

付属資料目次

付属資料1：本プロジェクトの要約（アルメニア語）	78
付属資料2：R/D 修正協議議事録.....	82
付属資料3：JCC 議事録	111
付属資料4：発展型一村一品手法教材（英語版）	114
4-1 起業家と零細企業のためのガイドブック	114
4-2 輸出志向中小企業のためのガイドブック	121
4-3 地方観光促進のためのガイドブック	174
4-4 食品衛生管理のためのガイドブック	206
4-5 国際見本市参加のためのガイドブック	258
4-6 国際見本市のための技術ガイドライン	301
4-7 HACCP マネジメントガイドブック.....	359
付属資料5：一村一品手法活用企業成功事例集（英語版）	379
付属資料6：一村一品を紹介された企業および開業支援研修参加者一覧.....	396

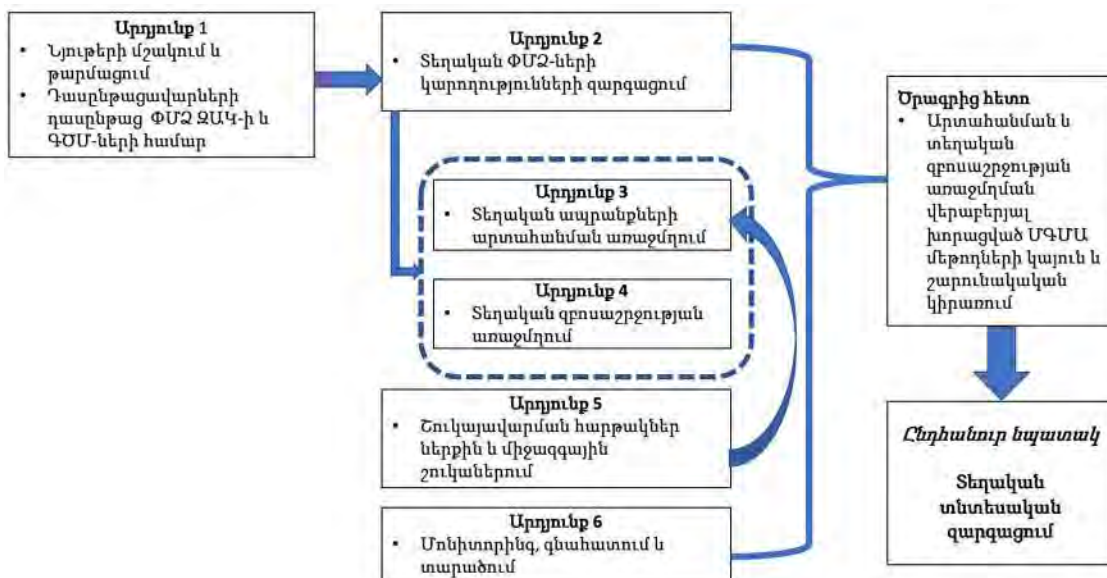
**«Տեղական տնտեսության զարգացում և տեղական ապրանքանիշերի առաջնդում
Հայաստանի Հանրապետությունում – փուլ 2» ծրագիր**

Ծրագրի ամփոփում

(1) Ծրագրի ընդհանուր նկարագրություն

«Տեղական տնտեսության զարգացում և տեղական ապրանքանիշերի առաջնդում Հայաստանի Հանրապետությունում – փուլ 2» ծրագիրը (այսուհետ՝ Ծրագիր) իրականացվել է երեք տարի ժամկետով, 2016թ. հունիս ամսից մինչև 2019թ. հուլիս ամիսը, հաջորդելով «Տեղական տնտեսության զարգացում և տեղական ապրանքանիշերի առաջնդում» ծրագրին (Ծրագրի առաջին փուլ)՝ որպես Հայաստանի «Փոքր և միջին ձեռնարկատիրության ազգային կենտրոն» հիմնադրամի (այսուհետ՝ ՓՄՁ ՉԱԿ) հետ իրականացվող ճապոնական տեխնիկական համագործակցության ծրագիր:

Ծրագիրը նախատեսում է, որ ՓՄՁ ՉԱԿ-ը կիրառում է խորացված «Մեկ գյուղ, մեկ արտադրանք» մեթոդը ներքին և միջազգային շուկաներում տեղական ՓՄՁ-ների մրցունակության բարձրացման նպատակով, որն էլ տանում է տեղական տնտեսական զարգացման: Ծրագրի բաղադրիչները և կառուցվածքը ներկայացված են Պատկեր 1-ում:



Պատկեր 1. Ծրագրի իրականացման գործընթացը

(2) Ծրագրի հիմնական արդյունքները և նվաճումները

Ծրագրի հիմնական արդյունքները հետևյալն են.

