NIGEL WRIGHT
RECRUITMENT

update: consumer

Benelux market developments

The economy is recovering. With unemployment falling and consumer confidence growing there is a sense that the Benelux region has moved away from the uncertainty of 2010.

In the Netherlands, economic growth at the end of 2010 was at 1.9% (CBS, 2011). In Belgium, the recovery is expected to slow to 1.7% growth in 2011 despite prediction that would exceed 2% (KBC, 2011). This is a vast improvement from the negative growth predictions of two years earlier. The following headlines are based on analysis by CBS (Statistics Netherlands) and KBC Merchant Banking.

SUSTAINED JOB GROWTH, UNEMPLOYMENT DOWN

In the Netherlands, unemployment levels remained unchanged at the end of 2010 as the rate of employment began to even-out after months of decline. The overall unemployed population had been reduced by 14,000, (to 409,000 November 2010) from the previous year. This is approximately 5.2% of the workforce.

Despite the number of private sector jobs falling to below the level of one year previously (particularly in construction and financial institutions) employment remained stable in non-commercial services. There was an overall increase of 57,000 jobs with 47,000 health care sector jobs accounting for the bulk of the growth. In the public sector and in education, employment also rose.

Employers were clearly being cautious over hiring at the end of 2010. Temp agencies made the most significant contribution to employment growth with high levels of flexible and temporary roles, becoming available.

The unemployment rate in Belgium fell from 8.9% in the summer to 8.3% in October 2010. Overall, levels of unemployment fell more in Wallonia but in recent months, it has been more pronounced in Flanders.

45,200 jobs were created between autumn 2009 and autumn 2010 with indications that that another 15,000 jobs would be created in the last quarter. Based on data concerning company recruitment plans and unfilled vacancies, favourable labour market conditions are expected to continue.

CONSUMER CONFIDENCE AND TRADE IMPROVING

In the Netherlands, the consumer confidence index rose 6 points in the last quarter of 2010. Household spending was 2.6% higher in 2010, the most substantial consumption growth in nearly 3 years. Spending on goods increased by 4.4% and spending on services was 0.9% higher than one year previously.

Dutch households spent 4.7% more on durable consumer goods in 2010 buying more new cars, clothing, shoes and household appliances. Food, drink and tobacco also grew by 2.4%. Despite this, consumer 'willingness to buy' ratings remain relatively low suggesting a prevailing cautious attitude from early 2010.

In Belgium, consumer confidence has risen to its highest level in more than three years. This optimism was primarily due to the improvement on the labour market. It is worth noting that consumer confidence has improved significantly more in Flanders than in Wallonia.

In the Netherlands, the volume of goods exports was up by 9% in the last quarter of 2010. The volume of goods imported also grew by more than 9%. The value of both imports and exports of goods grew by 22% on one year previously.

Belgium's exports in the first nine months of 2010 were 20% higher than in the same period in 2009. This was largely due to the recovery of the German market, a key trading partner.

ANDREW MEARS
SENIOR MANAGER, BENELUX & IBERIA –
NIGEL WRIGHT RECRUITMENT

IGD Top Trends 2011

As thoughts shift from 2010's achievements to 2011's goals and aspirations, our expert analyst team has identified ten key trends that will shape the commercial arena in the year ahead.

2011 looks set to be another action-packed year. We are anticipating more emphasis on online retailing, overseas markets and sustainability, among other key areas. These predictions draw on extensive IGD research conducted throughout the year across retailers, manufacturers, service providers and shoppers, both in the UK and internationally, as well as market and store visits to over 25 countries worldwide.

1. 2011: THE YEAR OF ONLINE?

2010 saw substantial experimentation from both retailers and suppliers, as the industry sought to unlock the online growth opportunity. The rise of smart phone and application technology has been a trend for all to see, while experimentation with new online platforms and social media tools, such as Facebook and Twitter, has been rife. With the UK online grocery market alone set to total £9.5 billion by 2015 (vs. £4.8 billion in 2010), and further substantial growth expected internationally, businesses need to explore the opportunities available through this channel in 2011.

2. INTERNATIONAL MOVING UP THE AGENDA

2011 could be the year where we see more retailers focus on optimising overseas growth. Tesco is already planning significant expansion in overseas markets, Walmart is seeking a move into South Africa and others such as M&S and Sainsbury's are re-exploring foreign opportunities. Furthermore, 63% of respondents to IGD's International Grocery Retailing Survey 2010 expect the pace of retail globalisation to accelerate over the next five years, relative to today. This is definitely an area for businesses to keep on top of in the year ahead with growth opportunities for those that react quickly to the latest trends.

3. IMPROVING RETURNS A CONTINUED FOCUS

Retailers and manufacturers continue to focus on driving both top line growth and bottom line efficiency. Yet for all companies, although particularly those that are publicly listed, another key performance measure remains in place – return on investment. With availability of cash set to remain a key constraint in 2011, careful prioritisation of future investment will be essential, although a balance will need to be struck between growth and cost savings to maintain quality standards.

4. ENGAGEMENT THE NAME OF THE GAME

More and more FMCG and retail brands are seeking new ways to connect with shoppers and consumers. Online reviews, feedback panels, dedicated fan clubs and user-created content are all emerging as new communication channels to empower shoppers and gain feedback on products and services. These will become more popular as social media usage expands. Businesses will need to consider new ways of managing brand communication in 2011, while acknowledging that not all of these tools will remain commonplace in the medium-term.

