



DERRYNAFLAN 21 YEARS AND GROWING

From a 'man with a van' to one of the most progressive food companies in Ireland, Derrynaflan's 21st birthday presents both an opportunity to look back on past successes and look forward to future growth. *Checkout* reports on a company with big ambitions but, most importantly, the means to back it up.

It may seem like a truism, but 1987 was a long time ago. To put it into context,

1987 was the year that Stephen Roche won the Giro de Italia, the world road race championship and, on that never to be forgotten day on the Champs Elysees, the Tour de France. Long before Dustin was a turkey, Johnny Logan conquered Europe for the second time with "Hold me now" It was the year of Black Monday, with the worst stock market losses in recent times.

While the food industry was going through a metamorphosis, for many Irish consumers, the now ubiquitous term 'Food to go' was then only just beginning to mean something more than the humble ham sandwich. Breakfast Roll Man, as he would later become, was barely out of nappies.

It was against this background that John Ryan from Killenaule, Co Tipperary, was looking to find himself a job.

Having worked with Jack Blake in Dew Valley Meats, Ryan saw an opportunity to bring something new to the Irish food sector, and in particular, something different focused on the key attributes of 'fresh' and good service. With this idea, and armed with a loan of £3,000 from his late mother, Ryan bought his first van and began selling cheese and meats in the Tipperary, Limerick and Kilkenny region. Within a few months of putting his own van on the road, Ryan employed Mick Garret his first sales rep. Having been born in the townland where the Derrynaflan chalice was found, the Derrynaflan dream had begun.

One of the first areas Ryan identified was Italian food, and in particular how it could complement the Derrynaflan portfolio of Irish products. As the Irish began to holiday more frequently in Italy (including visits to the World Cup in 1990), they in turn were exposed to many classic Italian foodstuffs, and then looked to procure them on their return to Ireland. To meet this demand, Ryan introduced products from the Mediterranean, including Sundried tomatoes, meats, salami, Pasta, traditional Antipasto and many other Mediterranean delights, to it's the Derrynaflan range.

From these humble beginnings in 1987, Derrynaflan has exceeded double digit growth every year. This, Derrynaflan says, is due to the loyalty of its customers in the retail trade, delicatessens, and sandwich bars, while the company also counts customers in the hotel, restaurant and pizzeria sector. The Derrynaflan portfolio now covers hot counter, cold counter, Mediterranean ranges, Pizza requirements and a comprehensive "food to go range" including premium Lasagne, Quiches, and pastry pies, many of which have a specific



emphasis on the growing vegetarian market.

Central to this growth has been the creation and development of the Derrynaflan brand. According to Ryan, the brand not only allows Derrynaflan to provide a competitive range, but has also created real brand equity for Derrynaflan as a source of quality food. The Derrynaflan branded portfolio now includes grated, sliced and block cheese, cooked meats, salads, mayonnaise, sauces, butter and dairyspreads, all of which are sourced from accredited producers in Ireland and Europe.

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Looking back at 21 years of growth, Ryan is proud of his business, but is eager to recognise the contribution of others to the Derrynaflan story. He cites the late John and his son Jack Blake of Dew Valley Foods as key providers of the inspiration for establishing and building his business, while he is also grateful to individuals such as JJ Walsh of Carbery, who he says was instrumental in the idea to sell grated cheese into the Irish market in the early 1990s (where only block cheese had previously been sold).

While many of the inspirational figures have since moved on to other roles, Ryan is also keen to recognise the work of those that remain within the Derrynaflan family. Sales director Paul Skinner has played a 'pivotal role' in the development of the company, Ryan says, with his experience with Dunnes and Kerry Foods proving invaluable in driving the company forward.

However it's not just about people. A real 'foodie', Ryan recognises the pivotal importance that his suppliers have played in growing the Derrynaflan business. According to Ryan, these fall into two categories – indigenous Irish companies such as Ballymaloe, and European suppliers of authentic, quality food. The combination of these two types of supplier, Ryan says, have been the catalyst for the growth and sustained

success of his company.

