

Innovation Key to Success

Ritchies IGA and Lenard's, both classic Australian business success stories, have joined forces again to provide effective competition for the big two supermarket chains.

The ingenious idea of placing a Lenard's franchise within a supermarket came from Len Poulter, founder of Lenard's.

"The independent supermarkets allow Lenard's to open stores in areas where stand-alone outlets would not be viable," Mr Poulter said.

"The stores follow Lenard's traditional fresh food principle, with all products made daily in the back of the store and then marketed at the front.

"It's all about strategic thinking and identifying market niches to cover. Lenard's and Ritchies IGA have combined to form a winning combination - one that our two larger rivals can't match."

Chief Executive of the 40-strong chain of Ritchies IGA Supermarkets in Victoria, Mr Fred Harrison, says independent supermarkets need to engage in innovative franchising to compete with their giant counterparts.

"Ritchies IGA has gained a competitive edge by placing Lenard's franchises within our supermarkets," Mr Harrison.

"In my business, it's essential that you have a strong point of difference. We will never out-play the big guys so we have got to be smart and rely on innovative strategies and the mix of Ritchies IGA and Lenard's has achieved this."

Lenard's has used this same supermarket strategy to expand in the New Zealand market, with the additional convenience of having Lenard's tray pack products in supermarkets to complement the counter service.



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Appoints Development Funding Manager

Andrew Pischke has been appointed Development Funding Manager for FoodWorks. The newly created role is primarily focussed on gaining capital/funding for members through various financiers based on members' preference and requirements.

Andrew joins FoodWorks after a distinguished 20 plus year career with NAB where he held a number of positions providing him with robust financial experience, including full Finance Broker Accreditation.

Having successfully applied and completed accreditation as a registered broker the FoodWorks organisation has secured funding agreements with CBA and NAB. Additional agreements with other lenders such as BankWest, Westpac, ANZ, Bank of Queensland are underway.

One of the greatest challenges traditionally facing independent supermarket owners has been ease of access to finance. A funding solution to assist members in gaining easy access to finance in conjunction with market competitive rates for store development has been one of the recent key initiatives of the FoodWorks Business Development, headed up by Simon Thompson.

FoodWorks Departs on Study Tour to USA

A contingent of 60 FoodWorks member retailers and suppliers departed recently on the 2006 FoodWorks Study Tour. Over 12 days the group will visit some of the innovators in both independent and chain retailing in the USA.

Highlights include visits to Bloom Supermarkets in Charlotte and Harrisburg, Ukrops in Richmond, Wegmans Sterling in Virginia, Dorothy Lane Markets, NCR, Sunflower Market, Whole Foods and Marsh Supermarket in Naperville.

Other highlights will include exclusive planned interactive sessions with dynamic leading edge retailers and a series of guest dinner speakers from key retail organisations. The group will also attend the Food Marketing Institute's annual convention in Chicago.

"The learning opportunity this provides FoodWorks retailers is enormous. The outstanding results from previous FoodWorks Study Tours make this bi-annual event a must on the FoodWorks calendar. The immense retail learnings in a relaxed and fun atmosphere, the strong relationships formed and forged between retailers and our key suppliers is paid back one hundred fold" commented FoodWorks CEO, Mr Peter Noble.