5. A FRAGILE ECONOMIC OUTLOOK

While 2010 saw many markets and indeed the world officially exit recession, we are by no means 'out of the woods'. The potential spectre of a 'double-dip' recession continues to remain a possibility in 2011. There are also economic and debt challenges affecting country and regional performance, especially in Europe. The impact of the global slowdown on consumer spending and sentiment is likely to continue to play itself out for some time to come. While no easy solutions exist, businesses that can deliver well on the basics, such as on-shelf availability, while continuing to innovate will be well placed to succeed.

6. FOCUS ON FORMAT AND PRODUCT INNOVATION

As retailers compete for growth in market share, 2011 will no doubt see further format concept tests across all channels, especially in hypermarkets and urban convenience stores. Product innovation will also be a priority as the battle between private label and brands intensifies between retailers and manufacturers to win over shoppers. An in-depth understanding of key account strategies and industry will therefore be key to maximising the growth opportunities in the year ahead.

7. SUSTAINABILITY TO REMAIN TOP OF MIND

The focus on sustainable initiatives within our industry will continue to grow. Reducing energy usage to drive down costs and carbon emissions will remain a key area of focus, but other areas will also be important. For example, to reduce the possibility of a water crisis, there is more of a priority on minimising water usage within grocery retailing. Additionally, the Consumer Goods Forum members are pledging to achieve zero net deforestation by 2020 and to begin phasing out hydro-fluro-carbon (HFC) refrigerants as of 2015. Is your business in a good position to tackle the sustainability challenges that lie ahead for our industry in 2011 and beyond?

8. PEOPLE AND SKILLS KEY TO FUTURE SUCCESS

A series of changes in senior management team personnel and CEOs at leading UK and international grocery retailers has altered the strategic direction and focus of many key accounts. With changes also impacting trading structures, businesses will need to continue to invest in developing the engagement capability of their sales teams in 2011. Another area of focus for the industry will be addressing the need for the correct skills to be in place for future generations to ensure our industry remains world class.

9. THE RETURN OF SIMPLICITY

Rather than trading down, savvy shopping has been a key trend to emerge from the recession, as shoppers have sought to economise their grocery shopping without compromising on quality or values. The next evolution of this over the coming year could be a fresh drive for simplicity: 36% of shoppers are already focusing on reducing food and packaging waste. While 22% are going back to a simple diet involving a limited range of straightforward meals. The increase in VAT and commodity price inflation could be a further catalyst for shoppers to strip out unnecessary complexity in their shopping and consumption habits.

10. SUPPLY CHAIN WASTE FIRMLY ON THE INDUSTRY'S AGENDA

Supply chain waste has a direct and substantial impact on the bottom line, meaning that preventing waste in the first place is a better solution than simply managing it once it has been produced. A lot of great work is already being undertaken by the industry to light-weight packaging, reduce household waste and make sure waste is diverted from landfill. Yet for 2011, a key area of focus will be on helping the industry respond more efficiently to volatile consumer demand and prevent waste in the supply chain.

Jonathan Gunz is a Senior Business Analyst at IGD and is an expert on innovation and global retail trend analysis. He is a regular presenter on the international stage and has delivered many briefings on global trends and key account strategies. In addition, Jonathan manages IGD's research programme in Western Europe with particular focus on France and Carrefour and travels regularly in Europe and beyond to stay abreast of the latest trends.

> Everyone is looking to improve the performances of products, trying to get the best result overall.

Technology with style

With multiple brands, diverse products and a number of well established brands household appliances is a challenging marketplace to be. Add to that ever evolving customer requirements, reduced global consumer confidence, the last five years has been some of the most difficult for the industry.

Despite these circumstances, the recent years have seen some of the most exciting developments in the industry, in terms of style and trends. One of the leaders in these innovations is Smeg, a business steeped in heritage and history whose trademark of "Technology with Style" has been the root of its success for over 30 years.

As the business continues on its phenomenal international expansion, Shiraz Mahawat Khan, Senior Consultant at Nigel Wright Consultancy B.V. speaks to Marco Alberici, General Manager Smeg Netherlands, to learn more about the organisation and sector.

"Smeg is a family company that since its beginning links the best technology with the best Italian style. Our products are timeless and unique", says Marco. He continues *"We began our activities in Italy and developed internationally by approaching every single market, trying to understand in depth the needs of the specific customers, while respecting the philosophy of Smeg"*.

The majority of consumers are familiar with Smeg as a brand owing to its range of American 50's style fridge freezers and this product range has accounted for the a significant proportion of the businesses revenue internationally. However, their product range extends to much more than fridge freezers covering a range of domestic appliances including ovens, hobs, washing machines and dish washers.

As the Smeg has expanded, so it's range and offering has had to develop. *"Every region, every country has specific needs and traditional ways of using a domestic appliances"* says Marco, *"in Italy we traditionally cook with a gas hob because we are used to eat pasta and because every house has a gas connection, but the energy power consumption of an induction hob is too high for a normal Italian house"*. He goes to explain *"in Germany the induction hobs are the majority of the market. In France the consumer is used to clean the oven with the pyrolitic function, in the Netherlands every house has a combi-magnetron in the kitchen. These differences are very much integrated in the culture of the people and it will be almost impossible to change them, therefore we have to embrace them and provide solutions in line with these differences"*.

As consumer behaviour and market trends have evolved, Smeg have maintained their key principles while continuously innovating. *"I think some of the best innovations in recent years are around the savings that the domestic appliances are offering to the consumers"* says Marco. *"Savings in energy, water & soap usage, give all of us the possibility to do our part saving the planet while of course saving money"*. Marco also believes key technology developments around noise reduction of appliances have been received with incredibly positive feedback from the market and performed well.

Moving forward, Smeg and its competitors have comparable challenges, *"everyone is looking to improve the performances of products, trying to get the best result overall. The challenge is to reach these top performances while maintaining product safety and reliability"*.