- Ծրագիրը ստեղծել է Խորացված ՄԳՄԱ մեթոդը՝ օգտագործելով Ծրագրի առաջին փուլի արդյունքները և մշակելով որոշ նյութեր:
- Ծրագիրն իրականացրել է դասընթացավարների դասընթացներ ՓՄՁ ՉԱԿ-ի 21(քսանմեկ) աշխատակիցների և գործարար զարգացման ծառայությունների մատուցող կազմակերպությունների 24 (քսանչորս) ներկայացուցիչների համար, որպեսզի նրանք կարողանան կիրառել խորացված ՄԳՄԱ մեթոդը տեղական ՓՄՁ-ների համար:
- Դասընթացավարները խորացված ՄԳՄԱ մեթոդը ներկայացրել են ձեռնարկատերերին (160 (հարյուր վաթսուներեք) մասնակից Ծրագրի կողմից իրականացված դասընթացներին և 640 (վեց հարյուր քառասուն) մասնակից այլ դոնորների կողմից ֆինանսավորված դասընթացներին): 134 (հարյուր երեսուն չորս) ՓՄՁ-ներ մեթոդը կիրառում են իրենց բիզնես գործառնություններն ուժեղացնելու նպատակով:
- Ընտրված ՓՄՁ-ները մասնակցել են միջազգային առևտրային ցուցահանդեսների: ՓՄՁ ՉԱԿ աշխատակիցներն աջակցել են նրանց՝ ավելի լավ առաջնորդման և բիզնես համապատասխանության հանդիպումների համար: Մասնակցությունից հետո ՓՄՁ-ները շարունակում են ստեղծել/բարելավել ապրանքները, բանակցել գնորդների հետ և որոշել նոր արտաքին շուկաներ՝ այլ առևտրային ցուցահանդեսներին մասնակցելու միջոցով: Ի հավելումն, ՓՄՁ ՉԱԿ-ն այս փորձը կիրառել է նաև այլ առևտրային ցուցահանդեսների համար: Ընդհանուր առմամբ, մեթոդի կիրառմամբ 83 (ութսուն երեք) ՓՄՁ-ներ ստացել են արտահանման խթանման աջակցություն:
- Խորացված ՄԳՄԱ մեթոդի կիրառմամբ տեղական զբոսաշրջությանը զարգացվում է (i) սկսնակների և տեղական զբոսաշրջային բիզնեսների բարելավման խթանման, ու (ii) նոր զբոսաշրջային պրոդուկտների մշակման միջոցով, որոնք նպաստում են արտասահմանյան զբոսաշրջիկների կողմից տեղական բիզնեսների արտադրանքի/ծառայությունների օգտագործմանը: Որպես արդյունք ճապոնական շուկային ներկայացվել են 20 (քսան) նոր ստեղծված զբոսաշրջային պրոդուկտներ: Ի հավելումն, իրականացվել է նաև դասընթաց հյուրատների ծառայությունների բարելավման վերաբերյալ:
- Շուկայավարման հարթակներ, որոնք ստեղծվել էին Ծրագրի առաջին փուլի ընթացքում, որպես տեղական ապրանքների առաջնորդման խթանման միջոց՝ արտացոլելով սպառողների կարծիքները, շարունակվում է օգտագործվել: Մշակվել են շուկայավարման հարթակների նոր տեսակներ.

(ա) Մասնակցություն առևտրային ցուցահանդեսներին՝ որպես միջոցառման տիպի միջազգային հարթակ: Ծրագիրը համակարգել է 3 (երեք) միջազգային ցուցահանդեսներին մասնակցություն: Ի հավելումն, ՓՄՁ ՉԱԿ-ը, այլ դոնորների հետ համագործակցությամբ,

աջակցել է տեղական ՓՄՁ-ների 8 (ութ) միջազգային ցուցահանդեսներին մասնակցությանը, որպեսզի ՓՄՁ-ները կարողանան ստեղծել/բարելավել իրենց արտադրանքը՝ հաշվի առնելով թիրախային շուկայի հաճախորդների կարծիքները: (ii) ՓՄՁ ՉԱԿ-ը, ԵՄ աջակցությամբ սկսել է Լոռու մարզում ճամփեգրյա կայանի կառուցումը, որը ենթադրվում է, որ տեղական ՓՄՁ-ներին հնարավորություն կտա վաճառել իրենց արտադրանքը և ներկայացնել տեղական զբոսաշրջային ծառայությունները: Ծրագիրը տրամադրել է տեխնիկական աջակցություն կայանի գործարկման ձեռնարկի մշակմանը:

