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JOHN STAPLETON



# John Stapleton

FMCG Entrepreneur and Co-Founder of  
New Covent Garden Soup Company and Little Dish

John Stapleton, a seasoned FMCG entrepreneur, chats to Nigel Wright about his experiences growing and then selling New Covent Garden Soup Company (NCGSC), as well as the learnings he has gained in his career since then, in the USA with Glencoe Inc., and through his current venture, Little Dish. >>



### First of all, what's the story behind your involvement with Little Dish?

I first came across the idea of quality, healthy meals for young children in 2003 when I was consulting to a small food business in London and assisted them selling pureed organic meals for toddlers at farmers' markets. I thought this was a really interesting concept and I continued to research and explore that area. Significantly at that time, Jamie Oliver began his high profile media campaign promoting healthy school dinners, and suddenly it seemed everyone in the UK was talking

about children's nutrition. There was also a continuing growing consumer demand for ready meals, as people increasingly claimed to lack the time and the culinary skills to cook from scratch. In late 2004, through further assignments as a consultant, I was introduced to Hillary Graves, an American who had recently moved to the UK to establish iVillage.com, a lifestyle website aimed at women. One of the things we talked about during that first meeting was children's health and the increasing pressure on mothers, in particular, to give their children healthy, nutritious food. We reconnected again in 2005, and during the six months since we last met had independently considered the opportunities

emerging in the infant nutrition space. We brainstormed some ideas and finally came up with Little Dish, which we officially launched in 2006.

### What were the main challenges you had to overcome during the early stages of development?

Growth was actually quite slow during the first two years and one of the main reasons behind this was the 'guilt complex' associated with ready meals. There was a genuine sentiment and concern from mothers – our potential customer base - that by not cooking and preparing food from scratch, you were perceived to be a "bad mother." We had to work hard, therefore, to reassure consumers that it's absolutely fine to provide your children with Little Dish products because they're specifically designed for a child's health and development, with no added salt and sugar, good quality ingredients and protein sources. Another benefit of Little Dish that we promoted to the market was that meals





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are convenient and easy to prepare and as we supply a wide range, it is guaranteed that amongst the choices, your child will like at least two or three variations – if not many more. Once we were able to articulate these messages and get our customers recommending our products, it became easier for us to build momentum.

#### **Does the health debate continue to benefit Little Dish?**

Yes, it certainly does. From day one we've tried to get across the fact that Little Dish is a great

way to teach kids good eating habits from an early age. Little Dish also aims to help children generally gain an appreciation for good food. We believe it's important to stimulate a child's palate with a broad spectrum of tastes and textures, so when they get to their teenage years, they're more accustomed to different kinds of foods and are hopefully less likely to want the unhealthy, processed options, which unfortunately dominate youth culture today. It's fine for a baby beyond six months old to eat solids suspended in liquid, so we tell customers not to just feed their children purees out of a bottle, but instead experiment

For example, in our range we have a mild chicken korma, which, believe it or not, kids actually love. This kind of training, if you like, is how we continue to position ourselves in the healthy eating debates.

#### **Where do you actually focus your marketing and advertising investment?**

PR is very efficient and effective, but we've found that the best way to generate awareness of Little Dish is to get mothers to talk about our products – particularly online; therefore blogging is key, and we've used sites like



Mumsnet/Netmums to great effect. An offline extension of this has been our community marketing initiatives, where we have used actual mothers as local brand ambassadors. They visit stores and sell the benefits of Little Dish directly to both store managers and consumers. We've also done some TV advertising and sponsorship, which is unusual for a small brand. When, for example, Nickelodeon was banned from promoting "unhealthy" snack foods and drinks in 2006, we approached them and agreed a deal to cover the cost of the ad production while they got a cut of the incremental value generated. It was the only way a company of our size could afford TV advertising and it was great for generating awareness. Furthermore, three years ago, we were the headline sponsor for a Barnardo's backed fundraising walk for children called Big Toodle. Previous headline sponsors have included brands such as John Lewis, so the association has been an excellent way to position Little Dish as a larger player in the market. Our website, newsletter, social media sites and print advertising also all play a significant role in the marketing mix.