In addition to the product developments, e-commerce has had a measurable impact on the domestic appliances marketplace. *"The Internet has completely changed the market"* says Marco, he continues *"the consumer has the possibility to control very easily the specifications, availability and cost of any product. It is very easy for people to compare products from different brands and have the possibility to buy the best for the specific need"*.

However, the internet has brought problems to the sector. Marco explains *"we now have to face unprofessional internet players that do not know what they are selling. This is causing frustration to everyone and the image of the manufacturer can be very easily, permanently damaged"*.

So what to does the future look like for Smeg? *"The last 20 years has seen us develop a complete range of products suitable for almost every market in the world. This means that we can approach every need with a specific product. We have achieved this by investing in technology and design to deliver a complete answer to the needs of every consumer, this will continue as we move forward"*.

Marco reiterates, *"In our range we offer modern, traditional and old style products which match perfectly with each other. For example, the aesthetic looks of our cookers range match perfectly with the hoods but also with a combi-magnetron or a steam oven. We have created a very strong base for the development of other specific products"*.

Moving forward Marco explains, *"Smeg will continue to develop innovative, consumer focus products with technical excellence and outstanding aesthetics"*.

SHIRAZ MAHAWAT KHAN
SENIOR CONSULTANT, BENELUX – NIGEL WRIGHT RECRUITMENT

Global economic outlook.
The economic situation for retailers

The past year began with such promise and ended with such uncertainty. At the start of 2010, the world was relieved to have avoided a more grim economic result.

The downturn of 2009 was the worst in decades, but it was not as bad as what might have happened. Government intervention to recapitalise banks, stimulate demand and flood the market with liquidity helped to avoid pandemonium. However, all of this was not sufficient to start a robust recovery - at least not in the developed economies of North America, Europe and Japan. There, growth has been modest, and thankfully, inflation has been low. On the other hand, strong growth came to the emerging world and with it the risk of rising inflation. Hence, as 2011 begins, retailers worry about inadequate demand in rich countries and overheating in emerging countries. In addition, they now face concerns about exchange rate volatility, changing fiscal policy and the sustainability of recovery in some markets.

One problem is that imbalances continue to haunt the global economy. Interest rates in developed countries are unusually low, reflecting aggressive monetary policy and weak demand for credit. Thus, money is flowing out of these countries and into emerging markets with higher interest rates. Yet in those countries where growth is strong, the inflow of capital is putting upward pressure on currency values, thereby hurting export competitiveness. At the same time, rapid growth in emerging markets is creating new inflationary pressures, which have led some central banks to tighten monetary policy, thereby putting additional upward pressure on currencies. Now, many emerging governments are intervening in currency markets to hold down their currencies in order to improve export competitiveness - but this risks exacerbating inflation. Moreover, if every country tries to devalue its currency; no currency will decline in value, but all countries will increase their money supplies, thus generating inflation.

And so the global economy remains imbalanced. Countries that have traditionally relied on exports (such as China, Japan and Germany) and need to move toward domestic-led growth continue to depend heavily on exports. Countries that relied too heavily on their consumers (such as the United States and the UK) and need to export more now face competitive devaluations in their target export markets, thereby hurting their own export competitiveness. Failure to adjust to new realities will only delay the day of reckoning, yet making the necessary adjustments involves short-term pain.

Affluent countries that nearly experienced economic meltdown now face tattered financial markets. Credit fails to grow as consumers and businesses hoard cash and continue to deleverage. Debate rages over whether central banks and governments should respond by becoming more aggressive, but an aggressive stance risks continuation of global imbalances.

Overall, the outlook for 2011 is for strong global economic improvement, with the preponderance of growth taking place in emerging markets. In the developed world, however, growth is not expected to be exceptional. Let us examine the outlook in each major market and consider the potential impact on retailers and their suppliers.

WESTERN EUROPE

Although Europe as a whole bounced back in 2010, a confluence of factors is likely to cause a slowdown in growth in 2011. More importantly from a retail perspective, most of Europe's growth is coming from exports rather than consumer spending. In Germany, for example, which had strong export-driven economic growth in 2010, consumer spending remained relatively stagnant. On the other hand, the modest and declining unemployment rate in Germany bodes well for a modest pickup in consumer demand.

Notably, economic policy within Europe has been aimed at reducing budget deficits rather than stimulating growth. Most governments are currently engaged in fiscal contraction, which entails tax increases and spending reductions. The European Central Bank (ECB), unlike the United States and Japan, has not engaged in quantitative easing and remains focused on minimizing inflation. Finally, European credit markets remain troubled by continuing sovereign debt problems and bad bank assets. The result is that the only factors stimulating economic activity in Europe are the weak euro and strong growth in emerging markets, which have boosted exports. Meanwhile, consumer spending is going nowhere, and fiscal contraction is likely to have a negative impact in the year ahead.

The other interesting thing about Europe's outlook is that the continent faces a two-track economic outlook. Germany, Sweden, The Netherlands and other northern countries are performing well, largely based on export strength. In contrast, the peripheral nations of the EU face the prospect of recession or slow growth, largely due to massive government austerity combined with troubled credit markets. In some cases, like Ireland and Spain, the outlook is hurt by the need for banks to repair their balance sheets following the collapse of a housing price bubble. In other cases (such as Greece), the problem is a history of government largesse combined with failure to boost productivity. In any event, the recent recession shocked Europe into confronting long-simmering problems.

EURO OUTLOOK

All the turmoil in Europe last year caused considerable volatility for the value of the euro; it also caused concern about the sustainability of the euro project. The underlying problem was the imbalance within the Eurozone.

