

THE FOOD SUPPLIER'S GUIDE TO SELLING ONLINE

Everything you need to know to bring your sales online and ditch the spreadsheets once and for all.



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TABLE OF CONTENTS

3 Introduction

4 Sales and Marketing

- 4 Identifying your target customer
- 6 Finding Households
- 8 Finding Restaurants
- 9 Finding Retailers
- 10 Selling to Households
- 11 Selling to Restaurants
- 13 Selling to Retail

15 Customer Service

- 15 How to onboard new customers
- 17 How to keep customers
- 18 How to increase your sales
- 19 Increasing your average order
- 21 How to reduce order mixups
- 23 How to deal with returned orders

24 Distribution

- 24 How to get your products to your customers
- 25 How to calculate your delivery costs
- 27 How to calculate your minimum order value
- 28 How to create a profitable delivery plan
- 29 How to get started with a third party shipper
- 32 How profitable are pickup locations?
- 34 What is co-delivery and can it help me?

37 What's Next...





Introduction

This guide talks about the challenges, opportunities, solutions, and best practises for farmers and food producers selling food online. We wanted to write about these topics because we felt compelled to share some of our key learnings over the past three years building Local Line, a sales and distribution platform for food suppliers.

Since Local Line started in early 2015, we've been fortunate to work with, learn from, and interact with thousands of local farmers, wholesalers, food hubs, butchers, bakers, brewers, vineyards, artisanal producers, manufacturers... you get the picture.

Throughout these interactions we've seen what it takes to succeed doing direct sales. Whether you're selling 5 products or 5,000 products, the core aspects of sales, customer service, and fulfillment are consistent.



In the following pages you'll find everything you need to avoid the most common sales and delivery mistakes, how to find the right customers, how to increase your margins, and ultimately create a better life and business.

Anyone who's spent any time in the industry knows how hard it is. The odds get stacked against you, and you have to find the right way to grow, profit, and manage costs. The reality is, by learning from the best in the industry, you can be better, make more, and feel more fulfilled.

Ultimately, we'll let you be the judge! We hope you love what we've put together!

SALES AND MARKETING

IDENTIFYING YOUR TARGET CUSTOMER

Different businesses should sell to different customers. The first step to sales is to determine who you are selling to. Who you sell to defines the marketing and sales strategies used for your business. Within the food industry, customers can be generally categorized into three different types: household, restaurant, and retail. Each customer type is very different. In order to help you figure out which customer type you want to sell to, we created this chart:

1. NUMBER OF PRODUCTS SOLD



2. AVAILABILITY & SEASONALITY



3. QUANTITY OF PRODUCTION





4. DELIVERY

HOUSEHOLDS

I don't deliver outside my town, or don't deliver at all.

RESTAURANTS

I have at least one truck I use for delivery to a couple cities.

RETAIL

I have trucks or I use third party shippers to ship to a distribution centre.

5. ORDER QUANTITY AND LOGISTICS



HOUSEHOLDS

My orders are \$200 or less and pickup locations work well for my business

RESTAURANTS

My orders are \$200+ and I can deliver right to the back door

RETAIL

My orders are \$500+ and I can deliver

6. SALES & SUPPORT



HOUSEHOLDS

I do the sales and don't have sales people

RESTAURANTS

I have a couple of sales reps

RETAIL

I have dedicated account managers for the stores I sell at

After determining your ideal sales channel, you have to start looking for customers. These strategies differ dependent on customer type whether it's **households**, **restaurants**, or **retailers**. In order to help you find your customers, check out our tips on the next page!

A photograph of a busy outdoor market. In the foreground, a man with a dark backpack is pushing a black stroller. He is wearing a light blue denim jacket and khaki pants. The street is filled with other people, including a young girl in a pink dress and an older woman. In the background, there are white market tents, green trees, and a multi-story building under a clear sky.

Finding Households

Selling to households can feel daunting at first because (1) there are so many of them, and (2) there are so many ways to sell to them. Unlike restaurants or retail, it is hard to research or accurately compile a list of possible new customers. The best place to start is to know your target audience. We've seen suppliers increase their sales by selling and promoting at locations that play into a customer lifestyle. Sharing the same philosophy resonates with their customer base. An example of this would be selling organic, grass-fed beef at a naturopathic office. Determine what type of customers need your products and understand their ways. Where do they shop? Where they do frequent? Determine this and meet them where they already are!

Other sales methods that can help you increase your customer base include:

SELLING WITH NEIGHBOURS

If you only sell produce, that's ok, but when trying to target new customers, creating more of a "one-stop-shop" for their local food needs will increase the likelihood that you get orders. Think of this as like your own online farmers market! Connect with other producers and use Local Line to set up co-selling and co-delivery with neighbours. This is a great way to share costs and increase sales. Here's an example of a group of farmers in Northern Ontario, Canada that made this work for them.

INVESTING IN YOUR ONLINE PRESENCE

Whether it's investing time or money, it is essential to invest in your online presence. Being online has many benefits such as decreasing chance of missed orders, reaching more customers, and enhancing your brand. Everyone is online, including your customers, and your competitors. Don't miss the party! If you have an online store and presence that is modern, easy to use and professional, not only will you see some immediate results, but you'll thank yourself long term when your brand grows.

CREATING A REFERRAL PROGRAM

This is a big one. Word of mouth is extremely important in the food industry. Your customer base is bound to have friends that would love your products too. You should be tapping into your existing customer network to generate new leads. So how do you ensure that customers will refer you to friends on your behalf? We've outlined every step you need on page 18!

Referrals are a win-win for everyone. Your existing customer is rewarded for their loyalty by receiving a discounted price and your new customer is learning about your business from the most trusted source of marketing: word of mouth.

And, most importantly, your business just earned a new customer from an existing one!

USING A VARIETY OF MARKETING PLATFORMS

In addition to using a referral program, use various different marketing platforms. Use social media to promote your brand and showcase your products. Instagram can be a great tool to show pictures of your farm and show off the product transparency your customers are looking for. Attend food shows and festivals to build relationships with potential customers. Hang up promotional material at customer hotspots, such as gyms, farmers markets, local shops, etc. There are many different methods to promote your business. Using a variety will increase the likelihood the material reaches your audience.

REMEMBER:

Focusing on your customer service will help you run a successful referral program. Don't forget to continue to check in on your customers.



Finding restaurants to sell to is all about **research**! You're looking for more than a customer, you're looking for a partner. In a weird way, think of it like a marriage: it's best to get it right the first time. Start with looking at menus. Do you produce the type of food they sell? Do you think your product would good be a good fit with their style of food? Start creating a list of possible candidates you can approach, and you can also try:

ATTEND FOOD FESTIVALS

Local food festivals are a great platform for local vendors, restaurants and food suppliers to meet and share their love for food. Visit different stands that could showcase your products and make connections with the chefs. This allows you to taste food and meet who's behind it to determine if it's a good fit for you in a casual setting.