#### What are the ambitions for Little Dish over the next 12 months?

Well, for a start, I'm always asked when we might sell Little Dish and frankly, it would definitely be premature to do this any time soon. We've got a lot of really interesting and exciting plans for Little Dish over the next few years. Firstly, we want to continue to drive distribution gains in supermarkets. We already have a good presence in Tesco, Waitrose and Asda and we're hoping to increase the number of Tesco, Waitrose and Asda stores, nationally, who stock Little Dish. We're also confident that Sainsbury will take us back this year, after we were previously displaced there by a competitor. Furthermore, there is a big opportunity to broaden our consumer base too. We began this process in September 2014 when we launched a new range called Little Dish for Bigger Kids. These are essentially similar meals but in bigger portions, designed for our customers when they've grown up a bit. So, Little Dish now caters for children from the ages of 12 months up to approximately seven years old, and we plan to grow the six to seven year old category further this year. Two

other areas that we have perhaps previously neglected are food service and export. So, in terms of food service, many pubs and restaurants today, certainly since the smoking ban, are more child-friendly. We'd love to have branded Little Dish products on the menu in pubs and restaurants or even theme parks and nurseries, in the very near future. The opportunities outside the UK are obviously also very big for us and we're actively exploring other markets in Europe to target.

#### The food industry has taken some knocks in the last two years, how do you see the sector evolving in light of the recent scandals?

A good way to begin my answer would be to mention the accounting scandal at Tesco and its implications for the industry. Suppliers to the grocery retail sector have been under huge pressure from the 'big five' retailers over many years to reduce margins. I believe that the retailer, the manufacturer and the brand should all make a fair margin, with the

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consumer getting a fair price and a quality product as a result. Instead, suppliers have been effectively forced by retailers to cut corners in order to make extreme margin reductions. The overinflated profits that have been revealed at Tesco actually shows how the retail industry has tried to control prices to the consumer but also reduce their cost base and this behaviour has been a direct cause of other high profile scandals that have emerged in the food industry in recent years, such as the contamination of beef with horsemeat. If suppliers are forced to cut corners, then mistakes will be made. I sincerely hope this is now all in the open and the industry will be able to focus its energy on creating a fair system that prioritises bringing new value-added products to the consumer, rather than solely focusing on retailer profits. The industry needs Tesco and it peers to lead by example,

like they have in the past, by being honest and putting the needs of consumers first.

#### As an experienced and successful entrepreneur yourself, I'm interested to know what you believe are the key ingredients to ensure entrepreneurial success?

Firstly, I believe an entrepreneur is simply someone who acts on their ideas, rather than someone who comes up with ideas but doesn't attempt to implement them. I think it's also important to position entrepreneurialism as a set of behaviours, rather than a personality trait. The most important behaviour is tenacity, or having the ability to never say 'no, that's not possible.' Being able to manage risk, change and growth are also vitally important. Entrepreneurs are highly effective in high risk, high growth and constantly changing environments. People without these behavioural traits tend to fail quickly as entrepreneurs. My experience as an entrepreneur has always been as a co-

founder, and I would certainly recommend that approach to others, as I think it is a very lonely world to operate in on your own. Decision making is never simple; there's never a guaranteed right

answer to the problems you face, so the ability to share ideas closely with someone else is incredibly helpful and usually rewarding. You also learn a lot from your partner and develop skills that you previously never had. I would also say that ignorance is often an advantage – especially during the early years. Knowing 'too much' at the start about what you will learn later on can deter people from taking the plunge as the mountain can sometimes appear too difficult to climb. So, enjoy the bliss of ignorance as much as you can!