Germany, with strong productivity growth and modest wage gains, reduced its unit labor costs and was able to boost its exports to the rest of Europe and the world. On the other hand, Greece, Spain and Portugal saw only modest productivity gains and declining competitiveness.

At the same time, being in the common currency area enabled these countries to borrow cheaply and accumulate excessive debt. In any other part of the world, this situation would have resulted in currency devaluation for Greece or Portugal. In this case, that cannot happen. Hence, there was a need for structural reform. Although the EU provided a large financial backstop for its wayward members, the reforms undertaken have not convinced the markets that problems have been solved. Consequently, Europe seems to muddle from one crisis to the next.

What happens next? The answer is that uncertainty remains. Some observers question whether the euro itself will survive, but the cost of ending the Eurozone would be catastrophic, especially for strong exporters like Germany. That is because an end to the Eurozone would lead to a significant appreciation in the value of a new deutschemark, resulting in competitiveness problems for Germany. Instead, a more likely scenario is for a new debate about how to make the Eurozone work better. This could entail greater fiscal integration, more serious punishments for wayward countries and more predictable procedures for dealing with crises. As of this writing, a new procedure for dealing with troubled countries is in the works.

World Class Manufacturing

In a business climate characterised by low margins and intense commercial pressure, it is no coincidence that more businesses place an increased focus on their supply chain and manufacturing operations as a source of profit opportunity and optimisation.

While the concept of WCM is not a new innovation, how successfully it is developed and implemented into businesses in practice varies significantly.

If in the broadest sense of the definition the key elements remain consistent, it begs the question why such fluctuations in success? Clearly, benchmarks and definitions of success will vary, but what steps have business taken to optimise their chance of success?

With some of the worlds leading consumer brands having established manufacturing organisations in the region; the Benelux has become a breeding ground for success in terms of world class manufacturing's application in practice as well as producing some of the worlds leading experts and practitioners around the subject.

Here we speak with representatives from the consumer sector across the region to understand their views on what is a fascinating and crucial subject in today's modern manufacturing environment.

As one of the biggest brands in the global beer industry, AB-InBev is one group that affords significant focus on operational excellence with some impressive results. In 2004, the business embarked on a global initiative they called "Voyager", comprising the "Voyager Plant Optimisation" or "VPO" programme as it became known, designed to drive world class efficiency across its global network of breweries.

The key targets of VPO were optimisation of performance, reduction of cost, sharing of best practice and realisation of economies of scale. Today the VPO programme is world renowned for the sheer scale with which it was implemented and the impressive results it delivered.

Crucial to its success was the approach adopted from the outset. A global approach with top management buy in was achieved; this formed the direction of the programme. Two pilots were commissioned to test the initiative at a plant level. The results achieved from the pilots were used to reinforce the VPO approach, with project teams established at a site level to deliver the programme and ensure commitment of the local plant communities.

As an Operations Manager with Celerant, Arnaud Joliff worked in the development and implementation of the VPO programme across a number of InBev sites in the region. *"What makes VPO such a unique and successful operational excellence program resides in a few critical aspects of its approach"* say Joliff. He continues *"Clearly established as a strategic priority by AB-InBev Executive Board Members and constantly reinforced, VPO was initiated by a global design and validation phase of best practices encompassing all operations functions and aligning all leaders of the company on the program with a very detailed road map (5 Pillars: Management / Maintenance / Quality / Logistics / People), creating the Ab-InBev way"*.

Supporting the concept of one size does not fit all, Joliff highlights *"VPO combines best practices tools and techniques from WCM, TPM, Lean and SixSigma methodologies"*. He continues *"the program has its own internal continuous improvement engine, all contents continuously evolving through the years with new global practices identified and rolled out for improved results"*.

When reviewing the roll out, *"the program implementation was customised to each geographical zone based on savings potential, leadership culture and readiness for change to get a strong local buy-in and was supported by change management expertise to drive behavioural change and sustainable results."*

> Benelux has become a breeding ground for success in terms of world class manufacturing's application in practice

Interestingly, when discussing people's role in success Joliff makes a clear observation *"At the same time, the HR company model and policies, including leadership accountabilities, target settings, salary compensation and incentive program were also totally remodeled (as part of the People Pillar) to be aligned with the new culture of strong leadership, accountability and results."*

When reviewing the overall success, Joliff concludes *"The program results exceeded savings expectations with all functional organisations marching together towards year over year improvements with a fanatical focus on disciplined execution, cost control and service excellence."*

Many organisations in the region have developed and implemented programmes in support of achieving world class manufacturing; arguably one of the most common is TPM.

Concepts of lean manufacturing and Six Sigma are generally well understood, but TPM apparently less so.

Concepts of lean manufacturing and Six Sigma are generally well understood, but TPM apparently less so. This is strange given its use within corporations such as Unilever, Coca Cola and P&G who use the principles of TPM as a platform for achieving continued excellence within their manufacturing operations.

However, what is obvious is the definition of TPM has evolved significantly in recent years, from its traditional routes within Toyota in Japan focusing on purely equipment efficiency to total production management prevalent in many FMCG giants today.

Where businesses such as Unilever and P&G have excelled is taking the concept of TPM and making it "fit for purpose" in their given situations. It is true that in an industry where leadtimes are short, quality requirements are high and costs of manufacture must be continuously optimised, all encompassing TPM initiatives have a vital role to play.

What we see in the aforementioned businesses is an approach which takes the standard pillars of TPM and the fundamental activities of autonomous maintenance, focused improvement and planned maintenance for example and adds focus areas unique to their own environments such as training, education, safety & environment and morale.

Organisations such as Unilever, P&G, Coca Cola and Kraft have their own TPM programmes, with specific areas of focus subject to their business objectives.

