2020

NIGEL WRIGHT GROUP
CONSUMER

NORDIC UPDATE

Insights into the Nordic Consumer sector

International brands addressing market challenges.

CONTENTS

Featured brand articles

WELCOME

2019 was an exciting year for Nigel Wright Group with significant developments taking place in all our Nordic markets.

Overall, we placed 158 people in new jobs across the Nordic territories. We further developed our Executive Search proposition too, making several C-level appointments including CEOs, COOs, CFOs and CTOs.

Following the appointment of new Country Managers in Sweden and Norway, we have continued growing our footprint across the region and our Nordic collaboration is the key to Nigel Wright's success. Our offices in Copenhagen, Stockholm and Oslo can each act as a local in-country specialist, or as a larger Nordic or pan-European partner to service client's international needs.

As a business, we are continuously looking at ways to strengthen our proposition and the improved service we can offer our clients and candidates. We're excited to launch more initiatives to this end during the next 12 months, including our latest Nordic Salaries, Skills & Benefits Report which offers in-depth analysis of salary bands, as well as approaches to staff retention, engagement and attraction.

Nordic economic prospects for the rest of the year and beyond are looking favourable. Denmark has been one of the most robust European economies in 2019, with a buoyant and competitive employment market.

Sweden's decision to introduce a zero interest rate policy is divisive, but analysts predict a period of stability for the country in the short term. And Norway will enjoy GDP growth of around 2% next year, despite slow global growth.

Significantly, unemployment remains low across the Nordic region and companies continue to hire talent. As we welcome a number of new consultants in the coming months, I wish you all a successful 2020.

We hope you enjoy this edition of our Nordic Consumer Industry Update and would welcome feedback on any of its content.

I look forward to catching up soon.

David Feldman

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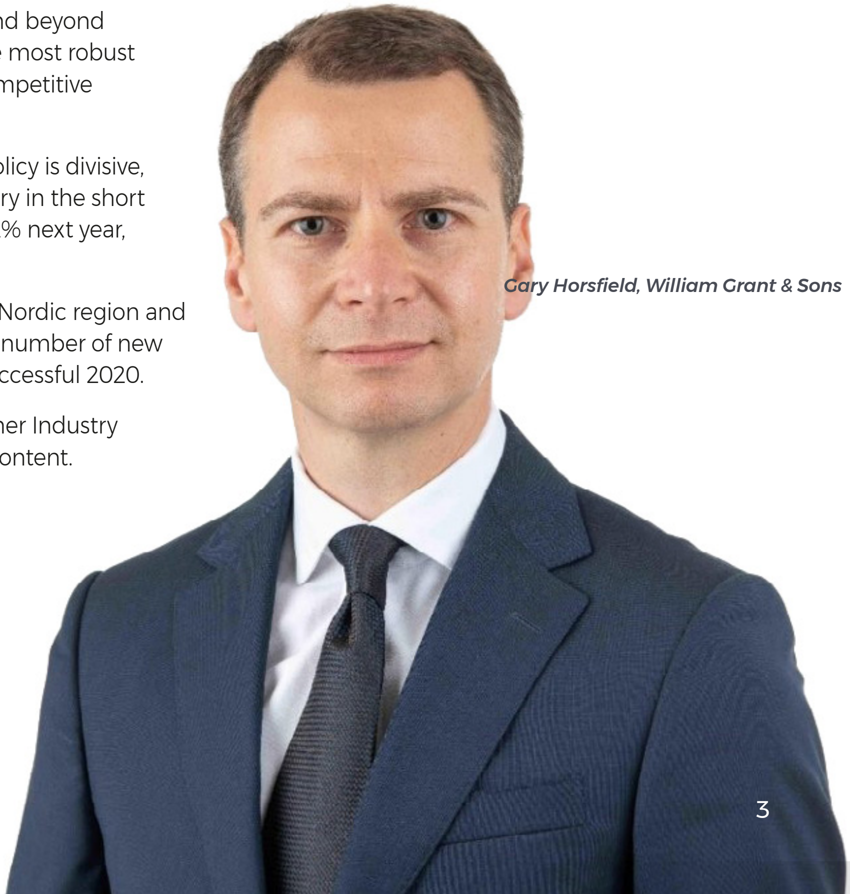


Gary Horsfield, William Grant & Sons

David Feldman
Nordic Director, Nigel Wright Group

TRIOPLAST EYES GROWTH THROUGH GREEN INNOVATION

Carsten Valentin,
Divisional President for Industrial Film, Trioplast

> "The challenge is taking a relatively stable business and transforming it into a leading European manufacturer of packaging solutions."

"Competition beware, we're coming," says Carsten Valentin, Divisional President for Industrial Film at Trioplast. Carsten joined the Swedish manufacturer of polyethylene packaging solutions last year, following the business's acquisition by Altor Funds. Here he explains how investment will unleash the potential of the 50-year-old company as it embarks on a period of change, transformation and high growth.

Trioplast's products including industrial sacks, refuse bags and product packaging films have a range of applications across sectors such as FMCG, construction, agriculture and forestry.

Solid foundations, loyal customers and a strong brand have ensured the business has enjoyed a legacy of success. Though, within today's highly competitive environment, the challenge now according to Carsten, is taking a relatively stable business and transforming it into a leading European manufacturer of packaging solutions.

Introducing a more commercial mindset is key to Trioplast achieving its goals, he says.

Having spent 20 years in the food industry, including 13 years at Arla, Carsten argues that the non-food packaging industry should embrace the innovative and fast-moving working practices of world-leading food companies. Trioplast's strategy is now entirely focused on innovation and "quick to market" thinking. And product development, he explains, is all about leveraging the environmental properties of products to meet exacting customer and market demands:

"Trioplast's customers all have environmental policies and objectives to meet and, as a plastics manufacturer, we're part of the equation in helping companies achieve those targets. Green innovation, therefore, drives most of our investment decisions. The focus is always on how we can produce even better raw materials and increase the level of recycled plastic in our final products. Our new products are either carbon neutral, or they help customers reduce their environmental impact depending on the industry and application."

Green product development at Trioplast now takes place under three umbrella brands – Triogreen, Trioloop and Triolean. The brands represent different ways to achieve a carbon reduction in plastic packaging – 1. Produce thinner film (Triolean); 2. Use recycled materials (Trioloop); 3. Use non-fossil raw materials (Triogreen). Each specialist area, Carsten says, is focused on developing plastic packaging products that help reduce the business's carbon footprint.

He confirmed Trioplast is now launching products under all three brands and is delighted with the enthusiasm at the business to propel these initiatives forward:

"Employees are very proud that we're focused on a green agenda in our product development. These alternative product concepts all either use fewer raw materials, incorporate industrial or consumer waste or combine non-fossil based bio-allocated raw materials in our films. We've already received positive internal and external feedback – there's a lot of hype around the products."

Enhancing the functionality of packaging is another core objective of the business. Pallet Load Stability, for example, is currently a major area for packaging innovation following new EU legislation that dictates loads should be secured to cope with packing line accelerations and decelerations. Improving process stability for customers in automated industries is a priority. And by developing plastic packaging that complies with this directive, while combining 'green properties' in its films, Trioplast is outperforming its competition.

Using recycled or non-fossil raw materials will remain a key innovation battleground for the foreseeable future, says Carsten. Trioplast currently uses between 30% to 100% recycled plastic in its products. Refuse bags, for example, are made from 100% recycled material, while industrial films use anywhere between 30% to 65%. The challenge, however, is that some of the performance qualities of polyethylene – e.g. its strength – are lost during the recycling process.