- ՓՄՁ ՉԱԿ-ն ամրապնդել է տեղական ՓՄՁ-ների մշտադիտարկման մեխանիզմը և հավաքել տեղական ՓՄՁ-ների դրական փորձը: Դրանցից մի քանիսը ներկայացված են «ՄԳՄԱ հաջողության պատմություններ» նյութում:



Պատկեր 2. Խորացված ՄԳՄԱ մեթոդիկիրառմամբ նոր ստեղծված մի քանի արտադրանքի օրինակներ

(3) Խորհուրդներ և քաղված դասեր

Ծրագրի իրականացման միջոցով քաղվել են հետևյալ դասերը.

- Խորացված ՄԳՄԱ մեթոդն արդյունավետ է տեղական ՓՄՁ-ների մրցունակության ուժեղացման համար:
- Տեղային հարմարեցված դասընթացը, ուղեկցումը և հետևումն արդյունավետ է:
- Որակի վերահսկողության և շուկայավարման բարելավումը պարտադիր են միջազգային շուկաներում մրցակցելու համար:
- Միջազգային առևտրային ցուցահանդեսներին մասնակցությունն արդյունավետ է, եթե այն զուգակցվում է ցուցադրողների կարողությունների զարգացման ծրագրով:
- Տեղական զբոսաշրջության զարգացումը արտադրության զարգացման հետ համատեղ արդյունավետ է սիներգետիկ ազդեցություն ստանալու համար:
- Շուկայավարման հարթակի շարունակական զարգացումն օգտակար է տեղական ՓՄՁ-ների համար:

Ծրագրի արդյունքների կայունության ամրապնդման համար խորհուրդները ներկայացվում են ստորև՝ ըստ (i) գիտելիքի տարածման և (ii) «Մեկ գյուղ, մեկ արտադրանքի» (ՄԳՄԱ) կիրառման համակարգի ամրապնդման:

- Ուժեղացնել ՓՄՁ ՉԱԿ-ի աշխատակիցների և գործարար զարգացման ծառայություններ մատուցողների կարողությունները:
- Ամրապնդել տեղական ՓՄՁ-ների սեփականության զգացումը իրենց իսկ զարգացման նկատմամբ:
- Շարունակական աջակցություն արտահանման խթանմանը՝ թիրախային շուկաների ընտրությամբ:
- Արագացնել տեղական ապրանքների զարգացման և ներքին զբոսաշրջության առաջնորդման ինտեգրումը:

(4) Եզրակացություն

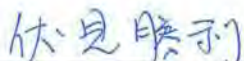
ՃՄՀԳ-ն 6 (վեց) տարվա ընթացքում, 2013-2019թթ., իրականացրել է տեղական արտադրանքի զարգացման և տեղական ապրանքանիշերի առաջնորդման տեխնիկական աջակցության ծրագիր: Իրականացման ընթացքում համակարգվեց խորացված ՄԳՄԱ մեթոդի կիրառման միջոցով կարողությունների զարգացումը և այն կիրառվեց որպես վերապատրաստման ծրագիր ՓՄՁ-ներին աջակցություն տրամադրող կազմակերպությունների, ինչպիսիք են ՓՄՁ ՉԱԿ-ը և գործարար զարգացման ծառայություններ մատուցողները, ներկայացուցիչների համար: Տեղական տնտեսական զարգացումը, որը տանելու է քաղաքային և գյուղական շրջանների միջև տնտեսական տարբերության նվազմանը, պետք է համալրվի մեթոդի կայուն կիրառմամբ:

(ԱՎԱՐՏ)

MINUTES OF MEETINGS
BETWEEN
JAPAN INTERNATIONAL COOPERATION AGENCY
AND
SMALL AND MEDIUM ENTREPRENEURSHIP DEVELOPMENT NATIONAL CENTRE OF
ARMENIA (SMEDNC)
FOR AMENDMENT OF THE RECORD OF DISCUSSIONS
ON
PROJECT FOR DEVELOPMENT OF LOCAL PRODUCTION AND PROMOTION OF
LOCAL BRANDS PHASE2

The Japan International Cooperation Agency (hereinafter referred to as "JICA") and Small and Medium Entrepreneurship Development National Centre of Armenia (hereinafter referred to as "SMEDNC") hereby agree that the Record of Discussions on Project for Development of Local Production and Promotion of Local Brands Phase2 signed on February 5, 2016 will be amended as attached hereto.