USE SOCIAL MEDIA

Social media is a leading tool in marketing for all businesses. Many restaurants use their social media to show off their food, show new items on the menu and try to reach new customers. Use the explore page or search restaurants near you to see what they're serving up. There are also an infinite number of Facebook groups available. Find a specific group that is applicable to your business.

This often a great place to make connections with local restaurants that are looking for new products.

FOLLOW FOOD BLOGS

Many chefs are interviewed by food writers to showcase their restaurants. Interviews often display the philosophy behind the menu and what types of food that are frequent to their restaurant. This allows you to determine if local is important to them and whether they could be a possible buyer.

WORD OF MOUTH

Ask around to non-competing food suppliers near you which restaurants they supply to. This will give you insight on which restaurants buy from local food suppliers. Having a connection will also allow you to have a foot in the door when connecting with chefs for possible purchase.

Finding Retailers

Similar to finding restaurants, finding possible retailers involves lots of research! There are many different types retailers, including:

- Independent Retailers
- Co-ops
- Speciality Health Stores
- Artisan Shops
- Butchers
- Bakeries
- Food hubs
- Big box retailers

Depending on your products, quantity, packaging, and delivery availability, the way you acquire retailers will differ. The first step is to book a meeting, but before that you'll want to do your research. It's best to find out who your competitors are, the type of quantity and frequency they require and any pricing information you can find that could make or break the deal.

In addition to research, using **word of mouth** can be helpful. Try asking non-competing food suppliers near you which retailers they supply. Hopefully they can also make connections to help you get started.

Trade shows are great because they happen normally every season, or at least every 6 months. Even if you don't have a booth, you can walk around and connect with buyers who want to sample your products.



ACQUIRING CUSTOMERS

You found your customers, but now you need them to order. **Let's break it down:**

Selling to Households:

These are our best tips to help you sell direct to customer:

MAKE AN ONLINE STRATEGY

In order to sell food online, you need to be online. As mentioned above, every consumer is online. This is the best way to reach new customers and make it easy and fast for them to buy from you. The best way to do this is to have an online store. Saves you time on taking, processing and carrying out orders. Be sure to keep your inventory up to date and use various marketing tools to promote this service.

GET REPETITIVE

Consumers are like goldfish- they have short memories. Your job is to get in front of them not just one time, but 100 times! Find out what platforms they frequency use and what are they looking for when ordering. What can make it the most convenient for them? If you match the needs of your customers to the services of your business, you are giving them fewer reasons to not order from you.

SHARE YOUR STORY

There are so many products available online. Make sure your products don't get lost in that. Create branding that is uniform among all platforms and is unique. Tell your story. Remember that buying local is all about supporting the community. Help everyone get to know you, and don't forget to play into current trends of the industry.



USE "BUY LOCAL" PLATFORMS, FACEBOOK GROUPS, AND OTHER ONLINE COMMUNITIES

Many states and provinces have local food directories for buyers to find farmers and producers in their area. Make profiles on these directories so that your business pops up when searched. Provide a link or contact information to allow consumers to buy from you easily.

Selling to Restaurants:

Selling to restaurants is much different than selling to households or retail, because restaurants don't just demand great product quality, they demand the whole package! To build a successful relationship with a restaurant, you need consistent supply, high quantities, frequent delivery, and ideally, a sales rep to help with that day-to-day management of the relationship. To help you better sell to restaurants, we interviewed B Hospitality executive chef, Aaron Clyne. Aaron is an expert in purchasing from local farms. He's spent over 10 years developing his relationships, and has helped us create a list of the main things to avoid, and the things you have to get right!



Aaron Clyne, B Hospitality

Here is his list of **Dos** and **Don'ts**.

DO MAKE
APPOINTMENTS,
DON'T JUST
SHOW UP.

Restaurants are extremely busy, especially during service time. The chef will have no time to meet with you and will not be able to give a fair assessment of your product. Be respectful of their time and call ahead. Making an appointment will increase the probability of selling your product, as the chef can be focused on what you are offering them.

Every food producer should be extremely proud of their products. It takes a lot of work to be able to produce, however there's a difference between being proud and being pretentious. If you are excited about your product, the chef will be too. They want to create a dish that will showcase the beauty of your product and want to share that excitement with the diner.

DO BE
PROUD,
DON'T BE
PRETENTIOUS

It is important that you don't put down other local food producers. This is a red flag for chefs. Local food is already in competition with large corporations, so there is no need to create competition between colleagues. Instead of bashing on other products, let the quality of yours speak for itself.

DO BE PERSISTENT, DON'T BE CLINGY

Chefs get many calls a day from suppliers wanting to sell them their products. Make sure to stand out from the crowd. Offer to send them a sample, invite them to your farm or show them how the product is produced. Tell them the story of your product. This way chefs will remember you and your product, and put you higher on the list of possible suppliers. Make sure to think about what you are showing them and pick a product that showcases your farm or business.

The most important point Aaron emphasized is to remember that selling to a chef is a relationship. If you respect their business and are open to dialogue, they will be too. Understand how their business works and how your business plays into that. The better the relationship between each other, the longer and more successful the partnership will be for both of you.

Generally, no means no. If a deal does not seem to work out, you should move on. If it was not a good fit for the chef, it probably was not a good fit for you. If you had a great initial conversation and there is promise for a partnership, follow up while still remembering to give them space.

DO SOMETHING MEMORABLE, DON'T BE LIKE EVERYONE ELSE



Selling to Retailers:

Selling to retail is unlike the other two channels, because retailers decide to buy from you if they have demand for your product- the retailer isn't the end customer. In order to be successful when selling to retail, you have to consider that you are actually selling to two different channels: the retailer or retail chain and the consumers shopping at the retail location. Here are some steps to consider when starting to sell:

1. Set a reasonable price and MOV (for you and for them)

The first thing to do is set your MOV (minimum order value). If you need a way to calculate this, *click here for our free MOV Calculator*. The MOV needs to be reasonable for your business to ensure that you are making profit and for the retailer so that they will order from you.

Please note: Selling to retail is unlike selling direct to customer as the retailers will only purchase at wholesale pricing. Due to this, the pricing and MOV must be adjusted in order to suit the larger order quantity.

2. Get your products in order

After you have determined appropriate pricing, you have to ensure your products have the following:

- **Food Safety Certifications** - This step is crucial. Do some research and make sure you have all the correct documentation so that you are able to sell your product in this environment. If you are unsure where to start, retailers deal with this every day, so reach out and ask!
- **Shelf Life** - Know the shelf life of your product. This is essential when considering the order frequency and distribution required to have a working relationship with a retailer. Your products should be properly labelled with best before dates.
- **Packaging** - This step is important for increasing the probability of a consumer picking up your product in store. When designing and planning your packaging, remember that packaging should consider: *product protection, product safety, product freshness, and brand identity*



3. Connect with a retailer

At this point you have considered the price and appearance of your product. It is now time to get your product into stores!