P&G standards of world class operations are all driven around, quality, cost, delivery, safety and morale (QCDSM). P&G has developed a concept they named Integrated Work System (IWS), which is an initiative focusing on the achievement of zero defects and 100% total employee involvement. In addition to this they developed their own TPM and integrated that with global programmes already in place focusing on reliability and high performance systems.

When you review their internal initiatives, there are elements of lean used effectively in conjunction with TPM to deliver impressive results around cost saving, elimination of waste, improvement of quality and overall operational efficiencies.

In ensuring successful implementation, key to success is the fact is fits the P&G business model and operating culture, but more importantly it has the support of the people and is achieved through the people at an operational level locally.

Another of the world's biggest FMCG brands, Mars, who also has a strong presence in the region, quotes efficiency as one of its five guiding principles, using its resources to the full, waste nothing and do only what we can do best.

Mars's manufacturing organisation represents an integral part of the supply chain network. As a function, it consistently produces and delivers product in line with customer and consumer expectations in terms of quality and cost. The business brings an uncompromising approach to quality, heavy focus on conversion cost and unwavering commitment to meeting customer demand.

Mars has adopted an approach which embraces the key aspects of the Toyota 4P model, balancing the focus on waste elimination with engagement of people and creating a customer focused manufacturing organisation.

It is hard to imagine an industry with no use for TPM approaches, but here we can see how it can be used in conjunction with or as part of a lean production system. Arguably, where automation is high the more dominant TPM becomes, however, irrespective of the technology, TPM clearly has a crucial role to play in any forward thinking, efficiency focused manufacturing environment.

Andrew Mears, Senior Manager Benelux & Iberia at Nigel Wright has spent a significant time working with businesses in support of their aspirations to attract and recruit top talent with specific expertise in the area of world class manufacturing. He believes *"WCM should be on every business agenda. If I look at those businesses that have come out the recession strongest, it is those that took the opportunity during tough times to look internally at where the opportunities were for profit optimisation. The supply chain, incorporating manufacturing, is an obvious source of opportunity"*.

When asked his thoughts around why certain businesses seem to achieve better results than others, he see's two key themes; *"if you try to adopt a "one size fits all" approach to the tools and techniques like lean, TPM or six sigma, my experience is they will fail. Businesses need to afford the time to identify the key aspects of the tools out there that suit their environment and objectives"*. He goes onto say *"from there the business must have a clear plan, with commitment from the top and with buy in at an operational level. The more successful programmes I have seen are those that take the people with them on the journey so it becomes natural, part of everyday life and part of the culture"*.

In closing, what we have seen in this report is that WCM needs to be of the highest priority to manufacturing businesses. How it is developed, implemented and managed is ultimately driven by the business, its objectives and culture. Taking the "best bits" and bringing together a programme that comprises key aspects of several tools and techniques is fine, as long as it fits the business situation in question.

The Impact of Social Media on Recruitment

Social media can be fast, efficient and cost effective when used as a recruitment tool. It does, however, have its limitations. In our latest publication available for download, we discuss issues concerning:

Diversity and adoption trends of social media – Although candidates can be sourced effectively via social networking sites, the risk is, if this strategy is not complimented with other traditional search methods, then talent will be missed.

Transparency – Online profiles do not necessarily paint an accurate picture of the individual.

Discrimination hiring – Assessing someone's potential employability based solely on an online profile leaves the door wide open for unethical practices.

Self promotion and the wider issue of confidentiality – If your employees are online, are they vulnerable to poaching? What company information are you happy for them to share?

Employer branding – Getting the message right online is crucial as candidates have become more conscious about making the right move every time they put themselves in the job market.

Overall, social media has improved the recruitment process by making it more open and democratic. Using this method alone however, takes the personal touch out of relationship building and candidate identification. It is therefore unlikely to completely replace the traditional recruitment methods in the near future.

You can read the full report here: www.nigelwright.com/socialmedia

Amsterdam office expansion

The turn of the year saw Nigel Wright Consultancy B.V. move to larger premises at the World Trade Centre, Amsterdam Zuid.

Speaking recently, Andrew Mears, Senior Manager Benelux & Iberia said *"the move to larger premises was inevitable as the business unit continues to develop and thrive. This property offers us a prime location and the necessary infrastructure we need today, but most importantly the opportunity to further expand in preparation for tomorrow as our business continues to grow."*