Over the next few years, though, the business expects to offer customers products with an even higher percentage of recycled materials, as technologies improve:

"The properties of recycled plastic can differ greatly from the original plastic. Consequently, traditional plastic has been difficult to recycle as a circular material for repeated reuse or formed into higher quality materials. However, as technology continues to yield ever more impressive plastic recycling innovations and results, our ability to recycle and repurpose plastic materials is getting better all the time."

Taking a step back in the process, Carsten also highlighted a need for better systems for collecting recycled plastic. EU based companies can no longer export plastic waste, he says, so there's a high availability of plastic waste at a time when the demand for recycled plastic is increasing. This is creating bottlenecks at the collection stage and cost has become an issue. Waste Polyethylene is now the same price – or even more expensive when purchased at certain quantities – than virgin plastic, because of the lack of raw materials.

Investment in hardware and factory recycling facilities is therefore paramount, urges Carsten. And imminent improvements at Trioplast's Nyborg factory will ensure the business remains at the cutting edge of plastic collection practices. Trioplast is also keen to partner with organisations that help bolster the expertise it offers customers across the recycling value

chain. Stena Recycling – "a one-stop-shop for waste collection" according to Carsten – is one such business:

"Trioplast products require good quality recycled plastic. Through our partnership with Stena, we're able to leverage its excellent collection facilities to assist Danish supermarket, Netto, meet its recycling quotas. Stena collects plastic recycling from Netto's 500+ stores and performs re-granulations on the plastic before selling raw materials to Trioplast. We then use this recycled plastic to produce garbage bags – a great example of a circular economy."

Furthermore, to help customers make the right decisions when it comes to recycling waste, Trioplast recently launched an internal consultancy function, Trio Greenway. There's "lots of noise" in the industry about what good and bad recycling practices look like, says Carsten. Companies are also trying to make cost-effective decisions vis-à-vis the complexity of integrating green practices into their operations. Trio Greenway aims to filter the noise and clarify which advice is the best and most applicable depending on business and industry

"Waste Polyethylene is now the same price – or even more expensive when purchased at certain quantities – than virgin plastic, because of the lack of raw materials."

needs. It provides lifecycle analyses of products too and indicates the full environmental impact of any potential investments. "A valuable service for understanding the issues and knowing where to start and end."

Trioplast today is a complex business with lots of different product lines and services specifically designed for various industry sectors. This is why embedding a commercial mindset is so important, highlights Carsten, to maximise its portfolio's potential and capture relevant market opportunities. As well as creating a new product management department, Trioplast also plans to double the size of its commercial teams over the next few years, to increase customer engagement and sales.

"We need more hunters," says Carsten. "We're also interested in people who balance drive and enthusiasm with practical elements of the job like reporting, account planning and key account management. Basically, we want a salesforce that is willing to adapt to the fast changing success criteria in ours and our customer's businesses."

As well as improving plastic sorting capabilities, investment at Trioplast's Nyborg factory will also boost the business's printing facilities enabling it to push more volume through the doors, win new contracts and expand faster in core European markets and within key product lines. Trioplast has set top-line growth targets up until 2025, Carsten says, and he expects the company to grow by 12% in 2020 alone. He added:

"We're on an extremely interesting journey. Each day we ask ourselves: How can we produce in the most effective way? How can we innovate? How can we create value through innovation and how can we achieve a profit? Trioplast already has effective solutions to these questions, but we always want to do more. There's real ambition here and it's an exciting time to be in our industry – for those who have the capabilities and the will, Trioplast is a fantastic place to be."

FLASH SALES GROUP SEES POTENTIAL IN **NORDIC BRANDS**

Nicolai Kargaard Thomsen,
Veepee Nordics Country Manager

Veepee

In its final year trading as vente-privee.com, the French ecommerce giant and pioneer of online flash sales enjoyed a turnover of €3.7 billion, representing 12% growth.

Its 2018 results are all the more impressive given the lacklustre fortunes of other players in the flash sales market. And with its 12 pan-European divisions now consolidated under new name, Veepee Group, the business anticipates further success as it seeks to leverage cross-country collaboration to build an enviable portfolio of partner brands.

We caught up with Veepee Nordics Country Manager, Nicolai Kargaard Thomsen, who explains why the flash sales business model remains relevant today, as well as how the new Nordic division will help bolster the Group's overall proposition.

Wind back the clock 10 years and flash sales sites were everywhere. The easily replicable model – a simple ecommerce website where members register for free and gain access to regular 'sales events'– was first conceived in the early 2000s. These sites enabled consumers to buy heavily discounted brands across several categories, while brand owners could sell large volumes of stock, which would otherwise remain stuck in warehouses or retailer storerooms.

Vente-privee.com was at the forefront of this phenomenon. And favourable post-recession conditions in the mid-2000 saw the business enjoy a period of strong organic growth, as well as expansion outside of France.

In recent years, however, the broader flash sales market has faced several challenges. A recovering economy is one element, but also rising costs and pervasive discounting by struggling retailers have made reproducing the early successes of the industry difficult. Vente-privee.com's strategy for continued growth and expansion amidst this changing environment was to join the acquisition trail in 2016, buying several leading flash sales sites across Europe and the Americas.

Denmark's Designers & Friends was acquired fully in March 2018. In 2010, the company had become a "first-mover" in the Nordics, launching the region's first-ever flash sales site – its platform inspired entirely by vente-privee.com, whom its young founders had read about and admired in the online journal, Tech Crunch.

According to Nicolai, the founders of Designers & Friends did an excellent job in attracting local brands, launching some great offers and growing the membership base. It's only through acquisition,

"It's only through acquisition that the small independent business can truly realise its potential on the international stage."

however, that the small independent business can truly realise its potential on the international stage. Nicolai explains why the Nordics was a key target market for the Veepee Group:

"Nordic consumer purchasing power is one of the strongest in Europe. The region also has high internet penetration. These two factors make it a very attractive market for any ecommerce business. The Nordics is also home to some of the best fashion and home and décor brands in the world. Designers & Friends represented the ideal opportunity for Veepee to get closer to those brands, and act as a hub to grow the fashion and home and décor categories across Europe."

The combined Veepee Group, with divisions in France and Denmark, as well as Spain, Italy, the UK, Belgium, the Netherlands, Germany, Austria, Switzerland, Poland, Brazil and Mexico, is now a leading ecommerce player in Europe. And while Veepee is currently only available in Denmark, investment and support offered by the Group will enable the division to become the leading flash sales platform in the Nordic region. First though, a period of change would transform the start-up into the hub of a major European group.

"Change was inevitable," Nicolai says, as Designers & Friends entered the Veepee world. Every aspect of the business has experienced a degree of it during the last 18 months. That includes infrastructure, mindset and ways of working.

And while the core team was retained, Veepee Nordics has strengthened its headcount, hiring more senior-level talent as well as people with digital marketing skills and international experience. There are now 40 people based at its Copenhagen headquarters, and Nicolai is thrilled about the added capability the new additions bring to the team:

"We've hired category experts to help us develop partnerships with international brands. It takes a higher level skill-set, knowledge and experience to negotiate and secure partnerships with international players compared to smaller domestic companies. Digital marketing is another area where we've improved our capabilities. Our new hires have, together with the existing team, done some fantastic things around launching the Veepee brand in the Danish market."

At Group level, fashion is Veepee's core category, but the business has successfully diversified its portfolio in recent years, and now offers members a selection of deals across accessories, toys, watches, home appliances, sports equipment, technology, wines, and even travel, entertainment and music. Veepee's aim to continue building brand partnerships in different categories was a key reason behind its acquisition of Designers & Friends. And it's Scandinavian design and high quality home and décor brands, says Nicolai, that proved particularly enticing for the Group..