Set a meeting with a head buyer or department manager. This is the first step to getting in with a retailer. Do research and find out who deals with procurement. In a larger chain, often a buyer is hired and for smaller stores, the manager may do the buying. Each retailer is different so make sure you know who's the best person to contact. Reach out and set up a meeting. Scheduling a specific time to meet shows respect and allows the buyer to give you all of their attention. Like selling to chefs, selling to retail is a relationship.

Prepare your presentation

Your presentation is extremely important. For some retailers, the meeting will take place in a boardroom with a powerpoint and others over coffee. Be sure to know what kind of meeting you will be having. When preparing your presentation, consider these points:

- *What makes you a good fit for their stores?*
- *Why is your product better than what they're currently listing?*
- *Why are you the right long term partner?*

Pitch!

The final step is to pitch! We've been part of lots of good, and bad pitches, so if you're preparing your first pitch to retailers, we'd be happy to be a second set of eyes before the meeting!

4. Build a Customer Following

You did all the work to get your product on shelves, however in order to stay there people need to buy! This is the second channel when selling retail. By building a proper customer following, you will guarantee sales when you first start selling in retail. Here are some tips:

Use your current customer base

Make it easy for yourself – start with those who already love you! When you first transition, let your current customers know where they now can get your product. This will drive initial sales – and give you a trusted customer base.

Be a lifestyle advocate

Food is trendy. By advertising your product into certain trends, niches or lifestyles, it will likely drive sales as people want to join the craze too. Every product can fit into a trend if you spin it the right way. Do your research on what's new and in and build your marketing around that.

In store promotions

This can be a great way to drive new customers to buy your product. Work with your retailer to see if you can offer discounts or have space in the new this month section of the store. Making your product visible helps convince people to buy it.



CUSTOMER SERVICE

How to onboard new customers

All that time you spent on marketing has paid off! The customers are flowing in. The hardest job might seem like getting them in the first place, but you need to have a proper method set in place when onboarding new customers to keep them long term.

The first step to great customer service is a memorable onboarding experience. You are setting the stage for what buying from you will look like in the future. The goal of onboarding new customers is to get them to believe they made the right choice purchasing from you. You already got them hooked – now it's time to convince them to stay.

Be sure to remember these steps:

1. SET EXPECTATIONS AND GOALS

You cannot create a process without having a goal. This is the first step to successful onboarding. The goal in the first one to two months of your relationship is to get the customer into a habit of ordering. You can establish the right frequency for them, and get the habit of ordering well into their minds so that it becomes clock-work.

Then ask yourself: What should your customers expect from the onboarding process? What steps need to be taken in order for this to be a reality? What do you need from the customers to make onboarding successful? Outlining what customers need and how to get that to them, will create a successful process.

2, MAP THE ONBOARDING EXPERIENCE

After setting goals and expectations, map the onboarding experience from start to finish. What is the first interaction and how does that transition to being a seasoned customer? This helps you track which stage your customers are at and what next steps need to be taken. We suggest starting with a welcome email along with a signup page – this is where customers add information such as: *name, email address, delivery address, and phone number.*

Follow this step with a list of inventory and ordering instructions. How you structure your onboarding experience is entirely up to you – however be sure to make it clear, simple and consistent.

One tip we've found helpful is to look at larger players in the industry who are experts at onboarding, and in your own way, copy what they do.

3, GETTING TO KNOW YOUR CUSTOMERS

You should be an expert on your customers. Know how often they need to reorder, their pain points, and products they would like to see in the future. Be sure to collect as much information on your customers as you can. This allows you to address these concerns before they occur. Each customer needs to have a profile on your system with this information, plus their order history.



4. SEND THEM YOUR PRODUCT LIST

Send new customers a list of your inventory every week, ideally, right before they order. Let your customers know what they can buy from you. A current list of your inventory also eliminates any confusion about what's available and what's not.

Note: Make sure to continuously update and resend this list. Your customers might lose the original list or the list might change. Plus it's a reminder to your customers to place their orders.

5. COMMUNICATION

Set this up right off the bat. Ask your customers how they prefer to be communicated with, and let them know how you like to communicate best. Perhaps you create a frequently asked questions section on your website. The more upfront you are at the beginning, the smaller chance that you will have issues in the future. Remember, this is not a single sale - it's an ongoing relationship.

6. GET THE FIRST INTERACTION RIGHT

People remember bad experiences - don't let your business be one. Be organized, professional and friendly when interacting with new customers. A positive beginning will ensure a happy and profitable future. Share the philosophy of your brand and all that your brand offers. If your business uses sales representatives, be sure you have the right people that represent your brand the way you would. Unlike other industries, food is very personal. The first interaction, and every interaction, are extremely important.

How to keep your customers

You've onboarded your customers, however this is where the hard work begins. Getting new customers is often the goal for many businesses, however keeping your existing customers promises continuous profit. These are our six tips that will help you ensure you're keeping that relationship strong:

COMMUNICATION

This is key! Create a frequent line of communication between you and your customers, such as sending a weekly newsletter that includes specials. This will show your customers they're still important to you and informs them of all what's new!

INVENTORY

Frequently send your customers an updated list of all you have in stock. This is a friendly reminder to customers of all the different products you produce and shows them anything new or in season. Showing a list of products will also encourage your repeat customers to order something else.

SIMPLE ORDERING PROCESS

Making it easy for customers to order from you ensures happy and returning customers. If the first time ordering was straight forward and an enjoyable process, customers will want to stay with you. To make this process easier, consider implementing an online store, inventory management and customer database program. Here are some tips for making this process simpler:

- **Use only one method for incoming orders:** This will reduce any mixups from orders coming from all different places and will help you focus on a perfecting one process.
- **Record all incoming orders in one place:** Don't mess yourself up by having orders written down in multiple places!
- **Remind customers how to order:** Sometimes people forget! Don't hesitate to send your current customers a reminder on how to order. This influences customers to order again and where to go to do it.



PUT A FACE TO THE BRAND

The food industry is personal, especially local food. People want to know who's growing their food. Posting occasional pictures of your farm and your family is super important to the customers buying. Go a step further. Shake their hand, host a "meet the farmer event", be the person they think of when they think of amazing food.

BE CURRENT

Everyone loves trendy. Keep on track of trends that apply to your business and implement them where possible! For example if you source zucchini as a product, share and showcase recipes using zucchini noodles for people trying to go low carb.

MAKE IT WORTH IT TO BE A CUSTOMER

Offer special deals to recurring customers:

- With the 10th purchase get an item free
- Holiday sales with free shipping
- Refer a friend and get 10% off your next purchase

How to increase your sales

Now that you've got your customers and kept them, it's time to get the most out of them! Here are our ways to help you make the most of the customer base you have:

REFERRALS

This is a big one. Word of mouth is extremely important in the food industry. Your customer base is bound to have friends that would love your products too. You should be tapping into your existing customer network to generate new leads. So how do you ensure that customers will refer you to friends on your behalf? Here are 6 steps for creating your own referral program:

1. SET YOUR GOALS

Determine what you want to get out of your referral program. Are you looking to increase your customer base by a certain percentage? Maybe your goal is to have each customer refer at least one other potential customer you can go talk to. Setting your sights on a goal will help to map out your program.