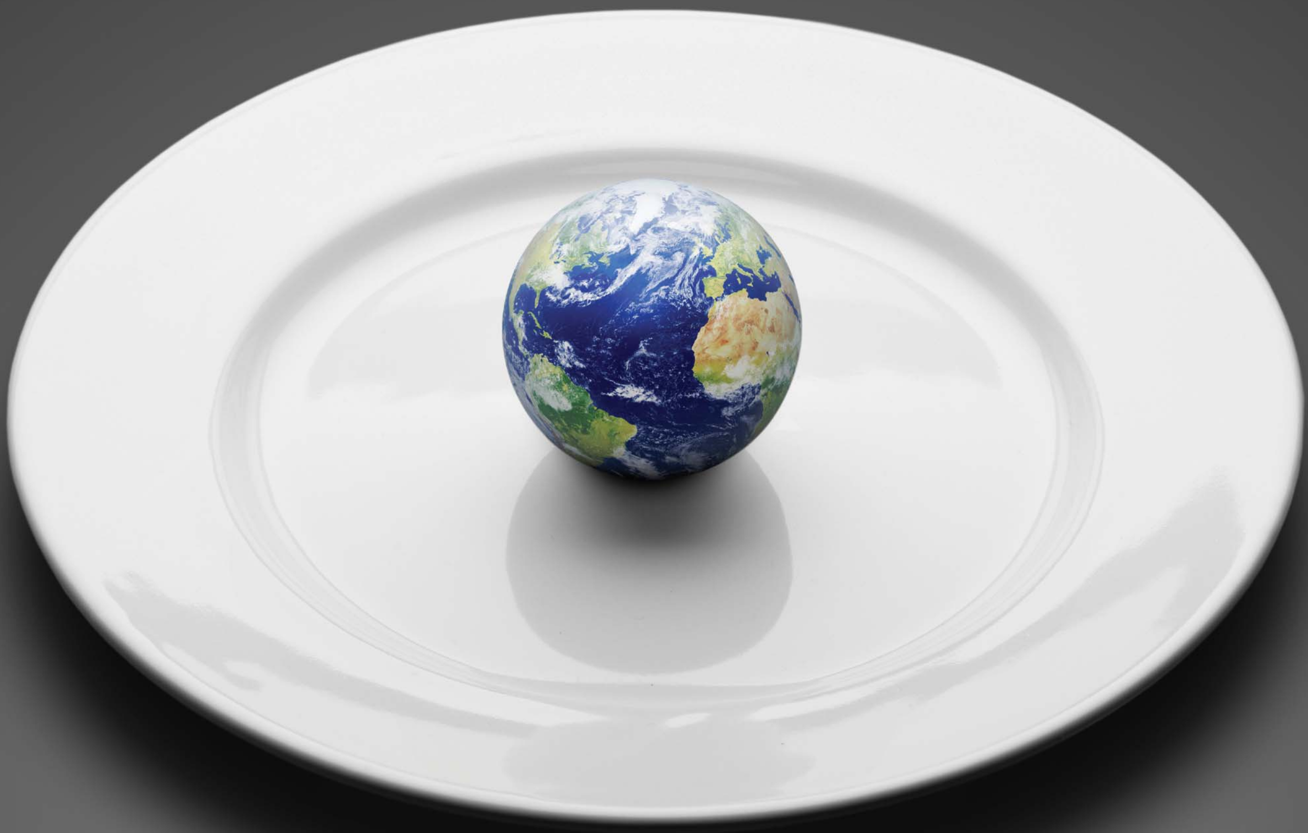
It is no coincidence that the larger office comes at the same time as 5 new additions to the Nigel Wright Benelux team. *"I am delighted with the additions"* says Mears who has seen the team grow to 10 people over the last 4 years. *"They will supplement the existing team really well and further strengthen our market offering in commercial, operations and corporate functions recruitment across the Benelux, as well as further a field."*

Joining the team is Stephan Renken, who comes with over 15 years experience in international recruitment gained in the Netherlands, Germany, Eastern Europe and the Nordics. Stephan joins in a dual role, supporting the Dutch operations while leading the Nigel Wright Group's business operations in Germany. Also joining are Jeroen Vijver and Shiraz Mahawat Khan, both of whom have more than 10 years recruitment experience in operations and commercial disciplines respectively. Working across the Dutch market, Jeroen and Shiraz will play key roles in the continued development of Nigel Wright's footprint in their functional areas of expertise.

In addition to these hires, the Benelux team welcomes Christine Dotrement as a Consultant operating in the BeLux marketplace. A Belgian national, Christine's previous experience is in international consumer and B2B sales. Finally, Catherine Peart has joined the team in a Business Support & Research role, working across the Benelux group providing invaluable resource and research support.

Speaking about the new people and offices, Andrew Mears says *"The investments in people, resources, offices and technology, are all part of our long term growth strategy for the Benelux region and our commitment to ensure we achieve our business objectives. Taking these steps is a really positive move for us and testament to our existing people, who have worked hard to lay the foundations for success."*

Obviously no retailer wants to push prices too low or conversely, scare customers off with extortionately high prices.



The Rising Cost of Food: Impact on retailers

In December 2010, the United Nations global food prices index reached an all time high; it had previously peaked in 2008.

The new statistics show that the costs of various basic foods have increased beyond the prices recorded just over two years ago. Various reports now suggest that prices will continue to rise from anywhere between 50 and 100%, over the next 40 years.

WHY IS THE COST OF FOOD RISING?

- Rising populations, particularly in Asia and Latin America and also the stronger purchasing power of people in emerging countries, such as India and Brazil. More people are consuming more food.
- 'Over consumption' in the developed world. Rising levels of obesity and its associated diseases in the USA and parts of Europe, suggest that the problem is endemic.
- Overall, this has lead to an imbalance in the supply and demand of food, which ultimately has made food more expensive. The situation however, is more complex.
- Food analysts have pointed to other contributing factors such as the weakness of the US dollar, in which most foods are traded, and the $200+ billion invested in food markets by bankers, pension and hedge funds in recent months.
- More significant, perhaps, is the rising cost of fuel and the effect this has on the manufacturing and supply of food.
- Adverse weather conditions have also has hit farmers in the USA, China, Australia, and Eastern Europe. Australia, which is one of the largest exporters of wheat and sugar cane around the world, is dealing with the aftermath of large scale floods, which have devastated its crops.
- The same 'La Nina' weather pattern has created severe drought and fires in North America, China and Russia; resulting in the poor harvest of grain, corn and wheat.

When the cost of basic foods increase it leads to higher manufacturing costs, which in turn forces retailers to raise prices. Supermarkets, restaurants and coffee chains all feel the effects of this paradigm shift in the cost of food. It is certain that dealing with the rising cost of food will be high on the agenda of retailers worldwide, in 2011.

OPPORTUNITIES FOR RETAILERS

Rising food costs impact the behaviour of producers, suppliers and consumers. Retail strategies therefore must be flexible and getting your strategy right means exploiting the growth opportunities associated with it.

