

Fit-to-Purpose in Agri & Food – Factsheet

Fit-to-Purpose in agri & food means:

- That a company implements a strategy whereby existing high-end products or services are adjusted or redesigned to specific local market situations; and/or
- That a company develops new products or services based on existing knowledge;
- So that the products or services realize a “fit” to the demand in developing countries and that they can be used without specific knowledge and/or (extensive) training;
- And that this results in economic and sustainable growth for business, industry and the countries.

Important starting points and “drivers” for success are:

- A. Demand-driven by markets in development countries;
- B. Focus on new and local markets;
- C. Upscaling instead of downscaling;
- D. New collaborations in the value chain;
- E. Business-driven strategic orientations.

(More information about these drivers can be found in our Position Paper.)

Cool Chain in Africa

By Geerlofs Refrigeration – Dedicated to freshness

The vision of Geerlofs is: “Cooling solutions for the complete food chain: from production, storage, processing and distribution to sales of fresh food produce.”

What is the strategy of Geerlofs?



GEERLOFS
part of the smeva refrigeration group

Geerlofs is a storage specialist in fresh and frozen products. The company designs, manufactures and installs storage warehouses and conditioned processing rooms used along the supply chain of a fresh product (the “cool chain”). They do this mainly for Western agri & food processing companies. Geerlofs’ core competence is to develop robust and energy-efficient refrigerated and frozen supply chains by

implementing high-end innovations and turnkey systems or concepts.

In recent years Geerlofs encountered a growing demand for solutions in the cool chain for local markets in developing countries. The company perceives a trend of maturing markets and a growing middle class, resulting in an increasing demand for fresh, quality and modern (packaged) food products. This leads to a rising request for chilled products on the shelves of supermarkets and associated refrigerated supply chains. Geerlofs believes these developments form a good opportunity to diversify their business and product portfolio while keeping a fit with the (historical) strategy of the organization.

In developing countries the company recently started implementing cooling solutions for the whole supply chain. Mostly for processing companies that need storage and distribution solutions for the export market (such as cooling storage solutions at airports and seaports). These solutions involve high-advanced systems with high-level of ICT and energy management systems to operate and control the building and operations. This asks for experienced and trained staff that can work and maintain the cooling systems.



Pictures: Example of high-end cooling solutions in the Netherlands for a vegetable processing company guaranteeing the freshness of three mio packs of vegetables a week.

Description of the development of Geerlofs – Cool Chain in Africa

The development of cooling solutions for local markets is a challenging undertaking as it requires adaptation of the cooling solutions within the whole supply chain. The development in cooling solutions means putting technological options in a historical perspective. Geerlofs looked at developments that have been taking place the past 30 years and investigated how they could be adapted and used in a local context in developing countries.

Geerlofs' strategy for local markets is based on realizing small-scale and locally oriented cooling solutions, that are able to function stand-alone, are resistant to diverse weather conditions and can be operated by low-educated (but well-trained) employees. Geerlofs' approach is to develop partnerships with local partners who can construct buildings and install the systems, and who can train local staff for the installation and maintenance of the systems. Geerlofs uses local sourcing as much as possible and prefers working with local staff if they can realize the requested quality. The development of these local partnerships is an intensive process of training and capacity building, sharing experiences and building trust. In Kenya a partnership that took over 25 years to develop, turned into a local company with local management and personnel. Also in Ethiopia Geerlofs has been investing in partnerships for over ten years.

Geerlofs focuses in the first place on developing countries with companies that are exporting to Western markets. These countries include Kenya, Ethiopia and Morocco, and outside Africa: Uzbekistan, Kyrgyzstan, China and Russia. Until now, Geerlofs managed to gain experience with local projects for local demand in Zambia, Sudan and Kenya.



Examples of cool chain solutions by Geerlofs for the storage and processing of in Zambia.

What are the critical success factors?

Local “fit” with cooling techniques in local markets

The sometimes inadequate infrastructure in developing African countries (such as unstable power grids) makes implementing high-end innovative systems not feasible. Therefore Geerlofs has developed more robust and flexible systems and concepts, designed to operate stand-alone and able to continue functioning with an unstable electricity supply. For Geerlofs it means they are taking existing Dutch techniques and experiences as a starting point and use these to develop new robust and self-sustained or stand-alone systems and cooling solutions which can operate in local circumstances in developing countries.

Building partnerships with local organizations

Geerlofs engineers and produces cooling solutions in the Netherlands, and installs these systems in the target markets, involving local partners in the process. Geerlofs is setting up permanent partnerships in these markets so they can organize the development, installation and maintenance of the equipment. In Kenya and Ethiopia these partnerships have been established and staff received extensive training. Staff has access to the knowledge and skills of Geerlofs and is supported to translate this to local conditions. Staff is also encouraged to communicate local market developments and changes in demand to the Geerlofs development organization in the Netherlands so they can react accordingly. It took quite a lot of time and investment to realize these partnerships.

For successful and impactful applications of cooling solutions in the whole supply chain in local markets, it is necessary to collaborate with partners (locally) from harvesting, processing, logistics till consumption. Geerlofs therefore needs to look for collaborative local networks with business partners of the whole chain to deliver effective and sustainable cooling solutions.

Collaborate with supply chain partners with assets and expertise.

For real professionalization of the production and marketing of vegetables or fruits diverse expertise is required. Expertise on topics like seeds and fertilization, on plant protection, on packaging and logistics, the desired appearance and taste of a product. Cooling is just a part or link in the supply chain and in order to fulfil the demand of fresh quality products for an affordable price, it is important to collaborate in a network which gives access to a wide range of skills and techniques that are necessary for the partners in the supply chain.

The strategy of Geerlofs is rooted in the historical orientation of the founder and management of the company who are very open-minded and receptive to developments in the world. Since the start of the organization, the founder is committed to explore business opportunities that both fit within Geerlofs' strategy and support societal and economic developments in developing countries.

More information

For more information about the lessons learned from developing a Fit-to-Purpose strategy and concept, please contact the Food & Business Knowledge Platform at info@knowledge4food.net or Coen Faber at coenfaber@purebirds.com.



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