2. CHOOSE YOUR REFERRALS

Consumers are like goldfish, easily distracted and have short memories. Meet them halfway. Find out what platforms they frequently use and what are they looking for when ordering. What can make it the most convenient for them? If you match the needs of your customers to the services of your business, you are giving them fewer reasons not to order from you.

3. DEFINE THE PROGRAM

There are couple of features to think about. First, now that you've chosen who the program is available to, consider what kind of deal would incentivize them the most.

Should the discount go towards select, higher end products, or should it apply to everything? Secondly, determine how the program will work. Ideally, the discount should only be activated once the referred friend has made their first purchase. Other aspects to consider is timing, such as when to implement the program and how long it should last.

4. ALERT YOUR CUSTOMERS

Once you've created your referral program, it's time to spread the news. Emails and social media are one of the fastest ways to inform your customers of the special discount. Other strategies could be including flyers with your deliveries or adding a link to the referral program in your email signature. With any marketing plan, it's best to be persistent and consistent throughout the program's entire existence to ensure it becomes known to your customers.

5. TRACK THE PROGRAM

Monitoring your program is necessary to see if it's working. You should be tracking who and when someone was referred, who referred them, and if the new referral made a purchase. Tracking these metrics can be helpful to improve the program if you plan on launching it again in the future.

6. SAY THANK YOU!

At this stage in the game, it's time for some recognition. Follow up with your existing customers thanking them for their referral, and then thank your new customers for joining. Asking for customer feedback can be a nice touch, too. A little recognition goes a long way in keeping customers happy.

The end result of implementing a referral program means you'll have established credibility and trust with potential customers much faster. When you can get them to order faster, it's less time you'll spend on the research, samples, and follow-ups.

Referring a friend is a win-win for everyone. Your existing customer is rewarded for their loyalty by receiving a discounted price. Your new customer is learning about your business from the most trusted source of marketing: word of mouth. And, most importantly, your business just earned a new customer from an existing one!

INCREASE AVERAGE ORDER VALUE (AOV)

An average order value (AOV) is the average order made by all of your current customers. To calculate your AOV, take the sum of all of your current orders and divide it by the number of orders received. To make this easier for you, you can calculate this value on an excel spreadsheet, or Local Line can do it for you.

Example calculation:

Jenny's Bakery - **\$53**

Andrew's Grocery - **\$72**

Bob Smith - **\$57**

Andy McPherson - **\$81**

Your AOV is **\$65.75** ($53 + 72 + 57 + 81 = 263 / 4 \text{ orders} = 65.75$).

It may seem intimidating to think of ways to increase your AOV. We found that these methods are effective:

INVENTORY LISTS

Many returning customers order the same thing on a weekly basis. They know what they like and that they can get it from you. In order to encourage these customers to step out of their comfort zone, be sure to send an updated inventory list frequently to remind customers of other products you source as well. It could also be helpful to include phrases like "We know you love (product name), so you may also love (product name)." This can help push them into trying something new.

SEASONAL RECIPES

Consider adding seasonal recipes (based on a holiday coming up or a time of year) that showcases a variety of your products. This will inspire your customers to recreate and buy all the ingredients from you. This can only be effective if you produce a variety of products.

ORDER DISCOUNTING

This can be an impactful method for getting more from your current customers. Offer different discounting methods like orders over a certain threshold get free shipping. This gives a customer incentive to order a larger quantity to get the discount.

PRICE INCREASING

If you increase your prices by slight increments, your AOV will automatically increase. You can play around with different values and see which works the best for your business and your customer base.

INCREASE PRODUCT SIZING

To increase AOV, consider increasing the size of your products. For example, if you sell a weighted product, increasing this product by 1 lb per pack causes the customer to order more product from you per purchase. Due to the larger size of the product, the price of the product increases, therefore increasing the AOV.

NOTE:

Price increasing can be intimidating, but it's the easiest way to increase your sales! If you haven't increased your pricing in over 2 years, you should consider trying it.





How to reduce order mixups

Order mix-ups are missed, incorrect, or incomplete orders to customers as a result of a miscommunication between them and you. Mix-ups can result in wasted inventory, lost money and unhappy customers. Often, local food suppliers receive orders through many different means: email, phone call, text message, word of mouth; and often lack a system to be able to process orders without making any errors. Using these tips, you will be able to manage your orders, ensure customer satisfaction and reduce your order mix-ups.

HAVE A CENTRALIZED SYSTEM FOR ALL INCOMING ORDERS

Say goodbye to scrap pieces of paper and a full email inbox. Reducing clutter from orders will give you a space for all incoming orders to be visible. Setting a clear protocol on how orders should be placed and where they should be placed will create a system where no orders will be lost or misunderstood. It is also essential that you have a clear system where incoming orders are recorded, otherwise, it's too easy to let something fall through the cracks.

DIRECT MESSAGING TO CUSTOMERS

Ideally, you want to keep all communication from all customers on the same platform to be able to reference it in the future.

The use of the same platform also informs the customer on the best way to connect with you if they are encountering any problems. Even if the communications come in through various channels, you should have a dedicated, digital home for all customer notes and conversations. Notebooks are nice, but too easily lost or damaged (trust us, we've spilt one too many cups of coffee on our notebooks before)!

MANAGE YOUR DELIVERY AND PICKUP LOGISTICS

Manage your delivery and pick up logistics by creating a clear, public schedule of when you are able to deliver products directly to the customer or to the predetermined pick up locations. This allows your customers to be aware of when they are to receive their products and reduces any possible conflict you could have when scheduling deliveries. You should also add any delivery fees, tracking information, contact information and any other items that are important about the delivery/pick up process along with your schedule.

AUTOMATE YOUR INVENTORY TRACKING

It is essential to keep track of your inventory by recording what you have in stock and what you have sold. Without keeping track of what you have in your inventory, the chance of possible mix-ups increases exponentially. It is also beneficial to show your customers your inventory, so that they will not order items that are no longer in stock or no longer sold.

How to deal with returned orders

Ways to avoid returned orders:

ORGANIZATION

The biggest key to reducing order mixups and minimizing the chance of a buyer receiving something they did not order, is to be organized. Having a centralized platform where you can see all incoming and outgoing orders, allows you to keep track of what needs to go where, when.

IMPLEMENT A PRE-SHIPMENT QUALITY CHECK

The most common cause of returned orders is product quality. Product consistency is really important to customers, so if you're not checking each order as it's packed, it's possible you'll send out sub-par products that don't meet customers expectations.

PROVIDE DESCRIPTIONS AND PHOTOS OF YOUR PRODUCTS

Often, customers order something thinking it will be one way, when it's actually something else. When selling online, it is important to remain transparent and provide sufficient description and photos of your products to eliminate confusion.

MINIMIZE QUALITY CHANGES DURING TRANSPORTATION

Product temperature and time on the road are the two most important factors that ensure product consistency. There are strict health regulations in place so food stays safe during transport, which means poor temperature control can not only be dangerous, but aesthetically, it can lead to chemical reactions that alter the appearance or texture of a product.