There are several "beautiful" Scandinavian brands in the home and décor category that Veepee does not yet partner with, he says. Nicolai's team of category experts are actively monitoring trends in that segment and building a selection of target brands for future campaigns: "Veepee has a clear road map of how it will grow the Nordic business. And Home and Décor represent a natural step for Veepee Nordics to expand its range from fashion and into lifestyle."

He added: "As well as being able to sell some of the best international brands to our Danish members, Veepee's international business model means brands can leverage our platform to gain market share and improve brand recognition in other territories. Our ability to offer international exposure to our Scandinavian partners, alongside big global brands, gives us a genuine edge in the market. We expect that these brands will do very well for us at the European level."

International exposure aside, what are the general benefits of partnering with

"Change was inevitable. That includes infrastructure, mindset and ways of working."

"Improving delivery times is currently a key priority for Veepee, as today's customers demand faster service."

Veepee on a flash sale campaign?

Amidst declining footfall in traditional brick and mortar stores, a fundamental challenge today for brands is getting a better grip of distribution channels while protecting the brand's image. According to Nicolai, Veepee's platform not only helps brands sell large volumes of products quickly but also guarantees the characteristics of the brand are retained while helping drive traffic to a brand's own webstore or retail outlet.

He explained how at the company's studios in Paris and Barcelona, brand partners work alongside in-house creative teams to produce bespoke visual campaigns – all on their own terms. Furthermore, the business packages customer demographics and product data in a way that helps its partners make commercial decisions, as well as indicating how Veepee can optimise marketing, logistics or product assortment in any future campaigns. With warehouses all over Europe too, Veepee remains efficient and as close as possible to consumers.

"There are very few flash sales platforms in the world with the ability to sell such large volumes of stock within a five day offer period," Nicolai highlighted. "And these additional services are indicative of how Veepee goes the extra mile for brands. Finding a trusted partner like Veepee is essential as it means you limit your exposure to discounting and the potential reputational issues it entails."

Veepee has a unique proposition in a crowded market, says Nicolai, though in addition to making strategic acquisitions and diversifying its brand portfolio in recent years, he emphasised how the company continues to remain successful by constantly evolving its business model in line with consumer buying behaviour.

Improving delivery times is currently a key priority for Veepee, as today's customers demand faster service. Customer experience is important too, Nicolai says, especially for younger consumers who often value the experience more so than the transaction. Part of this is about showcasing the right brands at the right time. Veepee manages around 54,000 campaigns per year across 7,000 partner brands. And the challenge with so many campaigns is ensuring excellent user experience by launching the right campaigns at the right time.

In Nicolai's words: "You must always remain relevant to consumers and present them with exactly what products and services they're looking for. Every Veepee campaign must have a 'wow factor' too – surprising, interesting, fun and relevant in terms of brand, price and product offer."

Veepee's decision to grow through acquisition was "visionary", according to Nicolai. The company is now in a strong position to realise its ambition as a global provider of ecommerce services. And with the necessary infrastructure and talent in place, Nicolai is also confident Veepee's Nordic division will fulfil its critical role, expanding across the region and securing partnerships with the best Nordic fashion and home and décor brands:

"It takes time to build trust, but over the last 12 months, we've made great progress in selling our proposition and inspiring brands to work with us. They're beginning to see the value we offer."

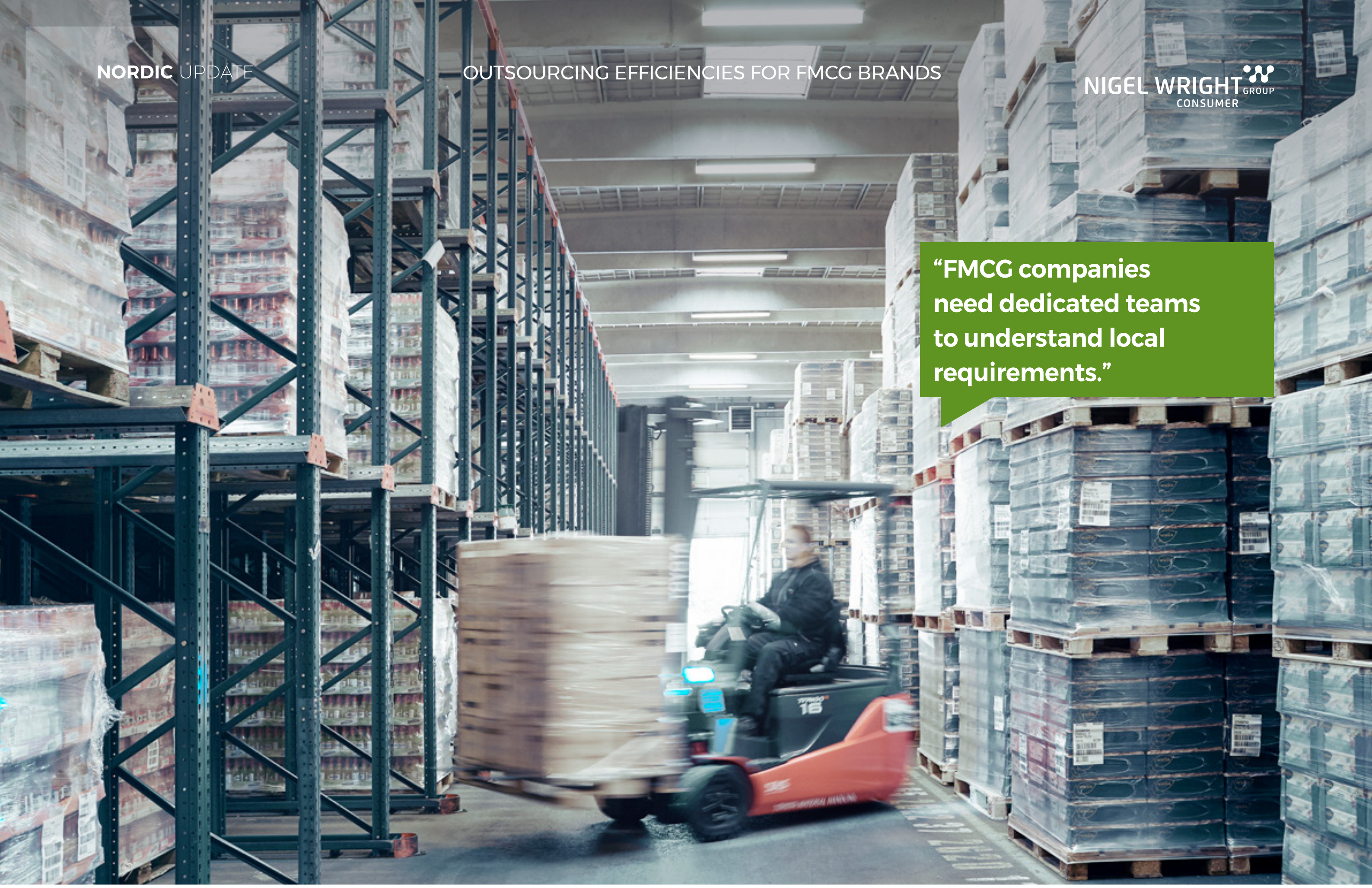
NIGEL WRIGHT GROUP
CONSUMER

OUTSOURCING EFFICIENCIES FOR **FMCG BRANDS**

conaxess
TRADE
Good home for brands

Uwe Thellmann,
CEO, Conaxess Trade

With over 500 employees and operations across Denmark, Sweden, Norway, Finland, Switzerland and Austria, Conaxess Trade is one of the largest European FMCG distributors of its kind. Specialising in sales, marketing, financial services and physical distribution, the business guarantees a route to customers for more than 200 international and local brands.



