The tipping point for market transformation

Olaf Brugman – London, 30 Oct 2014

Deze dia is gebaseerd op indeling ‘Titeldia’.
Market transformation in a sluggish operating environment

- Produce more food
- GDP outlooks stable
- Planetary boundaries
- High volatility
- Uncertainty
- Tighter regulations
- Consumer wants it all
Multiplied by financial sector trends

- Higher first tier capital levels
- Cost reduction
- Reducing risks
  - Identify
  - Reduce
  - Mitigate
- Highly regulated
Risk and reputation management in the financial sector

- Know customer
  - Awareness
  - Commitment
  - Actions
  - Performance
  - Transparency

- Know position in the industry
  - Frontrunners
  - Middle of the pack
  - Laggards

- Lowest risks: top 30% percentile
Strengthened buyer/supplier relationships and finance to support them

Figure 2.4: Finance: One tool to help strengthen supply chain relationships

<table>
<thead>
<tr>
<th>Nature of buyer/supplier relationship</th>
<th>Potential role of finance in strengthening supply chain relationships</th>
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</thead>
<tbody>
<tr>
<td>Strategically important suppliers</td>
<td>Support supplier expansion and growth:</td>
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<tr>
<td></td>
<td>- Extend offtake contract terms to reduce risk</td>
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<td></td>
<td>- Consider JVs, Alliances and M&amp;A</td>
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<td>- Support supplier working capital needs</td>
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<td>Important suppliers—could become strategic</td>
<td>Provide incentives for growth:</td>
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<td>- Offer incentives for innovation through improved terms and shared savings</td>
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<td></td>
<td>- Support supplier working capital needs</td>
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<tr>
<td>Ongoing suppliers</td>
<td>Support ongoing needs:</td>
</tr>
<tr>
<td></td>
<td>- Consider incentives if suppliers grow in importance</td>
</tr>
<tr>
<td>Commodity suppliers</td>
<td>No specific added value</td>
</tr>
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<td></td>
<td>Business as usual</td>
</tr>
</tbody>
</table>

Source: Rabobank 2014
RTRS from tipping point perspective

• Frontrunner category

• Awareness, capacity and performance in risk management

• Network for innovation and leadership

• Little things, big impact

• Imagine if you are not there…
Bedankt voor uw aandacht!