How to manage returned orders:

PROVIDE CONTACT INFORMATION

Designate one contact person to deal with all returned orders. Delegating the position to one specific person, makes it easy for customers to know who to contact and reduces the chance of the email or message to be lost. Also, if one person is dealing with all returned orders, the methodology will be more consistent. Make sure this person loves making customers happy!!

EVEN IF IT'S NOT YOUR FAULT, APOLOGIZE FOR THE ISSUE

Even if it wasn't 100% your fault, let the customer know you hear their concerns and that you're going to help them. Fighting with a customer over a returned order will only lead to tension. Also, you don't want an unhappy customer posting about their negative experience on different platforms.

HAVE AN ACCEPTED RETURNS TIME-FRAME

As food is different than other products people order online, in that it has an expiry date, only accept returns that are within a reasonable time frame. If a customer ordered lettuce from you a week ago and are complaining that the lettuce is expired, the complaint should not be your responsibility.

OFFER STORE CREDIT

This method gives the consumer the freedom to get a new version of what they already ordered or order something else. You are putting the ball in their court, however still ensuring that sale remains in your business. If a customer is insisting for their money back, offer that. It is essential to keep the customer happy.

DISTRIBUTION

How to get products to your customers

Offering delivery services to your customers is advantageous to growing your business, but there's a balance between great service and healthy margins.

The ability to offer delivery to your customers is dependent on three different variables: the **minimum order value** compared to your **average order value**, the **frequency of orders** received and the **geographical location** of customers.

MINIMUM ORDER VALUE (MOV)

A Minimum Order Value (MOV) is the lowest dollar value that you will ship to your customers. Setting a MOV guarantees a minimum profit per order, while also ensuring that the cost of distributing your product is not too high per order. Calculate your MOV and compare this to your Average Order Value (AOV) to see if you're making profitable deliveries or not. To calculate your AOV, take the sum of all of your orders and divide that value by the number of orders.

Calculating your AOV:

Jenny's Bakery - **\$53**

Andrew's Grocery - **\$72**

Bob Smith - **\$57**

Andy McPherson - **\$81**

Your AOV is **\$65.75** ($53 + 72 + 57 + 81 = \$263 / 4$ orders = **\$65.75**).

If the majority of your orders are above or at your MOV (**AOV > MOV**), offering delivery to your customers is economically sound.

FREQUENCY OF ORDERS

The next parameter that must be considered is order frequency. Generally, the more frequent the order from customers, the smaller the order size. If you have customers orders multiple times per week, you're going to need a lot of customers in a concentrated area in order to make deliveries profitable. If customers are ordering once a month, chances are their orders will be much higher, and it will be much more economical for you to deliver to them.

GEOGRAPHICAL LOCATION OF CUSTOMERS

This parameter ties into frequency of orders. If the incoming frequency is manageable for the time frame, the distance between customers must also be reasonable. For example, if 22 orders a day is feasible for your business, where must those orders be delivered to? 22 orders in 6 different cities may not be possible, or profitable in day, however 22 orders in the same neighbourhood is highly profitable.

The key is to get a high density of customers in a concentrated area, and set delivery days to drop off products. For example you might service city A on Monday and city B on Tuesday. If all of these parameters are manageable - delivery works for your business. If this doesn't sound feasible to your customers, there are many other ways to get your products to your customers than direct delivery, such as adding pickup locations.



How to calculate your delivery costs

Delivery can be very expensive and hard to track. When considering to offer delivery in your business, it is important to calculate the costs of being on the road.

Here are the **6 steps** to calculate your hourly delivery costs:

STEP 1: Determine time on the road

The first step is to calculate how many hours the vehicle is on the road on a daily or weekly basis. For example, on any given delivery day, the truck is on the road for **6 hours** and deliveries are made on Mondays, Thursdays and Saturdays. **6 hours × 3 days = 18 hours per week.**

STEP 2: Cost of driver

This is dependent on the cost of your specific driver, whether that is you personally or a third party. For this example, let's say the cost of the driver is **\$30/hour.**

STEP 3: Cost of gas

Cost of gas can be a tricky variable to determine. The best way to determine the cost of gas is to fill up the transportation vehicle fully with gas at the beginning of a delivery day, note the cost, and at the end of the day calculate the cost of the gas used for that day. For example, the cost to fill up the vehicle completely was **\$100.** At the end of the day, $\frac{3}{4}$ of the tank had been used; therefore the cost of the fuel used was **\$75** (**\$100 × 75% = \$75**).

Because the vehicle was on the road for **6 hours**, the cost of gas per hour would be **\$12.50** (**\$75/6 hours = \$12.50 per hour**).

NOTE: this is an approximation of the cost of gas and may vary based on location, traffic, or route changes.

STEP 4: Determine hourly insurance cost

What is your annual insurance cost? Take that number and divide by **12 months** to determine monthly cost. To determine hourly cost, divide the cost of insurance monthly by the number of hours driven in a month.

For example, let's say the annual insurance cost is **\$3,000.** The monthly insurance cost would be **\$250** (**\$3,000/12 months = \$250**).

The number of hours driven in a month for this vehicle is **72 hours** (**3 days/wk × 4 wks = 12 days a month; 12 days × 6 hrs = 72 hrs/month**).

The hourly rate for insurance would be **\$3.47** (**\$250/month / 72 hours/month = \$3.47**).

STEP 5: Calculating Depreciation

Determine the percent of depreciation per year for your vehicle. We recommend applying at least a **15%** depreciation on the value of a vehicle per year.

To determine annual depreciation value, multiply the value of your vehicle if you were to sell it today by the annual depreciation percentage. To determine monthly depreciation divide the annual depreciation by **12 months**. To determine hourly depreciation, divide the monthly depreciation by the number of hours driven each month.

For our example, the value of our vehicle today is **\$50,000**.

With an annual depreciation of **%15**, the annual depreciation value would be **\$7,500**. ($\$50,000 \times 15\% = \$7,500$).

The hourly depreciation would on the vehicle would be **\$8.68**. ($\$7,500/12 \text{ months} = \625 ; $\$625/72 \text{ hrs} = \8.68).

Note: Be sure to repeat this step on an annual basis as the depreciation number will get smaller as the vehicle becomes worth less.