> **“FMCG companies need dedicated teams to understand local requirements.”**

Here, Conaxess Trade CEO Uwe Thellmann explains why outsourcing is one of the biggest challenges as well as opportunities for FMCG brands today.

The increasing transparency of FMCG and retail value chains, together with the rise of private-label goods across all categories, means brands are under pressure to improve efficiencies, costs and ways of working. “The game has completely changed during the last decade,” says Uwe, which represents a “tremendous opportunity” for organisations like Conaxess Trade.

Ongoing tenders, tough trade negotiations and aggressive retail sales can make it difficult for manufacturers to achieve healthy profit margins. Uwe is clear: sales, marketing, financial services and logistics are important cost elements, as well as complex functions to manage. These two factors can make outsourcing them an attractive solution, as he explains:

“FMCG companies need dedicated teams to understand local requirements, design adapted marketing communications and address the needs of local retail and other channel customers. In addition, they require different sales coverage, key account management and logistics services for each market. Resourcing and managing a combination of these elements can cause financial pressures for brand owners – especially when multiplied across several smaller territories.”

Standard “in demand” projects for Conaxess Trade include full or partial outsourcing of brand management, key account management, retail sales, logistics, warehousing and finance. These, as Uwe highlights, are areas where Conaxess provides the highest value. Services are target-focused and customised by brand owner and country. An approach, Uwe says, which ensures Conaxess Trade “leverages competitive advantages for brands and their customers.”

Based on aligned targets and business plans, Conaxess Trade “tailors to brands and markets.” The business, Uwe explains, seeks various synergies with potential partners including values “that resonate with our beliefs,” professionalism and high standards – as well as passionate teams, strong product development capabilities and a willingness to adjust to local requirements. Transparency, too, is absolutely key for cooperation. In Uwe’s words:

“Whether the challenge is growth, profitability or a product re-launch, as a trusted external partner, we require detailed insight into brand

KPIs, sales KPIs, market share, logistics requirements, MOQs (minimum order quantities), stock control, payment terms, etc. to fix things that might be wrong. Market share is the most important KPI we track. And when it comes to regaining market share, our SWOT analysis is honest and transparent – we offer a brutally honest picture of a brand's deficits with no sugar coating."

Conaxess Trade works with brands across all FMCG channels comprising retail, wholesale, HoReCa (hotel, restaurant, café), travel, convenience, pharmacies and bars. Brand partners range in size and include 'big players' like Ferrero, Kellogg's, Barilla-Wasa, Fisherman's Friend, Procter & Gamble and Bacardi, as well as selected challenger brands such as Swedish confectioner, Nick's.

Savings, Uwe emphasises, can be up to 40-50% compared to a standalone setup, with a significantly improved performance and better coverage for brands and customers. The biggest savings occur during full-service outsourcing, where Conaxess replaces all local operations. And, according to Uwe, a full-service outsourcing project will ensure "ongoing profitability and the most cost-efficient marketing and sales penetration in the market."

"We offer a brutally honest picture of a brand's deficits with no sugar coating."

Uwe was keen to highlight that the most successful partnerships are with brands that prioritise innovation. While Conaxess control large functional areas of the value chain, FMCG brand owners are still responsible for all product development and creative marketing endeavours. Creativity and innovation are critical for long term survival. And it's the traditional brands, says Uwe, that are being replaced by private labels because of inaction in these areas.

Digital innovation and infrastructure, in particular, is key to successful outsourcing arrangements. Digital technologies have of course been the biggest disrupter in the industry during the last few years. As well as changing the way brands communicate and

engage consumers, digital has impacted operational management too. Live reporting, constant communication, KPI tracking, and demand, purchase and sales planning all enjoy increased flexibility thanks to digital tools. And while brand owners might outsource sales, marketing, logistics and finance teams, companies still require live data to achieve penetration and scale at speed.

Uwe recognises that scaling and adjustments are only possible in a fully digital environment. That's why Conaxess Trade seeks to connect with – and augment where it can – partners' existing digital infrastructure to maximise opportunities.

On the operational management side, he explains, the most developed players are companies with large insight budgets. This enables a deep understanding of sales KPIs as a basis to develop better sales and marketing activities. Smaller organisations tend to offer the most innovative social media strategies, while some partners use out-of-date systems and only have a rudimentary understanding of these areas. Regardless of digital capabilities and infrastructure, however, Conaxess Trade must find a balanced approach to sync with brand owners and customers.

Improving its own technologies is a major focus for Conaxess Trade moving forward as Uwe explains:

"There's a detailed road map to further upgrade and roll out digital technologies and systems over the next few years. An advanced brand and sales management system, for example, offering almost unlimited scalability linked to live-reporting is currently being rolled out in Denmark. Other countries will follow in 2020. We're also upgrading and futureproofing all our ERP and CRM systems. External communication and social media is another critical investment area, allowing us to achieve closer alignment with our brand partners."

And, Uwe says, the recent refurbishment of Conaxess' Danish, Norwegian and Austrian headquarters will lead to even more collaborative and "optimised" activities, as employees and partner-teams benefit from open-plan spaces and the latest equipment.

He added: "We want Conaxess to be the preferred employer for a new generation of high performers. We're very keen to attract talent and upgrade teams across all our markets this year."

FASTEST GROWING DANISH FIRM WEAVES PATTERN FOR GLOBAL SUCCESS

Hobbii was recently confirmed as the fastest-growing company in Denmark during the last four years. Since launching in 2015, the business has enjoyed consistent growth, doubling its gross profit in 2018, and expanding its workforce to 140 people. Its operations include two warehouses, a physical store and a market-leading B2C ecommerce enterprise with dedicated sales and marketing teams selling to 100 countries worldwide.

The product? ...Yarn. We caught up with Co-Founder and CEO, Jens Reimer Olesen, who explained how the business identified a gap in this unlikely market and developed a concept which met the needs of a growing yet overlooked consumer base.

The team behind Hobbii have enjoyed previous successes, including founding Graduateland, a career portal with one million users across 200 countries; and Ontame, a plug-and-play analytics suite for recruiters. A company targeting knitting and crocheting enthusiasts, selling physical goods rather than "bits and bytes," couldn't be further from their knowledge and experience – so, how did Hobbii come to be? Jens explains:

"I'd love to say it's because we all enjoyed knitting in our spare time, but that wasn't the case. Through our affiliate marketing business, Starfly Media, we'd previously sold subscriptions for a craft magazine. Advertising data confirmed a high volume of traffic and good engagement via social media for this publication. We considered

Jens Reimer Olesen,
Co-Founder and CEO, Hobbii

"With very few players having managed to scale a business, it appeared a perfect prospect for a new endeavour."

partnering with other craft magazines, but with an integrated product offering e.g. yarn. It soon became clear that the market for selling yarn itself had lots of potential."

Jens et al.'s previous business ventures were based on determining what's popular with consumers and then identifying potential gaps in the marketplace. Through researching the yarn industry, he says, it was obvious that there was a large and dynamic community of consumers passionate about quality and always seeking new and better products. Their needs, however, were largely served by a fragmented market consisting of several small shops, with no ambition to expand.

With very few players having managed to scale a business, it appeared a perfect prospect for a new endeavour. A trial period was necessary, though, and the team started by buying one pallet of yarn and selling it – then two, then four, then eight. The stock sold very quickly, says Jens. And more customers led to higher transaction volumes and better prices for goods and shipping.