21 years after making its debut in the premier county, Derrynaflan has spread its wings to every county in Ireland. So what sets it apart? According to Ryan, it is because it continues to define what good service is all about. In a market full of 'me too' companies, Derrynaflan says its focus on service, innovation and competitiveness gives it a real cutting edge in what is an increasingly competitive market.

This focus on service is found right throughout the Derrynaflan business. Sales director Paul Skinner is firmly of the belief that service is the real differentiator for Derrynaflan, with a highly trained front line of staff crucial in sending this message to the



trade. Under the direction of its regional managers Fran Clancy and Gavin O'Donovan, all new sales reps spend 3 months training on product knowledge, product handling, food hygiene and old fashioned customer service.

"Customer service is about getting personal with your customers and knowing the needs of their business. It's about knowing a Dublin city centre restaurant will require extra service the week of a 6 nations game and that Galway will be busy for race week. It's about going back with extra on a Tuesday even if next scheduled delivery is a Wednesday. Having highly trained van sales staff ensures that our customers are promptly updated on new products and trends," Skinner said.



Innovation is another key focus for Derrynaflan, with the periodic freshening of the range a priority for Ryan and his team. Using the 'mega trends' of health, convenience, luxury and diversity, Derrynaflan constantly analyses the market to see where new opportunities lie, with a short turnaround time to ensure that it can capitalise on new trends and serve its customers better.

While the 21st anniversary of Derrynaflan has given the company great cause for celebration this year, 2008 also marks the 10th anniversary of the opening of its Dublin warehouse in Blanchardstown, just off the M50. From this warehouse, and its other EU approved warehouse in Cork (Derrynaflan was one of the first companies of its size to receive EIQA certification), Derrynaflan dispatches its products to its customers across Ireland.

With 21 years in business providing a real cause for celebration, Derrynaflan is now determined to look to the future and move with the times. Following on from last year's relaunch of the company's website (www.derrynaflan.com), over 100,000 people visited the site last year, with the online presence proving to be of major benefit to Derrynaflan and its potential customers and suppliers.

The company is also committed to investment. In 2008 alone, Derrynaflan Foods is investing €650,000 in eight new state of the art refrigerated sales trucks. This will further enhance Derrynaflan's sales and distribution network across the island of Ireland. Aligned to this will be a further upgrading its warehousing to meet the next phase of its development. The

company will also invest €850,000 in upgrading its I.T. facilities, which will include an advanced customer relationship system, GPRS handhelds and detailed traceability and reporting facilities.

In addition to strengthening the foodservice range, the key sales development in 2008 will be the move into chilled pre-pack products, with Derrynaflan planning to bring an exciting new range retail products to the Irish market.

This progression into retail products will be spearheaded by Michael O'Brien, who, after spending over 20 years working with Dairygold/Breo Foods as sales and commercial manager, recently joined Derrynaflan. According to O'Brien, there are great opportunities for Derrynaflan to combine its sourcing and food service experience with the expectation among consumers for tasty, healthy and restaurant quality products.

Derrynaflan has already had its first foray into the retail market by acquiring the exclusive agency for the Parmacotto range of Italian meats. Parmacotto is one of Italy's leading brands, with its advertising featuring the legendary Sophia Loren. Derrynaflan has also acquired the agency for the Noel range of Spanish meats, along with the Rauch breakfast juice and iced coffee drinks lines. The next 12 months will also see the launch of Mediterranean foods and other international ranges which Ryan says will add colour, variety and quality products to the shelves.

As Derrynaflan moves into its second 21 years supplying the food service trade, it is

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acutely aware of the need to continually add value to its customers' businesses. According to Ryan, Derrynaflan 'must earn our customers respect every day we do business', and he cites the last chapter of Nelson Mandela's autobiography "long walk to freedom" as a good metaphor both for the milestones that Derrynaflan has achieved, but also for what lies ahead.

"I have discovered the secret that after climbing a great hill one only finds that there are many more hills to climb."

So as Derrynaflan takes a moment to savour the journey it has come over its 21 years, it dare not linger for it has many more miles to travel.