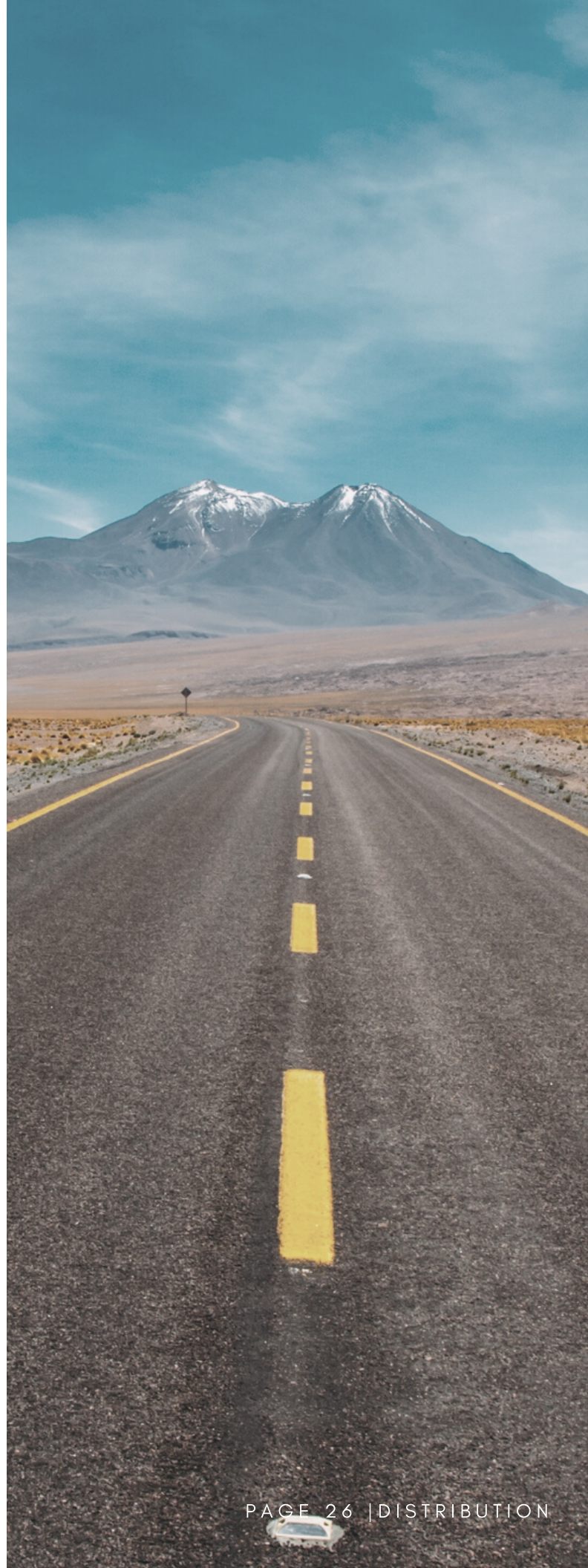
STEP 6: Total hourly delivery costs

The final step to calculate hourly delivery costs is to sum every step. The hourly delivery cost for our example would be **\$54.65**.

($\$30$ for cost of driver + $\$12.50$ for cost of gas + $\$3.47$ for cost of insurance + $\$8.68$ for cost of depreciation = $\$54.65/\text{hour}$)

NOTE:

If delivery isn't feasible for your business, consider using pick up locations or co-delivery for more cost-efficient distribution.



How to calculate your minimum order value

As a food supplier you know there are lots of things you can't control. One of those things is order volumes. You never know exactly how many units of product your customer is going to buy, and as a result, your earnings are at their mercy. How can you take agency of this situation to have more control over your business and your profits? Start by setting a Minimum Order Value.

A Minimum Order Value (MOV) is the lowest dollar value that you will ship to your customers. Setting a MOV guarantees a minimum profit per order, while also ensuring that the cost of distributing your product is not too high per order. How is this so? Because you can calculate the perfect MOV that is specific to the needs of your own business.

To help you calculate your own MOV, we've created a step-by-step guide, as well as a downloadable MOV calculator for you to use.

STEP 1: Calculate your cost on the road

MOVs are based on your expenses. Take into account the total cost of your driver's wage, gas, and maintenance fees. For this example, let's assume your delivery costs are **\$80/hour**.

STEP 2: Calculate your break even point

Next, determine the value of product that you have to deliver per hour in order to break even. To calculate this, divide your hourly delivery cost by your margins. For this example, let's assume your margins are 25%. The calculation looks like this:

$\$80/\text{hour} / 25\% \text{ margins} = \320 in sales.

This means you have to deliver **\$320** of product per hour to break even on your deliveries.

STEP 3: Set your target profit

Now that we know what it takes to break even on your deliveries, we have to set a profit target. Let's say you want to double your break even point and profit \$80/hour of deliveries. This means you would have to deliver \$640 of product per hour.

The revenue made from this sale would be **\$160** (**$\$640 \times 25\% = \$160$**). After calculating for delivery costs (**$\$160 - \$80/\text{hour} = \$80$**), your business would net **\$80** in profit.

STEP 4: Determine how many deliveries you can make per hour

Knowing the number of deliveries you can make every hour is necessary to calculate your MOV. You'll need to assess the travel distance for every city, as well as customer proximity. In other words, how long does it take to drive to a city and how long does it take to deliver to each customer in that city?

For this example, let's say you can make 3 deliveries every hour.

STEP 5: Calculate your Minimum Order Value

Finally, to calculate your MOV, divide your hourly order volume by the number of deliveries you can make per hour: **$\$640 \text{ in total sales} / 3 \text{ deliveries per hour} = \$213/\text{order}$** . This means, to net **\$80/hour**, the smallest order at which a customer could purchase your product is **\$213**.

Let's take this last step further. If you're planning to be on the road for 8 **hours** a day, then your load capacity needs to be **\$5,120** of product in order to net **\$80/hour** (**$\$640 \times 8 \text{ hours} = \$5,120$**). As a result, your business would profit **\$640/day** (**$\$80/\text{hour profit} \times 8 \text{ hours delivering}$**). Of course, **\$213** is the lowest you could sell your product to reach your goal, but you may want to round the price up to build in some extra margin.

How to create a delivery plan to maximize profit

Here are 5 steps to help your business plan a delivery schedule that helps to maximize profit:

1. Re-assess your current logistics plan

The first step to maximizing profit is to dissect your current distribution plan. How often are you delivering product and what is the profit per delivery? If you create an overview of current operations, it is easy to point out which areas need improvement.

2. Determine your distribution capacity

It's time to take it from the top. What places can you reach? How frequently can you get there? How big do the orders have to be? Before considering what your customers need, consider what you can actually provide.

3. Consider the needs of your customers

Consider what types of customers you have. Should you offer delivery to all customers? Where are your customers and where are potential other customers? If you plan your delivery schedules around the needs of your customers and your distribution capacity, it will help you to profit from deliveries.

4. Implement pick up locations

Pick up locations are a great way to service multiple customers at once. Dropping products off at a central location like a store, gym, or warehouse makes your deliveries more economical. If you can't currently offer front door delivery, centralized pickup locations that are close to where your customer lives is your best option.

5. Co-deliver

Co-delivery is the coordination of vehicle distribution routes from different suppliers to bring products to their buyers. It allows you increase your shipping area, saves you money per delivery, fills your loading capacity, and helps to reduce emissions from your distribution route. To see how this worked well for three Ontario farmers, click [here](#).



*I'm
considering
a shipping
partner -
how do I
get
started?*



If you are looking to offer direct delivery to your business, however do not have the resources or time to deliver yourself, partnering with a shipping partner is a good option. Here is all you need to know about getting started with a shipping partner:

ADVANTAGES OF A SHIPPING PARTNER

A shipping partner or third party logistics provider (3PL) is a service that receives, holds and transports a product from you to your customer.

