



grow



Ultra Food Innovations

A family dairy business
that rivals the biggest
in the country



Ultra Food Innovations – a dairy products manufacturer – started in 2011. It has proven that a solid differentiation strategy can keep a small business ahead of even the biggest competitors. Husband and wife team, Alex and Andrea Vowles, produce feta cheese, sour cream, cream cheese and yoghurt in Benoni. They have a combination of skills, experience and support that have seen them win against large competitors when it seemed all hope was lost.

Where it all began

Alex's passion for dairy began on his parents' dairy farm, where they also processed milk, cream and amasi. Alex eventually broke away from the family business to set up a factory that produced a different range of finished dairy products. Being a qualified plumber, Alex needed to expand his dairy-processing skills to be able to set up a business of this nature. Not only that, but his drive and hands-on approach led him to teach himself the engineering skills that would allow him to set up his factory in a cost-effective manner.

Initially, Ultra Food Innovations supplied three wholesale distribution clients. During this time, Andrea joined the business to head up sales and food safety. By recommendation from a friend who was also in business, the team then employed the services of a Grow business coach in 2013, since they were always looking for opportunities to learn more and do business better as they scaled up.

A differentiated strategy that made all the difference

From their sessions with the Grow coach, the team set clear goals and strategies. They determined, from evaluating their competitors and the needs of target clients, that they **would hone in on 2 areas of differentiation:**

- 1. Niche servicing of wholesalers and distributors that sell to hotels and restaurants.**
- 2. Next-day delivery – a solution that was important to their target clients, as managing stock was key to their performance.**

As head of sales, next-day delivery was a key selling-point for Andrea. Many of the larger competitors couldn't offer such attractive lead-times. Focusing on their target clients and providing the next-day service they needed, Ultra Food Innovations grew its client base to nine large clients and increased revenues by 500%! They are currently working on increasing capacity to keep up with demand.

Putting their differentiation strategy to the test

Their strategy was put to the test when one of their biggest clients put a tender out for manufacturing of their own yoghurt brand. Ultra Food Innovations competed against big, largely retail-focused competitors. Aware that Ultra Food Innovations had won a significant share of the wholesale market, one of the competitors undercut them on price and won the tender, leading to termination of Ultra Food Innovation's contract.

Surprisingly, Ultra Food Innovations still received orders from the client after this. When the client asked its buyers why they weren't buying from the newly appointed supplier, the buyers complained, not only about the long lead times, but also about how the new supplier had subjected them to poor treatment in the past. The client then reversed their decision to buy from the new supplier and entered into a new agreement with Ultra Food Innovations, demonstrating that a good strategy can make one competitive against lower prices and much larger competitors.

And competition from smaller companies?

Due to high entry costs of the dairy processing industry, Ultra Food Innovations is in a comfortable position when it comes to competition from smaller companies. Alex's self-taught engineering experience has allowed him to build and maintain his factory equipment – keeping costs low, and his expertise in dairy products allows them to deliver high quality products at competitive prices.

It goes to show that lower price and bigger brand names don't always prevail if your strategy truly sets you apart. What's your point of difference?



In our business environment, the end consumer of our products often has no idea who we are, but for the chefs at the caterers and hotels, our products are well known





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