"Hobbii is one of the first companies to identify the 'race to scale' opportunity in this sector," he highlighted. "Larger industries like fashion have operated this way for years; we were lucky to spot the potential when we did and ambitious enough to expand the business."

Foresight and ambition have certainly led to enormous success. And two other factors, in particular, have played a critical role in Hobbii's rapid growth journey.

First, the operation is built around trading own-brand products. Most of Hobbii's yarn is produced in Italy, India and Turkey and shipped to Denmark. There it's stored, packed and sent to end-customers. By investing in high-quality manufacturing and materials and cultivating a strong brand, the business has differentiated itself from retailers selling third party yarn. It also enjoys better margins.

The second factor has been Hobbii's eagerness to launch internationally. Because of previous experience, the team had a competitive edge within online marketing and IT and used these skills to achieve the customer-reach they desired. "Online marketing is 80% the same for any type of product," says Jens. And he explained how entering lots of different markets in a short space of time enabled the business to invest in product development, build cost-effective infrastructure and reduce prices.

Although Hobbii's Founders had expanded companies overseas before and managed large customer databases, transaction volumes and revenues, Jens admitted the fulfilment and warehousing aspect of selling physical goods was a major departure, which caused "lots headaches" at first. "We've persevered, though, he says.

"And we're in a position where we can say we've perfected that aspect of the business."

He added: "Hobbii now buys 100 pallets of yarn per day and has customers across Europe, the US and Canada, Australia, South Africa, Chile and Brazil. We aim to make the best yarn at affordable prices. By introducing lots of high-quality own-brand products across multiple territories, we've achieved scale fast."

Customer engagement has also played a major role in Hobbii's journey so far. Jens notes how knowing "absolutely nothing" about the market was advantageous, as it meant the business started by asking "obvious questions" which those already operating in the sector weren't asking. This enabled the team to understand factors that are important to people when buying yarn, as well as what other accessories and services they could offer those interested in the world of knitting.

The engagement piece is clearly important within the industry and Hobbii continues to leverage digital marketing expertise to embed conversations and customer interaction within its day-to-day operations. Google, Facebook and Instagram remain its largest channels, and through a combination of paid advertising as well as content, affiliate and influencer marketing, it has gained widespread brand recognition in key territories.

Only 20% of Hobbii's revenue comes from Denmark, Jens revealed, and the company's biggest markets are Sweden, Germany and the USA. Thirteen countries overall have dedicated marketing support and most also have local web-stores with 24/7 customer service. Hobbii's marketing team is currently 27 people – "crazy for a business that sells yarn" – and Jens admits there's enough work to justify doubling its size, which they may do as the business goes from strength to strength.

So, where is future growth going to come from?

There are two elements to this, according to Jens. First, customer experience is a major focus moving forward. Although Hobbii has used social media to establish a lively and active community of knitting and crocheting enthusiasts, some of its large international competitors benefit from exclusive customer access through bespoke community platforms. Ravelry.com, in particular, is a leader in this respect and Hobbii intends to match its success by developing a community platform of its own: "We intend to replicate the customer activity we get via Facebook and Instagram where people share ideas, experiences and creations, via our own exclusive web-portal."

The other factor which will facilitate Hobbii's future success is complimenting its ecommerce operation with traditional brick and mortar assets. And rather than it being a brand building exercise, Jens highlighted how this where the real opportunity in the sector exists, as 75% of all yarn is still bought in physical stores.

Hobbii started rolling out its high-street retail strategy in August 2019, when the business opened its first store in Copenhagen. 1,500 customers visited on opening day, with people travelling from all over Denmark and even Holland for the occasion. The queue outside was 400 meters long, says Jens, and with 20 employees manning tills and helping customers sample products, the atmosphere within the 350 square metre space could only be described as "yarn mania" for much of the day.

"Together Hobbii and its customers are building an omnichannel yarn universe," says Jens. The business has already experienced increased online sales for particular product lines after people have held yarns in store. And Jens expects the experience of visiting a store and being able to touch products and see colours more vividly will also attract new customers, improve re-purchase rates from existing customers, and boost sales for higher-quality yarns moving forward.

Hobbii's decision to open a store was also driven by customer demand for a permanent location where the business could host regular knitting and crocheting events. And while these events are a great way to bring the vibrancy of its online community to life, Jens notes how they're another valuable opportunity to listen to customer needs: "At events, our customers discuss the colours and quality of our yarn and make suggestions for pattern guides they would like to see – we're always eager to act on these suggestions and tailor products to meet customer expectations."

Further store openings are planned across Denmark during the next 12 months. And Hobbii is considering launching shops in Germany and even the USA too, where there is lots of untapped potential for growth. "Until this year, Hobbii has only ever tried to capture 25% of the yarn market," says Jens. "Within three years, we anticipate our retail operation to be equal in size to the online business."

The recent appointment of former Maersk and Kopenhagen Fur executive, Jeppe Kallesøe, as COO brings necessary supply chain, warehousing and fulfilment expertise to Hobbii as the business expands its retail operation. While introducing processes are a " necessary evil" to ensure the business remains competitive, Jens is certain that Hobbii will maintain the entrepreneurial flair which has brought it so much success.

Culture is about setting the right example, he says. Two employees are now focused on people initiatives. And with the Founders all actively involved in "driving culture from the top down" he's certain Hobbii is the perfect working environment for entrepreneurial people to accomplish great things.

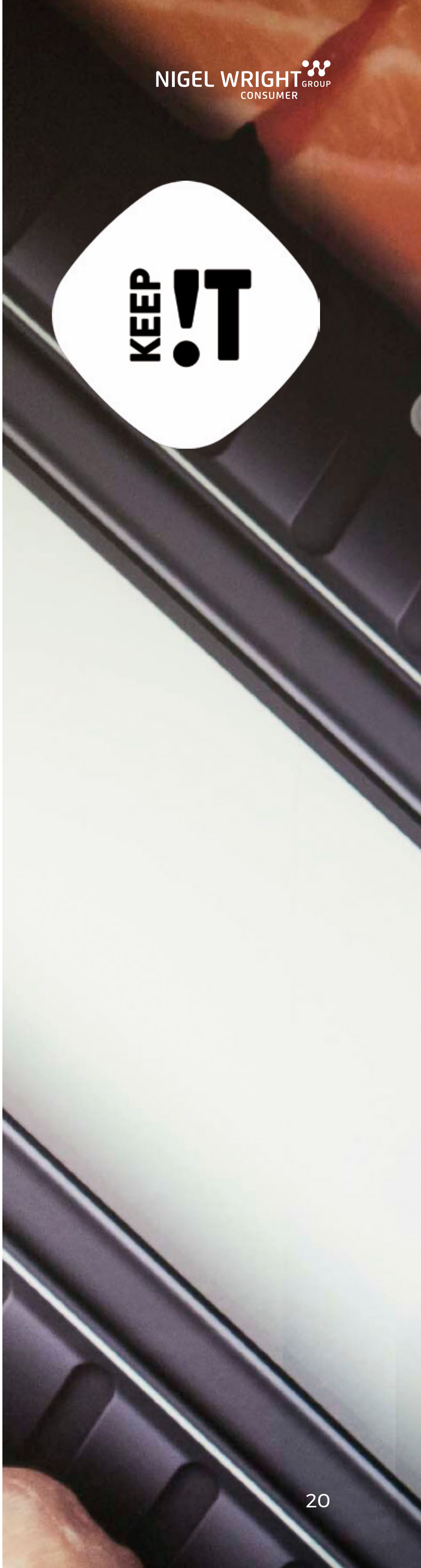
Jens et. al believe a key aspect of being entrepreneurial is trying new things and always remaining at the forefront of product development, technology and channels. When a business experiences extreme growth, he argues, it enters a period of managed chaos. To thrive in that kind of environment, it requires people who are always finding better and smarter ways to meet and exceed their objectives. In Jens's words:

"A Hobbii person is creative, curious, open-minded and ambitious. They thrive on autonomy and responsibility, are comfortable calling the shots themselves and having a strong intuition of how to solve problems. We've recently been confirmed as the fastest-growing company in Denmark over the last four years – that's only possible because of the brilliant people we have here and a culture that facilitates fast decision making at all levels."