Some advantages include:

Temperature-controlled warehousing and travel

Purchasing your own temperature-controlled vehicles can be very expensive, therefore dependent on your product type, this is a huge advantage.

Saves you time from delivering yourself

If you're too busy to do deliveries yourself, you can package and send your products off without losing time.

3PL's are distribution professionals!

Third party distributors have a lot of experience with the nuances of distribution. Depending on who you pick, if your distributor is specifically a food distributor, they will have extensive knowledge on health regulations and shipping dos and don'ts.

DISADVANTAGES OF A SHIPPING PARTNER

There are disadvantages too. These include:

Expensive set up and usage fees

There are many upfront costs associated with setting up services with a shipping partner. Be sure you understand how they charge, and calculate your approximate costs before agreeing to any shipment.

Customer responsibility

If the customer is not there to collect the delivery – the package will be returned to you. Within the food industry, this can be a huge problem. Due to the fragile nature and perishability of food, there is a possibility that when the product is returned to you, quality will have suffered.

Out of your hands

In regards to customer service and accountability, the delivery protocol is out of your hands. The interaction with customer at delivery is not in your control; therefore if a bad experience occurs with the shipping partner, it reflects poorly on your business.

HOW DO I KNOW IF IT'S RIGHT FOR ME?

After considering the pros and cons of a shipping partner, the next step is determining if it works for you. Ask yourself these questions:

What is your current distribution plan?

Assess your current distribution plan. What are your customers asking for? Have you considered starting with pickup locations? Determine whether offering delivery is the right step for your business financially at this time.

Are you fulfilling more than 5-10 orders a day?

This is the starting point when you should start considering working with a partner. Dependent on your margins and profit, it might be beneficial for someone else to take the load off of you.

Is your business growing or about to spike?

Do you have demand from customers that are out of your local delivery range? If you're in San Francisco and get an order in San Diego, you're not going to start the truck to deliver it. If you find yourself with more and more demand from far away places, calling a local 3PL is probably a good idea.

HOW DO I FIND THE RIGHT ONE?

If working with a shipping partner is feasible for your business, the next step is to find the right one. When choosing the best shipping partner to work with, here are some questions you should be asking:

1. *Do they have an enforced non-disclosure agreement (NDA)?*
2. *What are their hours of operation? Do they ship on weekends and holidays?*
3. *What is their capacity? Are they able to meet your delivery demands?*
4. *Are they located in high-demand areas for your business? Do they have to travel far to get to you or your customers?*
5. *Do they have good reviews from other food suppliers similar to your business?*
6. *Do they have experience shipping food products?*
7. *Can they provide necessary documentation regarding food and health safety standards?*
8. *Are they temperature-controlled if necessary?*
9. *How do they compensate for delays in delivery?*
10. *Can they handle unexpected spikes in delivery demand?*
11. *What is the communication strategy in regards to orders, shipping notices, receiving and adjusting notifications?*
12. *What costs are included in their quote? These are some costs that may be added:*

Transportation costs – the cost of picking up the product from you.

Shipping costs – the actual cost of shipping your product to the customer.

Return costs – the cost if a product is returned from a customer to you.

Account set up fees – the price of creating an account.

Minimum costs – this the minimum cost of using the service. This is important to note when having a slow month.

When deciding to work with a shipping partner, talk to them! Be sure to get answers to the important questions. You don't want a partner that doesn't work for your business and be left with unfulfilled orders, unhappy customers, and lost sales.

A common mistake made is jumping into business without proper research. Working with a shipping partner can help your business, however only if done correctly. Get ahead, do research, and find the right partner.





How profitable can pickup locations be?

It can be very daunting to produce, market and deliver products. Many food suppliers find that they do not have the resources to be able to expand their delivery area, meanwhile trying to maintain other aspects of their business. Often, it's very time consuming and difficult to coordinate a number of small deliveries within a week. If you're concerned that your orders are too small to be doing direct delivery, you might want to look into establishing pickup locations!

WHAT ARE PICKUP LOCATIONS?

A pick up location is a predetermined area where a buyer is able to go to collect the items they have purchased from your business. A pick up location could include a store, warehouse, or restaurant. These locations can be inside or outside of your current delivery zones depending on your capacity. Introducing pick up locations also allow you to be able to sell your product in multiple locations and serve multiple customers in an economical way. It can broaden your distribution area by reducing the amount of deliveries per city/region.

HOW DO PICKUP LOCATIONS SAVE ME MONEY?

Let's use the sample business model from the MOV section. Just to refresh, these are our numbers:

- The cost on the road is **\$80/hour**
- The breakeven point is **\$320/hour in sales**
- The target net profit is **\$80/hour**
- The truck is able to make 3 deliveries per hour
- The minimum order value (MOV) is \$213.

Therefore, based on the model, your business would make **24 deliveries in a day** (3 deliveries/hour x 8 hours = 24 deliveries) with an MOQ of **\$5,120 (\$213 minimum order x 24 deliveries)** and a net profit of **\$640/day**. If at one pick up location, you were able to deliver 6 customer orders, then your total daily deliveries would be 18, not 24. A reduction of 6 deliveries means two hours less on the road, but still the same amount of sales. Because sales don't suffer, you simply subtract 2 hours worth of cost on the road (**\$80/hour x 2 hours = \$160 saved**). In this case, your profit just jumped from \$640/day to **\$800/day (\$640 profit + \$160 savings)**.



HOW DO I FIND A PICKUP LOCATION?

Pickup locations can save you money, however it's important that you find the perfect location for your business. This can be a difficult process, so we have created a five step process for helping you find the perfect pickup location:

1. Look at where the majority of your orders need to go

The first step when determining where to have a pickup location is determining where your customers are. By taking into account where the orders need to go, you will pick a location that is feasible for your customers. If you currently do not offer a delivery service and are unaware of where your customers are coming from, ask. Reach out to current customers and ask them if they would benefit from a pickup location and where that location should be.

2. Decide what kind of pickup location would work for your business

Think about what type of product you sell and where that would fit best. Would it make sense to sell your product in a retail store, restaurant or warehouse? Do they have the capacity to store your product? What type of customers do you have and where would they prefer to visit? For example, for a restaurant or retailer picking up large orders, it would make sense for them to pick up their orders at a warehouse, however a customer ordering one or two products would not pick up an order from a warehouse and would probably want to pick up at a local school or church.

3. Scan the region for possible fits

Do some research and look at what retail stores, restaurants, warehouses and other facilities are available to you in your distribution area. What do they currently sell at these places? Would having your product available for pickup at their locations be beneficial to them?

4. Connect and make a plan

Reach out to possible pickup locations and make an arrangement with them. Consider what the cost of the location will be per pick up. Will the location be dealing with the customers who are picking up or will you be at the pickup location dealing directly with customers? Where will you be stationed? How many pickups will you be having each week? What hours during the day are acceptable for customers to pick up? Create a clear plan with the pickup location to avoid future confusion with customers and your pickup partner.



