON

**Build in the true cost of distribution from the beginning.**



# SUMMER HARVEST OILS

Knowing your skills



Like many owner-run businesses, Summer Harvest was increasingly eating into Mark's family time, particularly the need to attend farmers' markets and to distribute his product around the outlets that sold Summer Harvest Oils.

This raised the question of whether he was making the best use of his time and skills.

In the early stages of starting a new business,' Mark says, **'it is not easy to keep track of the actual costs involved in getting your product to market. Calculating the real costs of distribution can be no easy matter with vehicle costs, staff, administrative and hidden costs all having to be factored in.'**

After five years, and as business increased, Mark recognised that to grow the business further he would need additional resources and expertise.

A wholesale distributor was key in providing this support. Although this would mean offsetting some margin, it would provide access to a much bigger market and increased volumes.

No one has all the skills required to run every aspect of a business. It is important to understand what you (and your team) would like to do and where your collective skills lie. A lack of interest, skills or time in finance, sales or logistics could suggest that a tie-up with a wholesaler could be beneficial.

## KEY LESSON

Know your skill set. You can't have the skills to do everything.

## Working with a wholesaler

Mark then spent considerable time speaking to his customers, assessing wider market opportunities, and researching which wholesaler would be the best fit for Summer Harvest. From this research, it was clear that different wholesalers focused on different market segments, from cash and carry operators through to those distributing directly into foodservice, the public sector and retail.

Eventually, a listing was secured with The Cress Company, one of Scotland's leading fine-food distributors. Mark was delighted to win a listing with a retail wholesaler that shared the same ethos as Summer Harvest and targeted the same market segments. However, an important factor was getting the timing right for both businesses, ensuring that Summer Harvest could supply the increased volume demanded but at a price point that worked for both parties.

## Managing your distribution

As the relationship between Summer Harvest and the wholesaler developed, it was decided to move all Summer Harvest customers to the wholesaler and use its distribution network. **'Eventually it became clear that it was more cost-effective for us to use its distribution network rather than have two sets of vans on the road,'** he says.

Since securing a listing with The Cress Company, Summer Harvest has continued to expand into wholesale, and is now listed with Braehead Foods and other wholesaler partners in the foodservice market.

**'Working with a retail-focused wholesaler initially helped get us used to working through a distributor,'** Mark says. **'Having a listing with a number of wholesalers now helps us spread the risk and grow the business in different channels at a manageable pace.'**

**'The key for us has always been to work closely with our distributors in terms of sales support and market fulfilment. In return we get access to a much wider distribution network than we could ever have achieved on our own, and we know exactly what our costs of distribution will be.'**

## KEY LESSON

Learn how to work with wholesalers. Get your timing right, find a good fit and you will get the most out of the relationship.

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