As the business enters its fifth year of trading, Jens shared his desire to see Hobbii become the world's largest direct to consumer yarn brand:

"We're on track to achieve great things," he says. "As an entrepreneur, it's always exciting starting a new enterprise and see it take off. There's excitement too, though, in being part of a growth journey. Hobbii has become too big to fail. We must dedicate all our time and energy to reach our goals. I don't know how long it will take, but we absolutely intend to see this through to the end."

"We intend to replicate the customer activity we get via Facebook and Instagram where people share ideas, experiences and creations, via our own exclusive web-portal."



INCREASING SALES WITH FOOD WASTE REDUCTION TECHNOLOGY

Food waste is a global issue that requires urgent innovation. In the European Union alone, consumers waste around €30 billion worth of food every year, while another €60 billion perishes during production.

Research recently revealed how companies can potentially save up to €10 billion by embracing food waste reduction technology in the value chain. It's no surprise, therefore, that food waste solutions are popping up like wildfire, as interest in these lucrative ethical investments increases. There are interventions at various points in the value chain too, including farming machinery that causes less crop damage, treatment methods that prolong foodstuffs in storage, as well as packaging materials that improve shelf life.

We spoke to Norwegian company Keep-it-Technologies, that believes it's easy to use and low-cost real-time shelf-life indicator may be the ultimate fix for the food waste problem.

Keep-it-Technologies was founded in 2001 at the Norwegian University of Life Sciences. A professor there conceived the idea when thinking about how heat from the sun bleaches parking tickets that are left on a car's dashboard. Food also degrades over time, depending on the temperature that it is exposed to. And the professor wanted to discover a way to monitor this process in food.

Four scientists then spent six years creating the chemistry which underpins Keep-it's shelf-life indicator. The technology, which reveals the actual shelf-life of any product, completed its first commercial test in late 2012, on mincemeat stocks at Norwegian retailer, Rema 1000.

CEO, Kristen A. Hovland takes up the story:

"A third of all food produced globally is wasted. And 65% of that waste is generated by households. A key reason for this is static date-stamping. Either the food is wasted unnecessarily because its date-stamp has expired, or the food has degraded before its expiration date because of temperature issues within the value chain. Research has confirmed that 90% of food wasted by households is still edible. It's a gigantic problem and our indicator solves it by registering temperature over time and providing

"A third of all food produced globally is wasted. And 65% of that waste is generated by households.."

“At Rema 1000, Keep-it’s shelf-life indicator has helped Norway’s largest food retailer reduce mincemeat, chicken and fish waste by 60%, 35% and 25% respectively.”

Kristen A. Hovland,
CEO, Keep-It!

an accurate count-down of every second until a product will perish."

Date-stamping is standard practice in the food industry. The stamp is based on food generally being stored at around four degrees Celsius over a period of time. Though, this almost never happens, says Kristen, as product temperatures fluctuate during production, transportation and when in-store. Consumers don't always have their fridges set to four degrees either.

And while other sensor technology solutions on the market track temperatures throughout the value chain and offer spot-checks, Kristen noted how these solutions are inadequate for single product monitoring, as well as expensive. "Only Keep-it's real-time shelf-life indicator can help retailers and consumers plan properly and act in time to avoid food being wasted," he says.

Since 2012, Keep-it has sold over 60 million indicators on the Norwegian market and the technology is currently used on almost 40 different types of product. While its shelf life indicator, which attaches to food packaging, works on any product that is sensitive to temperature over time, the business targets fresh and frozen foods. Its customers include traditional and ecommerce food retailers, as well as foodservice businesses supplying hospitals.

At Rema 1000, Keep-it's shelf-life indicator has helped Norway's largest food retailer reduce mincemeat, chicken and fish waste by 60%, 35% and 25% respectively. Additionally, products which utilise Keep-it's indicator have experienced between 10% and 15% sales increases, even without price offers. A direct consequence, says Kristen, of building enhanced trust with consumers who value the freshness, quality, and accurate shelf-life of the food they purchase.

The indicator has proven it works on vegetables too, as well as measuring pallet temperatures as foodstuffs travel throughout the value chain – so, how come it's only Norwegian retailers taking advantage of this fantastic innovation?

"… industry's intrinsic inertia and focus on the short-term wins means there's a great deal of resistance to big changes."

Kristen says two factors are at play. Firstly, the technology represents a major change in the industry. To implement the shelf-life indicator, businesses require different operational processes and ways of working including getting manufacturers to install the technology, as well as communicating it to customers and consumers. And given the accuracy of the technology, customers must also be prepared for transparency, as it will flag any inconsistencies or bad assets within the value chain.

The industry's intrinsic inertia and focus on the short-term wins means there's a great deal of resistance to big changes like those proposed, as Kristen explains:

"Most businesses acknowledge the importance of green innovation and giving strategic priority to sustainability programs. However, a consistent theme we encounter from potential customers is a concern about our technology exposing operational flaws. Keep-it is not a 'quick-fix' either. It requires long term planning to ensure the technology integrates efficiently with a business. There's no guarantee of an immediate positive impact – and even though companies recognise our solution is concrete, they're often unwilling to invest for that reason alone."

As well as requiring motivated retail partners prepared to make tough decisions to ensure they leverage the technology, Keep-it must also overcome legal barriers that hinder adoption of its shelf life indicator.

By law, all food products must be date stamped. And even if Keep-it's indicator reveals that a product is still edible past its official expiration, a "Use By" product is still illegal for retailers to sell. While the law exists to ensure consumers don't get sick from eating food, it doesn't yet consider the advantages offered by new smart time and temperature indicator technologies. Because of this, Keep-it must engage with food authorities in different markets and convince them to change the law or make an exception, before launching its indicator solution. This, in Kristen's words: "takes a significant amount of time."

There's still a lot of things to do, says Kristen, but the business is making good progress. As well as expanding in Norway, Keep-it anticipates launching in Sweden and the Netherlands very soon. Positive discussions have also taken place in the UK, the US, Japan and Korea too, and Keep-it is working with selected retailers in those markets to create three-year simulations of the likely impact and ROI adopting its technology will have on consumer trust, and most importantly, sales and profit.

"The most effective way to enter a new market is for Keep-it to engage with retail customers in the first instance," says Kristen. "We present potential customers with the opportunity to be recognised as 'good corporate citizens' as well as adding profitability over time. And if we gain the support of retailers, then we enjoy better traction with the authorities."

Anticipating increased demand for its shelf-life indicator, Keep-it Technologies is planning to invest in two new production lines at its Oslo-based facility. The business is on the look-out for new talent too, with commercial and innovation skills a priority.

"If you haven't got people who can sell an idea and get others engaged in your journey, then it doesn't really matter how good your solution is," said Kristen. He also confirmed that "generation two and generation three" indicators are in development and notes a need for the business to continue "fuelling its innovation capacity by having the necessary resources in place."