Yerevan, September 25, 2017



Katsutoshi Fushimi
Chief Representative
JICA Uzbekistan Office
Japan International Cooperation Agency



Levon Mnatsakanyan
Executive Director
Small and Medium Entrepreneurship
Development National Center of Armenia

Attachment

1. Beneficiaries

Before	Amended Version
No clarification	Ultimate Beneficiaries: Small and Medium Enterprises (SMEs) and Entrepreneurs in 10 regions (Marzer) Beneficiaries: SMEDNC
Reason: Clarify beneficiaries	

2. Indicator of Overall Goal (1)

Before	Amended Version
The number of the SME participants in Armenian OVOP movement is increased.	The number of the SME participants in Armenian OVOP movement is increased up to 400 SMEs.
Reason: Adding numerical indicator (40 SMEs per region on average)	

3. Indicator of Overall Goal (2)

Before	Amended Version
The number of raw material providers (Armenian farmers and businesses) for the SME participants in Armenian OVOP movement is increased.	The number of raw material providers (Armenian farmers and businesses) for the SME participants in Armenian OVOP movement is increased by 2000.
Reason: Adding numerical indicator (50 providers per SME on average)	

4. Indicator of Overall Goal (3)

Before	Amended Version
The number of raw material providers (Armenian farmers and businesses) for the SME participants in Armenian OVOP movement is increased.	Income of local SMEs is increased by 30% in 3 years.
Reason: Increase of income of local SMEs is more appropriate to verify improvement of local economic development (increase 10% annually on average).	

5. Indicator of Overall Goal (4)

Before	Amended Version
The number of national and international tourists who come to Armenian local communities of OVOP participants is increased.	Deleted
Reason: It is not possible to measure the number of national and international tourists who particularly intend to enjoy services based on OVOP.	

6. Means of Verification (4)

Before	Amended Version
Data collected by SMEDNC and/or public statistics	Deleted
Reason: Indicator of Overall Goal (4) is deleted.	

7. Important Assumptions (Project Purpose to Overall Goal)

Before	Amended Version
None	Political and economic condition of the country is stable.
Reason: Enterprise activities and number of tourists visited from other countries may be affected by political and economic conditions.	

8. Indicators of Output 2

Before	Amended Version
2-2 At least 80 businesses are newly registered in a formal way, by the end of 2018.	2-2 At least 80 start-ups are operating actively by the end of 2018. 2-3 At least 50 SMEs think that they are applying Advanced Armenian OVOP method in their business.
Reason: 2-2 To propose to amend the indicators which show the sustainability of SMEs activities who have received training utilized Advanced OVOP method. 2-3 To propose to add the indicator to verify whether SME owners and entrepreneurs think that they are applying Advanced OVOP method in their business.	

9. Means of Verification for Output 2

Before	Amended Version
None	2-3 Questionnaire survey & monitoring
Reason: 2-3 Questionnaire survey is appropriate for quantitative observation of application status of OVOP method.	

10. Indicators of Output 3

Before	Amended Version
3-1 At least 5 Armenian products are newly introduced for foreign markets, including: Georgian, Russian, Japanese, and/or European markets, by the end of 2018.	3-1 At least 5 Armenian products have a new international business linkage, by the end of 2018.
<p>Reason: "Introduced" has a broad meaning from just presenting products to foreign market to starting business. Names of countries are deleted as business can be linked in any country.</p>	

11. Output 4

Before	Amended Version
Tourism circuits which cover different Armenian OVOP pilot sites are promoted for both domestic and foreign tourists, including the Japanese tourists.	Tourism in OVOP pilot area is promoted for both domestic and foreign tourists, including the Japanese tourists.
<p>Reason: Promotion of circuits/routes is not the goal of activities for tourism component. Tourism circuits (routes) will be regarded one of expected tourism products indicated in indicator 4-3.</p>	

12. Indicators of Output 4

Before	Amended Version
4-2 The number of the guests, who stay at the B&Bs participating in Armenian OVOP movement, is increased.	4-2 Services of SMEs is improved in the manner of advanced OVOP method. 4-3 At least 20 tourism products are developed utilizing Advanced Armenian OVOP method.
<p>Reason: 4-2 Modify to the indicator that represents the result of technical and financial assistance utilizing advanced OVOP method. 4-3. Modify to the indicator that represents the result of development of tourism products.</p>	