#### How do you preserve the 'entrepreneurial' culture of an organisation during periods of rapid expansion?

When you start a business, the concept and brand basically exists inside your head. It's

a completely intangible asset that only you truly understand. To successfully build a business though, you will need to develop a team, as well as assemble a variety of other stakeholders. Therefore, you have to quickly learn how to nurture the brand as an entity outside of yourself, by making sure that the brand, the products as well as your team and stakeholders all embody the original vision you had at the very beginning. Selecting who those people are will essentially make

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or break the business. You've got to be very clear, in your mind, what sort of people you want to surround yourself with. They need to be experts in the skills and knowledge you require, but most importantly they must completely understand the essence of the brand and ultimately have the intuition to make decisions about it in the same way you would, as its creator. But it's your job to achieve this. That's how you create and then maintain an entrepreneurial culture.

#### **What would be the key pieces of advice you would give a privately owned business, considering selling to a larger company?**

In my view, you should always try to find a boutique industry specialist. When we initially embarked on selling NCGSC in 1997 we selected Goldman Sachs to run the sale process, because they have a fantastic reputation and are generally excellent at what they do. It didn't work out on that first occasion though, and this was primarily because Goldman Sachs is not a food industry specialist and are also perhaps less experienced at deals of the size of NCGSC at that stage of its growth. The other recommendation I would make is not to rush the process. Most advisors will tell you it will take at least a year, and you should believe them, because to get the absolutely best possible outcome, it will take that long. Once a suitor has been selected,

do your due diligence on them (much like they will do it on you) and, in particular, make sure your lawyers check and advise you on warranties, especially if there's an earn-out involved or if your business is becoming a division of another business. Finally, don't get distracted. When I was trying to sell Glencoe Foods in the USA in 2004, my business partner and I became so distracted with selling the business that we neglected putting the effort into running it properly. In this instance, after nine months of negotiations where we genuinely believed a sale was imminent, Bestfoods, the company trying to buy us, was itself bought by Unilever, who then put a hold on all M&A activity.

In hindsight, I learnt that it's important to keep investing in your business in the event that a sale might not actually take place.

#### **Have you ever considered life outside of a start-up environment? What would that look like?**

When I left the USA in 2004 I moved to Germany, as my wife is German. Due to setting up and growing Little Dish, I have been commuting to London from Munich every week for much of the last seven years. Ideally, I wanted to do a little less travelling and, as such have recently stepped back to a non-executive director role at Little Dish, which has given me the opportunity to focus more on other projects – both in the UK and in Germany. I have really enjoyed this so I now have a number of other NED appointments along with business advisory, guidance and mentoring positions with typically growth-phase businesses. I essentially provide value-added input to businesses who can benefit from the experience I have gained over the last 25 years, building and growing consumer brands in the Food and Drink Industry.

#### **How do you keep yourself busy outside of work?**

I've always been very passionate about sports and I was heavily involved in track and field when I was young. I still spend a lot of

time keeping fit, mainly in the gym as well as running and cycling. Living in Munich also means we are only a 45 minute drive from great skiing resorts. My wife and I enjoy skiing and hiking in the Alps as well as visiting various cities in Europe on holiday.

## **Food MANUFACTURING EXCELLENCE Awards 2014**

### **Nigel Wright Group news**

## **UK**

In November, Nigel Wright UK was the official sponsor of the Ambient category at the 2014 Food Manufacturing Excellence Awards, organised by Food Manufacture magazine. The awards take place in London every year and provide a benchmark for those wishing to aspire to world class standards in food excellence.

Managing Consultant Robin Morle, who presented the award to fudge manufacturer Fudge Kitchen, commented: "It was a pleasure to present this award; Fudge Kitchen is a fantastic company which has been hand-crafting their products for over 30 years. These awards differ from other industry awards as they recognise those companies which not only do a great job of creating an outstanding end product, but have perfected the process of manufacturing, which allows them to deliver a superior service."