# TIPS FOR Going from a Local to a Global Foodservice Supply Chain

Global expansion is a hot topic in the foodservice industry showing promise for new sources of incremental growth. While each company has their own unique story for why they choose the global path, there are **6 KEY AREAS OF FOCUS** that can uniquely be applied to any company to set the foundation for success.

### Entry Strategy

Weigh the options: Should you use assets in the country, pure export or a joint venture (JV)? The right mix will ensure the best trade-offs among risk, complexity and learning

Consider that domestic franchising might require a JV with a local partner to be successful

Ensure understanding of the host country's foreign investment regulations

## Translating the Brand

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Keep in mind that cultural norms can differ greatly. For example, Pizza Hut is considered an "upscale restaurant" in Asia

Adjust menus and recipes to address local tastes and regulations. A "globally consistent" strategy doesn't work

Allow for longer shipping for items sourced from the U.S.



#### Registration & Licensing

Understand that each market has unique codes, extremely detailed (e.g., soy sauce may be banned in the Middle East if it contains alcohol)

Work with suppliers to ensure all imported ingredients meet local codes and requirements

Anticipate 4-6 months process in each region

# Local

### Sourcing Utilize local sourcing

to reduce import duties, fees, freight costs and lead time Balance lower costs

against raised quality and consistency risks

Manage risk by establishing backup vendors outside of the market



### Forecasting

Improve early forecasts by making analogies to previous expansions

Work with local partners to understand current demand

Expect emergencies and unplanned write-offs



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### Shipping

Ensure that ingredients shipped overseas have at least a 1-year shelf life

Find shippers familiar with required documentations

Prepare to renegotiate rates based on early sales data



By considering the areas of focus specific to global expansion, and the right partner to support you, global expansion may be your answer to continued growth. Look to HAVI to tap into 40+ years of experience optimizing and managing global foodservice supply chains.

> Let's Talk! information@havi.com



Source: Primary research