He added: "A longer shelf life means higher sales figures. And reduced waste makes it easier to manage stocks at lower costs and deliver consistent quality. These are huge advantages for retailers. Now that Keep-it is on the verge of cracking international markets, we're confident that our message is finally getting heard."

"While the law exists to ensure consumers don't get sick from eating food, it doesn't yet consider the advantages offered by new smart time and temperature indicator technologies."

FURNITURE MAKER TARGETS **GREATER VISIBILITY THROUGH ONLINE CHANNELS**

Montana

Joakim Lassen,
Managing Director, Montana

Montana Furniture has been a feature of the Scandinavian living space for over 30 years. Its famous storage system, designed by founder Peter J. Lassen, consisting of 36 modules, 4 depths and 42 colours, continues providing endless possibilities to incorporate storage solutions in the home. And today Montana cabinets, chairs and tables, as well as, shelves, wardrobes and mirrors are found in living rooms, bedrooms, bathrooms, and even commercial buildings, across Europe.

As the business approaches its 40th anniversary, we chatted to Managing Director Joakim Lassen about Montana's plans to launch online, as well as the challenges of staying visible and relevant in the digital age.

The great-great-grandson of Fritz Hansen who founded the Fritz Hansen company, Joakim Lassen is the fifth-generation of his family to work in the furniture trade. In the early 1950s his father, the late Peter J. Lassen, married into the Hansen family and later became Managing Director of the iconic Danish furniture maker before starting his own business, Montana, in 1982.

As Joakim explained, however, his parents always instilled the importance of "doing something on your own and taking responsibility for it." And with a passion for environmental issues, rather than joining his father's business, he obtained a Master's degree in human geography from the University of Copenhagen and spent the next ten years working as an environmental consultant in this field.

It wasn't until the late 1990s where Joakim's frustration with consulting – "telling other people how to solve problems, rather than finding solutions and implementing them yourself" – led him to turn his attentions to the world of furniture. The industry, he says, provided the perfect context for him to apply his learnings in problem-solving and project management, as well as fulfil his desire to create something of his own.

DJOB was launched in 1999. The business was named after a famous table created by Danish designer Arne Jacobsen. Together with his father, Joakim designed a variation of the DJOB table called HiLow. This became the company's flagship product, along

"Now, there are so many channels, you must be more strategic about how you invest your sales and marketing budgets."

with a new edition of Verner Panton's classic Panton One Chair. While Peter J. Lassen helped design the furniture, all other aspects of DJOB were independent of Montana and controlled by Joakim. When Montana eventually acquired DJOB in 2009, the business was worth DKK 30 million.

As well as introducing new products to Montana's portfolio, in joining forces with his father's company, Joakim also added a specialist contract division, which produces tables and storage solutions for workplaces – now a third of Montana's overall turnover. In his roles as Director of Design & Communication, and since 2015, Managing Director, Joakim's biggest impact, however, has been his efforts to modernise how Montana approaches the market, as he explains:

"In the past, having great products and advertising them in major design magazines was all that was required to establish your brand and reputation in the industry. Now, there are so many channels, you must be more strategic about how you invest your sales and marketing budgets. And if you're not online, then you may as well not exist. In the last few years, I've introduced digital channels and built up Montana's online presence. This is a work in progress, though. In many ways, we've been slow to react in this area and are now playing catch-up. We need to be far more visible to customers throughout the shopping journey."

A key project which will consolidate much of the work done in the digital field is the forthcoming launch of Montana's ecommerce platform.

"While our storage system range has a four to six-weeks' delivery schedule, items available to buy online will be available for collection between two and six days."

Since its inception, the business has primarily sold bespoke items, based around the Montana storage system, to specialist furniture dealers. It doesn't keep any stock, and everything is produced on demand at Montana's original factory on the Danish island of Funen. While traditional dealers will continue to play a central role at the company – liaising with customers and ensuring products are tailored to meet their needs – Joakim sees an opportunity to boost brand visibility through broadening Montana's store network and leveraging ecommerce to improve accessibility and delivery times:

"Our plan is to secure 300 new partnerships with independent shops and specialist suppliers within big department stores. Via our new B2B ecommerce platform currently in development, customers will be able to buy a selection of object-oriented Montana products and have them delivered to their nearest dealer. While our storage system range has a four to six-weeks' delivery schedule, items available to buy online will be available for collection between two and six days."

Once the B2B platform is established, Montana will then launch a B2C ecommerce website. Joakim confirmed how this direct to consumer channel will give the business greater control over end-customer interactions, increase the visibility of Montana's brand and boost overall sales. Consumers will have access to a selection of items online, he says. This will simplify their shopping journeys, as well as entice people to visit Montana dealers and further experience the creative opportunities afforded by the brand.

Igniting consumer imagination, of course, remains at the heart of Montana's proposition. 'Making room for personality' is the business's slogan. And Joakim says giving customers the freedom to implement Montana creations however way they wish, is mirrored in the company's culture too, whereby working practices are driven by the family ethos of 'doing it yourself' – "taking ownership and finding your own solutions."

This combination of innovation and inspiration will underpin Montana's future growth. Twenty years ago, Joakim explains, Montana was primarily associated with bookshelves. Today, its furniture appears in lots of different contexts. The company's story certainly isn't finished, says Joakim, but only by ensuring products remain relevant and interchangeable depending on the "inventiveness and passion" of users, will the business guarantee that "many more chapters of the story are written."

A new 30-colour palette created by award-winning colour designer, Margrethe Odgaard, was a 2019 addition to the tale. The business has also recently introduced more variations of the Panton One Chair and collaborated with renowned designer, Jakob Wagner, on a free-standing shelving system. "Montana products should always be pieces that you're proud of in your home," says Joakim. And while collaborations, distinctive designs and colours are one aspect of this, another factor "keeping the Montana brand relevant and alive" is the company's commitment to high environmental standards.

Environmental and sustainability efforts have been on Montana's agenda for several years. During the early 1990s, Joakim worked with his father on a cleaner technology project. Since then environmental practices have always underpinned production. In 2004, for example, the company showed leadership in the industry by replacing all volatile organic components with water-based lacquers. And today, it only works with suppliers that demonstrate good sustainability track-records.

Montana's efforts in this area were recently recognised when it received the EU Ecolabel award for environmental excellence in product development. "The label acknowledges that our products meet the highest environmental standards throughout their life-cycle," says Joakim. "That's good for the planet, the interior environment as well as the health of our employees."

Moving forward, in addition to securing new dealer partnerships and embedding digital and ecommerce capabilities into its operations, Montana aims to continue developing its proposition and brand across Europe, where products are primarily sold. Asian markets too are on the company's radar, as it seeks to build on promising sales growth in the region.

"As a family-owned business, we're focused on long-term strategies for success rather than achieving short-term profit, says Joakim. "This approach has seen Montana become a recognised and respected brand in continental Europe during the last four decades. And I'm confident our ecommerce platform will reinforce our position at the forefront of our sector."

"The label acknowledges that our products meet the highest environmental standards throughout their life-cycle."

NIGEL WRIGHT GROUP CONSUMER

INTEGRATED ASSESSMENT TOOL FOR **INCREASED JOB PERFORMANCE PREDICTION**

"While certain factors are easy to assess accurately, such as qualifications and sector experience, softer skills and other nuanced aspects of someone's experience, personality and personal competencies can be better ascertained through a combination of competency-based interviews and behavioural assessments." Says Jacob Rønne, Nigel Wright Group's Nordic Client Manager.