A white semi-truck is driving on a paved road towards the camera. The truck has a large chrome grille and headlights. The background shows a clear blue sky and some trees in the distance.

What is co-delivery and how can it help me?

Everyday, local food suppliers across North America are struggling to get their products to their buyers. On average, the vehicle load for distributing food products is approximately 50% when arriving at the delivery point. This means that the majority of transportation is moving half full. This inefficient loading of transport vehicles leads to increased cost, increased emissions and less capacity to be able to ship in a larger area to grow customer base. This is where co-delivery comes in.

WHAT IS CO-DELIVERY?

Co-delivery is the coordination of vehicle distribution routes from different suppliers to bring products to their buyers. Essentially, it is connecting two suppliers that need to distribute their products to the same location, however do not have the capacity to do it alone.

BENEFITS OF CO-DELIVERY?

1. IT SAVES YOU MONEY

Leveraging co-delivery will save your business money, as it reduces the possibility of transportation with a partly loaded vehicle. When working together with one or multiple different suppliers, you all share in the distribution cost, meaning you'll have better margins and more profit.

2. IT INCREASES YOUR SHIPPING AREA

Distributing in partnership with other suppliers will give your business the ability to ship to new cities that may have previously been unreachable. As a result, it can give you the ability to broaden your customer base – as the product is now available in a larger shipping area and you have access to the client directory of the other suppliers you are partnering with.

3. IT FILLS CAPACITY (ESPECIALLY BACKHAULING)

Backhauling is the carrying of goods on return trips. For example, delivering a product from your farm to Toronto and then collecting products from suppliers located in Toronto and bringing them to the region where your farm is located in. This prevents empty vehicles from returning to their original location and aiding other suppliers that require transportation. Backhauling allows you to profit on the return trip.

4. IT WILL REDUCE EMISSIONS FROM YOUR ROUTE

By participating in co-delivery, you are reducing the transportation of half loaded vehicles from traveling back and forth to the same location. If there is only one vehicle driving the route, the amount of emissions will be cut in half. In a study that looked at transportation collaboration between two large corporations, Nestle and United Biscuits; co-delivery reduced fuel consumption by 85,000 litres and CO₂ emissions by 223 tons (Mittal et al. 2018).

WHAT PARAMETERS NEED TO BE CONSIDERED?

Co-delivery is an exciting concept that has been used in the shipping industry through different platforms such as, UShip, however needs to be modified in order to fit the needs of food. The essential parameters to be considered within food distribution can be split into three different categories:

TIME FRAME FOR OPTIMAL FRESHNESS

This parameter considers the optimal time frame in order for the product to be as fresh as possible when arriving to the buyer. Shelf life of food, unlike other types of shipped goods, is limited. The date of harvest/production and travel time must be considered when creating a distribution plan. The time frame is dependent on the type of food product, as frozen or canned goods have a larger gap than fresh produce.

TEMPERATURE AND QUALITY

Food products all have different optimal temperatures to ensure that the product remains fresh and safe for the buyer to consume. Generally, food products ship at three different temperature ranges: Frozen (-21 to -18°C), chilled (0-15°C) and ambient or room temperature (Akkerman 2010). Poor temperature control can lead to chemical reactions that change the appearance or texture of a product (Akkerman 2010). Also, food safety regulations require temperatures during transport to be well established and well documented.

SHIPPING COMPATIBILITY

Not all food can be shipped together. There are food safety regulations in place that ensure that food products are protected from contamination and the spread of harmful microorganisms (Alberta Agriculture and Rural Development 2015); therefore this parameter considers which products should be matched together to ensure the safest method for distribution.

ROUTING

You need to have thought through routing for each delivery day prior to getting on the road. You don't have to arrive at a potato farm and begin loading 50lb bags of potatoes only to realize they're on top of a flat or strawberries. Be sure to include product type in your route planning!

HOW CAN I IMPLEMENT CO-DELIVERY?

Here are the steps to take in order to successfully implement co-delivery into your business:

1. DETERMINE YOUR TRANSPORTATION CAPACITY

This step involves determining your ability for distribution. Are you able to deliver your products or are you looking for an outside source to deliver for you? This determines if you are the transporter or a transport user within a co-delivery scheme. Transportation capacity could also mean that you are only able to go to one major city during the week instead of two. Determining these parameters will allow you to know what you need from a co-delivery plan before connecting with other businesses, and will help you plan for either being a party that's looking to save money by shipping **with** someone else, or make money by shipping **for** someone else.

2. CREATE A DISTRIBUTION LOGISTICS PLAN

This plan considers the physical distribution structure for your product and considers variables such as food safety regulation, space and weight, vehicle type, what type of food products to ship with, whether you do pick ups or deliveries, etc. The plan should consider every aspect that goes into the distribution.

3. CREATE A SCHEDULE

Where and when will you be delivering your product? Create a monthly/weekly (dependent on your delivery frequency) schedule for a 6-12 month period that maps where and when you will be transporting goods. This schedule is bound to change, however it is important to have an idea on when/where you need distribution. This will also make it easier to coordinate with other suppliers.

4. FIND AND RESEARCH POSSIBLE CO-DELIVERY PARTNERS

When searching for a co-delivery partner, make sure to consider all your variables you mentioned in your distribution logistics plan, such as food safety and what type of food products to ship with. It also important to consider what their delivery schedule is and if you are able to match up based on yours. Possible suppliers can be found online by following social media pages of like-minded food producers, through online groups (most commonly found on Facebook), at local markets and through personal connections. How you find a co-delivery relationship can be very unique to you. Finding partnerships can be a difficult step and this is where Local Line hopes to jump in by creating connections between possible candidates.

5. CREATE AN AGREEMENT AND GET GOING!

The most important step for implementing a co-delivery plan to your distribution logistics is to put an agreement in place. This is the starting point to making co-delivery possible. When you've found the perfect partner(s), remember to go back and review your logistics plans, transportation capacities and schedules to create a unique plan that works for your businesses. Iron out the details and possible situations that may arise. Make sure you know how to deal with potential quality issues and payment terms.

What's next?



Throughout this guide, we have addressed many of the challenges, opportunities, solutions and best practices of selling food online. We hope you found the solutions to your pain points or have collected some ideas for future ventures.

The reality is food production is hard.

It's not getting any easier. You will always need to continually update your processes, methods and services based on changing market demands. Throughout our interactions with food suppliers, we found that it's important to emphasize that everything and everyone is moving online. Households, restaurants, retailers, hotels, catering, institutions, etc. are all there. It's time for their suppliers to be online and serve them in the best way possible.

If you're feeling a bit overwhelmed, don't worry! Making the switch to selling online isn't a transformational process that takes months to prepare for and months to execute on – you can start in as little as one day. Take it one day at a time and all of a sudden you'll have more sales, better processes, and more control over your life and business! Trust us, it is not as complicated (or time consuming) as it seems.

Farming will always be hard, so let's learn to run our businesses a little smarter and make life a little easier.

All the best, Local Line