A key issue is the cost of basic ingredients such as wheat (a 70% increase between July and December 2010) corn, soya, oils and sugar (at a 30 year high). Food producers and suppliers seek to counteract the higher cost of buying in materials by demanding that retailers increase the price of goods on the shelf. It is in nature of consumers to then try and avoid price hikes, by shopping around for the best deals.

Obviously no retailer wants to push prices too low or conversely, scare customers off with extortionately high prices. The opportunity therefore, lies in differentiating 'staple' foods by promoting value brands. Some of the larger supermarkets have already done this successfully and the knock on effect, as studies are shown, is that it creates consumer acceptance that other non staple or non value branded foods, will cost more.

The market share of value brands has increased considerably since the onset of recession, notably in Central and Eastern Europe and Asia. Commentators suggest that the economic downturn has made value brands a credible and cheaper alternative to branded goods. The success of discount supermarket chains such as Lidl and Aldi, also point to an overall trend in consumer behaviour as people try to shop more economically, rather than being driven by brand loyalty.

Experts agree however, that value brands are not a threat to branded goods. Although in some instances they have displaced national brands in the category ratings, consumers still like to indulge in their old favourites and what has emerged is a system where one simply compliments the other. As food prices are likely to remain high, despite the end of recession, consumers will not flock back to the branded options and this is why retailers must be ready to offer a greater choice of value brand alternatives.

ANDREW OPENSHAW
MARKETING RESEARCH ANALYST – NIGEL WRIGHT RECRUITMENT

E-Commerce – a threat or opportunity?

The Internet has truly globalised the retail world, providing new ways for consumer to buy as well giving new channels for retailers to sell to a vast international audience where there are no geographic boundaries.

It comes as no surprise therefore, that e-shops sell more products in more countries each year, and are benefiting from higher growth rates and profitability as a result.

In fact, despite challenging economic conditions, reduced consumer spending, online retail continues to grow in Europe as traditional retail sales stall. But when you think that internet use in Europe accounts for a quarter of worldwide use and has grown by 352% since 2000, perhaps it shouldn't come as much of a surprise.

These kind of numbers are replicated in the Benelux, with over 22 million internet users and average user growth increases of 300%. It is without doubt that the increase in household internet access has contributed to the rising popularity of online shopping; but in addition dedicated strategies focused on the development of e-shopping from online as well as traditional retailers has driven this increase.

A survey published by Eurostat at the end of 2010 found that 57% of internet users in the EU 27 ordered products or services from the internet. That figure increased to just below 80% in the UK; it was 74% in the Netherlands, 66% in Luxembourg and 48% in Belgium.

The Benelux region has become home to some of the world's biggest online retailers including brands such as Amazon, Skype and the Apple Inc's iTunes business. It is these international on-line retailers who are growing faster and more profitably than retailers with less of an international footprint.

As the European 'e-tail' market continues to mature and grow at a phenomenal rate, more businesses are expanding their reach into the region. However, there is a lot more to an internationalisation strategy than translation and currency conversion. The Benelux region alone, is a classic example where local drivers and shopping behaviours are diverse and complex. E-tailers don't need to redesign their commercial planning, but must adapt their e-commerce platforms from the bottom-up to fully understand regional needs effectively. The most simple of changes to regional sites can go a long way to improve customer attraction and retention.

While opening an online store is a fast, low-risk way to enter new countries, retailers must not ignore the in-store experience when it comes to e-commerce. Many people will visit a retailer's online service following a positive in-store experience, therefore, E-tailers must replicate that experience if they are to enjoy commercial success. Simple steps such as providing customers the option to speak with a local customer service agent in their local language, goes a long way to replicating the personal service they would enjoy in a retail outlet.

Customer service can often be the unique distinguishing factor between one E-tailer and another, especially when online is the only channel available. Offering features that appeal to local shoppers for example, providing search results based on not just the search term, but the user's profile and behaviours would a shopper's desire for speed and efficiency online, particularly relevant in Germany. Texting or e-mailing order details to Benelux customers is shown to achieve improved levels of loyalty. It is often the small extras that go a long way to improve service and customer retention.

In deciding to drive an international E-commerce strategy, businesses have to assess if they adopt a centralised or a local approach. It's important to balance consistency and efficiency of online service with the specific idiosyncrasies of a given market. What is clear, is that there are significant variations across the region in aspects such as technology infrastructure, legal issues, privacy and security, content, brand, promotions, logistics, and fraud and payments management. Business need to have resource in place to manage these complexities.

JELTE POSTHUMUS
SENIOR CONSULTANT, BENELUX – NIGEL WRIGHT RECRUITMENT

Seeking new talent?

We would like you to preview the below selection of candidate profiles as all of these candidates are currently looking for new career opportunities. If you would like further details on any of these individuals or would like a confidential discussion regarding your current requirements, please do not hesitate to contact us. Contact details can be found on the back page.

CHIEF EXECUTIVE OFFICER

LOCATION Utrecht, Netherlands
EDUCATION Masters educated
CAREER Finance & General Management
REMUNERATION €300k plus executive benefits

PROFILE
A qualified accountant and outstanding 20 year career in consumer goods with market leading brands in fashion, food, beverages, home & personal care. Specific expertise in mergers, acquisitions, integrations, turnaround and growth acceleration scenarios across Europe.

MANAGING DIRECTOR

LOCATION Brussels, Belgium
EDUCATION MBA, Degree educated
CAREER Sales, Marketing and General Management
REMUNERATION €300k plus executive benefits

PROFILE
Outstanding marketing executive with expertise from blue chip, marketing leading FMCG and Consumer durable groups. Global experience in mature & emerging markets, with P&L responsibility for businesses in excess of €500m operating in branded and private label goods.

