



BANETTE REINVENTS THE BREAD BUSINESS

A case study on Sales Transformation

A Mercuri International Case study

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A world of changing traditions

Close to half the bakers in France have vanished. In 1950 they numbered 60.000, today only 32.000 of them remain. What changed?



Facts about Banette

Bannette was established in 1981 offering

- Banette branding
- Licence of production of flour under the Banette trademark
- Licence to open bakery retail shops under the Banette trademark
- Marketing/seasonal promotional support
- Technical assistance/training

After the Second World War, the French wanted white bread, to forget about the black bread of the war years. It was a staple food. The miller and baker got along well. The baker was an artist and the miller an industrialist, sometimes also a banker. He helped the baker buy equipment; he helped him find staff; he ensured things ran smoothly. A paternalistic link was set up, a local and personal relationship. Each baker had his miller who was almost a friend. Then along came the retail distributors.

They offered bread that was cheaper than and, often, as good as the baker's. The millers could sell them flour, but not at the same price. It was the distributor who fixed prices. The bakers looked upon this competition unhappily, considering it disloyal.

Then a group of millers decided to act. They came together with the objective of improving the quality of bread. They certified a high-quality flour, which they named Banette. Good flour is essential for good bread. But that isn't all: skill is also essential. So the millers offered courses in kneading and shaping, to create a new product: the Banette. This was an elaborately worked baguette cooked according to a precise procedure. Customers could identify it by its two pointed ends. Banette, thus, became a brand, identifying bakers who bought their flour from this triumphant group of millers, who had now become sellers of bread. The first Bakery Revolution was underway.

From industry to sales

Milling involves an industrial network of regional mills. The profession of miller is often passed on, father to son and successive generations take it up, transforming wheat into flour and delivering it as required. Selling is relationship-based. For a long time

www.mercuri.net

For more information contact: Gerard Baillard, MD MI France
Tel: +33 1 47 32 93 93 Email: contact@mercurifr.com



Banette reinvents the bread business. *CONT.*

millers worked almost without salespersons, until competition put a pressure on prices. It was then decided to engage former bakers to convince their colleagues. After all, who better suited than an ex-baker to recognise the problems faced in the making of bread?

But this solution didn't work for Banette. They had to make a move from the industrial world to the world of sales. Banette, as a brand, needed to create a sales pitch and was obliged to steer the selling of products in their boutiques as they would at a modern retail outlet. But the baker remained an artisan, the miller an industrialist and the baker's wife and her salespersons had no idea about today's selling techniques. Thus it was that the Banette millers undertook to bring about a cultural revolution. They set about finding means to train their sales teams in sales techniques and sales management methods.

Working with teams from Mercuri International, Banette put in place tools to steer sales actions. Together, they trained the salespersons of the Banette mills to study big data rather than evaluating the impact of each individual situation. It was a long-term project which addressed all levels of the organisation: the executives, the middle management and team-members. This step gave the network of Banette bakeries a lead which impelled other groups of millers to adopt similar measures. The battle for quality that Banette had begun was won.

But the market changed and transformed yet again, influenced by changes in lifestyle. Once again, everything had to be rethought.

Bread – a marker in a changing society

The French consume lower and lower quantities of bread. In 1950, the average consumption per person per day was 300 grams. Today, each citizen is content with 129 grams a day. Demand is lower than the industrial capacity for the production of flour. Mills search for clients. While Banette's quality still attracts

buyers, it can no longer respond to all their demands. The fad for fast food has won over traditional meals, whether in restaurants or at home. Bakers, who jumped on the sandwich-and-salad bandwagon, offering products that were hitherto exclusive to cafés, are competing today with hamburger chains. The snacking market is booming. The baker's world has been turned upside down once more, this time by competitors who are armed with techniques for retail sales. Bakers are just beginning to understand that nothing will be the same going forward.

The Banette millers have asked their sales team to help their bakers enhance the quality of the Banette network. But the bakers are very conscious of the price of flour. So mills offer discounts on volume purchases to lower prices. Everything is complicated. Everyone must break free of their little world and join forces to create a selling approach suited to today's world. And this must be done fast - because everything is speeding forward.

Banette is working with Mercuri International to adapt to this change and to shift from a techno-commercial sales talk to a comprehensive quality consultancy. It's about developing the sales activity in the bakeries. The rules for retail distribution must all be integrated into the learning; promotional operations, attractive exterior, aggressive marketing, and efficient management. It is essential to go where the customer is, to outperform businesses that offer substitutes to bread. Banette can no longer restrict itself to bread and the bakery. "We have fundamentally changed our paradigm", states Philippe Cavagna, Managing Director, Banette.

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Philippe Cavagna, Managing Director, Banette.