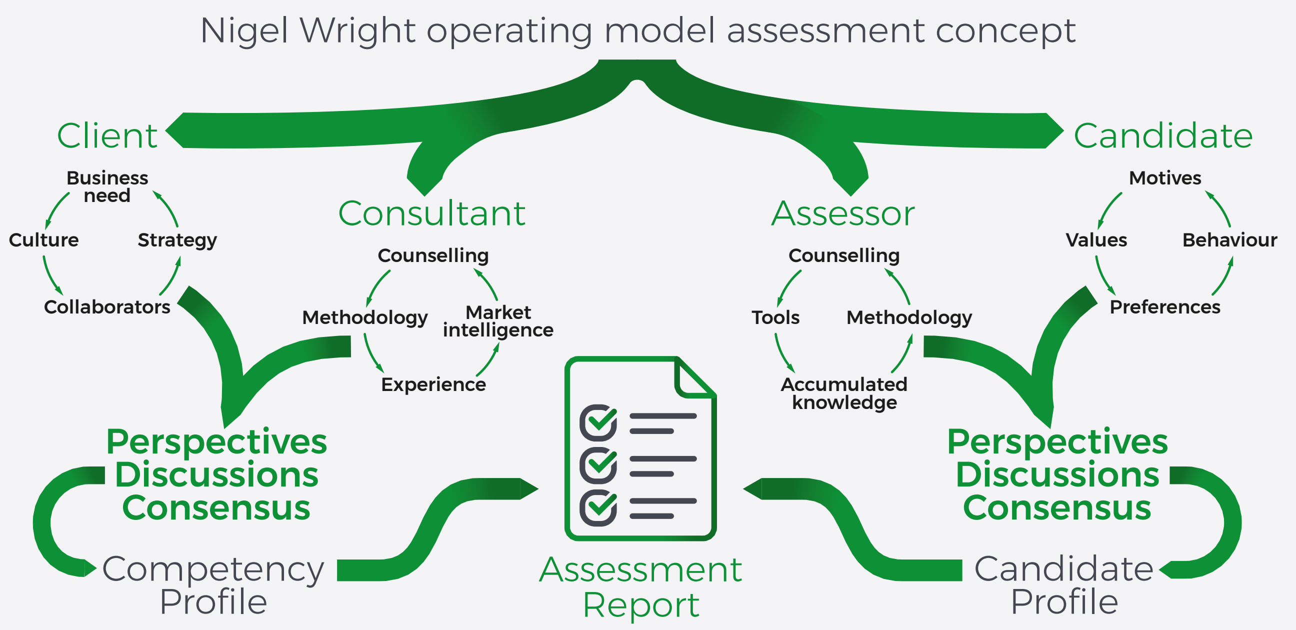
A key project Jacob has been working on in 2019 is developing a bespoke assessment model that ensures Nigel Wright's clients receive maximum value, accuracy and feedback from the competency-based approach.

The aim of a competency-based interview, says Jacob, is to gather as much evidence as possible about a candidate's behavioural traits. Part of this is understanding someone's personal preferences, habits and interests, as all these things provide strong indicators of different soft skills. These will not only determine whether someone will 'fit' into a culture but inform how you should work with a candidate to help them integrate into a team and organisation.

A recruiter's role, whether they're an internal HR specialist or external consultant, is to work closely with their client or hiring manager and advise which competencies to test. They must also consider how best to do this throughout the recruitment process. Each company is different, though, says Jacob. Not only in the competencies they find attractive, but also in how they interpret what a certain behavioural competency is.

Competencies are tailored to fit the brief of the role and discipline, as well as a client's culture and the team the ideal candidate will join. Each question is then intended to explore an individual's effectiveness in these areas. Jacob explains how at Nigel Wright, much like at other recruitment firms, competency-based interviews form part of standard interview practice.

First, researchers will screen candidates, usually via telephone, to judge their suitability for a role and whether they're ready to change jobs. This is an unstructured



conversation based around a few general questions which allow researchers to gain an overall impression of a candidate. Those deemed a 'good fit' are then invited for a competency-based interview with a consultant.

When it comes to competency-based interviews, Jacob says each consultant develops their own style over time which they use within the parameters of the competency-based interview. There are variations of questions too which probe things like leadership, driving change and transformation, managing conflict, people engagement and collaboration. Candidates must provide evidence-based answers that are considered against a pre-agreed set of criteria.

Some consultants prefer a very structured approach, while others will be flexible – having a list of key questions and mixing these with other discussion points related to the role and organisation. Candidates, however, are always convinced that they're giving you what you need, Jacob says. This is where technique becomes important, as consultants must probe the evidence provided so that answers are as thorough as possible to get a good insight into the candidate.

Following that interview, a select number of candidates are shortlisted and progressed to a client interview stage.

Jacob Rønne, Nordic Client Manager, and Iben Rasmussen, Client Engagement Manager, Nigel Wright Group

Research indicates how structured competency interviews have the highest predictive ability for job performance and are the most effective way to determine whether a candidate is suitable for a role. Though, predictability of job success following a structured competency-based interview may still only be 13% accurate – around 10% higher than if an interview was informal and unstructured.

Like any skill, experience developed over several years of interviewing people using a competency-based approach will make you better at it, says Jacob. However, human factors such as a reliance on intuition, subjectivity, and unconscious bias will dilute the interview's effectiveness, despite how experienced the consultant is or how rigorous the approach.

Jacob's assessment model aims to counteract these human influences by adding another layer to the interview process, offering even greater insight into a candidate's behaviours and soft skills.

The standardised procedure involves candidates undertaking an additional "highly structured" behavioural assessment conducted by Nigel Wright. At the briefing stage, consultants determine what key behaviours and soft skills are required by the client, says Jacob. These are then communicated to trained assessors within Nigel Wright's teams. Following the interview, assessors – qualified to use a variety of tools including SHL, HOGAN, Predictive Index, DISC, and CUT-E – write-up a base-line report.

All reports have a standard format, but only include an analysis of the competencies important to the client. Each competency is summarised and rated according to the specific definition set in the client briefing. Critically, before sending the report to clients, consultants and assessors discuss the findings and moderate any previous analysis based on the results. Language is also tailored to the client. Clarity is important here, and any technical terminology is avoided.

Incorporating a scientific and numeric methodology, undertaken by highly trained assessors as well as making judgements based on several data

points rather than relying on intuition and gut-feel, helps consolidate and verify the findings from other methods. The solution, Jacob explains is independent of psychometric testing. It can easily incorporate any client-specific preferences too – either from the range of tools offered by Nigel Wright or those available through internal and external providers. In Jacob's words:

"While offering a robust data-driven analysis to uncover predictive evidence of how potential candidates will perform, our assessment tool provides clients with the accumulated knowledge of behavioural traits collected from several years of best practice in the assessment field. By adding this service, clients are assured of a complete and accurate 360-degree overview of candidates. "

The assessment tool is compulsory for all executive-level assignments and available as an additional service for mid-management and specialist roles. At the executive level, the tool is implemented before shortlisting stage, while for mid-management and specialist roles, clients can purchase the assessment to reinforce or challenge judgements, while highlighting useful areas to probe further during a final interview stage.

While several suppliers of behavioural assessment tools exist, Jacob anticipates a high demand for Nigel Wright's solution, given the challenges and costs associated with integrating 'third party' assessments into the recruitment process. Furthermore, as few Nordic businesses have the capacity to conduct behavioural testing themselves, he says it makes sense for companies to work with a chosen talent partner that can deliver a truly end-to-end search, selection and assessment process.

He added: "Competency-based interviews should never be used in isolation. Rather, they represent a component of the application process, which must include behavioural assessments proven to work better at determining personality than human intuition. Several people – researchers, consultants and clients – should also be involved to ensure a diluting of individual biases."

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