COMMERCIAL DIRECTOR

LOCATION Amsterdam, Netherlands
EDUCATION Degree educated
CAREER Marketing, Sales & General Management
REMUNERATION €200k plus executive benefits package

PROFILE
Extensive commercial profile, developed in domestic, international and global markets with market leading branded food and consumer goods businesses. Led commercial turnaround, growth and new market launch activities with significant success in multiple international markets.

VICE PRESIDENT HUMAN RESOURCES

LOCATION Utrecht, Netherlands
EDUCATION Degree educated
CAREER Learning & Development consulting, Human Resources generalist
REMUNERATION €150k plus executive benefits package

PROFILE
Outstanding human resources executive, responsible for the strategic leadership of all domestic and international HR activities, within a multi billion €, global FMCG business and a headcount in excess of 5,000. Key expertise in people strategy for new, emerging & mature markets; large scale acquisition & merger projects and strategic "right-sizing" programmes.

MARKETING DIRECTOR

LOCATION Brussels, Belgium
EDUCATION MBA, Masters educated
CAREER Sales and Brand, Category & Consumer marketing
REMUNERATION €140k plus executive benefits package

PROFILE
Impressive commercial career in consumer goods, commencing in retail sales and key account management, before transitioning into marketing. Expertise in Benelux markets and wider European environment; working with product groups including health & beauty, food & beverages, home and personal care.

OPERATIONS DIRECTOR

LOCATION Antwerp, Belgium
EDUCATION Masters educated
CAREER Engineering, Manufacturing & Operations management
REMUNERATION €130k plus executive benefits package

PROFILE
Proven operations leader, in high volume fast paced operations environment with strong focus on world class standards of manufacturing and continuous improvement. Impressive people manager, strategic mindset supported by operational results delivery across cost, quality and delivery metrics.

PROCUREMENT DIRECTOR

LOCATION Brussels, Belgium
EDUCATION Masters educated
CAREER Engineering, Production, Supplier development & Procurement management
REMUNERATION €125k plus executive benefits package

PROFILE
Impressive career in FMCG, with leading global brands. Early career spent in engineering and production, before specialising in direct and indirect procurement disciplines with spends in excess of €300m, working across an international remit. Particular expertise in post-merger integration processes and procurement optimisation activities in pursuit of world class efficiencies.

GLOBAL COMMUNICATIONS MANAGER

LOCATION Amsterdam, Netherlands
EDUCATION Degree educated
CAREER Brand Marketing, PR, Communications management
REMUNERATION €80k plus benefits package

PROFILE
Exceptional commercial PR & Communications marketer. A branded consumer goods specialist, with expertise in the design, development and implementation of global programmes in support of market entry, product launch and key business initiatives.

OUR LOCATIONS

AMSTERDAM
TOWER D, LEVEL 10
WTC AMSTERDAM
STRAWINSKYLAAN 1059
1077XX AMSTERDAM
NETHERLANDS
T +31 (0)20 333 21 88

NEWCASTLE (EUROPEAN HEAD OFFICE)
LLOYDS COURT
78 GREY STREET
NEWCASTLE UPON TYNE
NE1 6AF
UNITED KINGDOM
T +44 (0)191 222 0770
F +44 (0)191 222 1786

LONDON
PALLADIA CENTRAL COURT
25 SOUTHAMPTON BUILDINGS
LONDON
WC2A 1AL
UNITED KINGDOM
T +44 (0)207 4053 921

PARIS
63 AVENUE DES CHAMPS ELYSÉES
75008 PARIS
FRANCE
T +33 1 53 93 54 56

MADRID
TORRE EUROPA
MADRID FINANCIAL DISTRICT
PASEO DE LA CASTELLANA 95-15
MADRID 28046
SPAIN

COPENHAGEN
RÅDHUSPLADSEN 16
1550 COPENHAGEN V
DENMARK
T +45 7027 8601

STOCKHOLM
PARK VENUE STOCKHOLM
ENGELBREKTSGATAN 9-11
S-114 32 STOCKHOLM
SWEDEN
T +46 (0)8 120 66 136

DUSSELDORF
GRAF-ADOLF-PLATZ 15
40213 DUESSELDORF
GERMANY
T +49 211 882 42 364

www.nigelwright.com

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About Nigel Wright Recruitment

From it's beginnings as a small, locally focused UK recruitment specialist, Nigel Wright Recruitment has evolved over 20 years to become a leading international recruitment partner to some of the worlds leading brands in consumer products.

Nigel Wright now boasts the industries largest, dedicated consumer goods recruitment team, with offices in 10 European locations and capabilities across 20 languages servicing clients in Europe, Middle East & Africa, the Americas as well as Asia Pacific.

While our international reach is a powerful asset, much like the heritage of our business, we take pride in our local and regional expertise, investing significant time and resource in ensuring we offer a truly focused service to clients and candidates in our respective core markets.

Headquartered from the World Trade Centre, Amsterdam our Benelux practice represents a diverse range of consumer clients, from global multinational giants to small entrepreneurial enterprises. We provide outstanding talent acquisition services in commercial, operations and corporate disciplines, from middle management to executive board appointments.

With a dedicated team of specialist consultants, focusing their activities in the Dutch & Belgian markets, we have developed an enviable network of relationships across the consumer sector.

In doing so, we offer an insightful perspective to the market, region and challenges faced by our clients in today's competitive labour market, offering a bespoke solution to reflect our client needs and in turn optimise success.

For further information or to discuss your specific talent needs, do not hesitate to contact Andrew Mears on the following details:

ANDREW MEARS
SENIOR MANAGER – BENELUX & IBERIA
E andrew.mears@nigelwright.com
T +44 (0)20 333 21 88