13. Activities for Output 4

Before	Amended Version
<p>4-1 The Project team designs the tourism circuit. (including connecting to tourism circuit of neighboring countries such as Georgia)</p> <p>4-2 SMEDNC provides local SMEs and entrepreneurs, which participate in the tourism circuit, with technical and financial assistance.</p>	<p>4-1 The Project team develops the tourism products (ex. catalogues of B&B, informational materials, touristic places, etc.)</p> <p>4-2 SMEDNC provides local SMEs and entrepreneurs, which participate in the tourism routes, with technical and financial assistance to improve services.</p>
<p>Reason:</p> <p>4-1. Project team support development of tourism products first to promote the tourism services developed.</p> <p>4-2. Provision of technical and financial assistance comes with utilizing the tourism products developed for improvement of services.</p>	

14. Activities for Output 5

Before	Amended Version
<p>5-1 The Project team reinforces the marketing platforms developed by the Project Phase1, adding new practices*.</p> <p>* One of the new practices of the marketing platform to be developed in the Project should be a Roadside Station, as long as European Union (EU) will have approved the SMEDNC's proposal on it.</p>	<p>5-1 The Project team reinforces the marketing platforms developed by the Project Phase1, adding new practices*.</p> <p>* One of the new practices of the marketing platform to be developed in the Project should be a Roadside Station, as long as it is constructed and inaugurated during the Project implementation period.</p> <p>⇒Move to pre-condition</p>
<p>Reason:</p> <p>European Union (EU) has already approved the SMEDNC's proposal on the Road Side Station.</p> <p>However, construction and inauguration of RSS during the project implementation period is pre-condition for the project to implement activity 5-1.</p>	

15. Indicators for Output 6

Before	Amended Version
None	6-3 SMEDNC staff utilize data base and realize periodically quantitative monitoring.
<p>Reason:</p> <p>It is important to realize quantitative monitoring for sustainability and effective activities.</p>	

16. Means of Verification of Indicators

Before	Amended Version
None	6-3 Interview to SMEDNC staff by the project team
Reason: It is important to realize quantitative monitoring for sustainability and effective activities.	

17. New activity added

Before	Amended Version
None	Common activity: Conduct end line survey to collect information for indicators
Reason: The end line survey is needed to collect information for indicators of each indicator in PDM. The result will be used as the base line for the indicator of Overall Goal as well.	

18. Input (Japanese Side)

Before	Amended Version
<p>1. Experts*</p> <p>*All of the JICA experts should manage Armenian OVOP method, which mainly consists of branding and kaizen, based on Armenian OVOP concept.</p> <ul style="list-style-type: none"> • Expert on SME development policy/PPP (Public Private Partnership) for the operation of marketing platforms. • Expert on SME business administration & marketing • Expert on Linkage with Japanese private sector/ international trade marketing • Expert on tourism development • Expert on food packaging and standards <p>(One of the experts will act as Chief Advisor of the Project.)</p> <p>2. Training in Japan and/or third countries: 8 - 10 persons x 5 times</p>	<p>1. Experts*</p> <p>*All of the JICA experts should manage Armenian OVOP method, which mainly consists of branding and kaizen, based on Armenian OVOP concept.</p> <ul style="list-style-type: none"> • Chief Advisor/SME development policy • SME business administration • International marketing • Tourism development • Project Coordinator/food sanitation and packaging <p>2. Training in Japan (3 times) and third countries (Thailand and Singapore): around 10 trainees in each training</p> <p>3. Provision of Equipment</p> <ul style="list-style-type: none"> • 10 printers MFU (Multi-function) (for SMEDNC regional offices) • 2 printers MFU WIFI (for SMEDNC

<p>3. Provision of Equipment (Draft)</p> <ul style="list-style-type: none"> • 10 printers MFU (Multi-function) (for SMEDNC regional offices) • 2 printers MFU WIFI (for SMEDNC central office) • 15 laptop computers (for SMEDNC regional offices) • 10 digital cameras for monitoring • Production equipment for leasing and training 	<p>central office)</p> <ul style="list-style-type: none"> • 17 laptop computers (for SMEDNC regional offices and for ICT training) • 1 laptop computer with multi-function (for PR materials) • 10 digital devices with camera • 1 interactive projector • 1 large size monitor • Production equipment for leasing and training
<p>Reason: Amendment based upon discussion with Armenian side for efficient and effective Project operation.</p>	

19. Input (Armenian Side)

Before	Amended Version
<p>1. Assignment of Counterpart Personnel</p> <ul style="list-style-type: none"> • Project director (SMEDNC executive director) • Project manager (International cooperation program coordinator) • Training coordinator • Financial assistance coordinator • Local economic development coordinator 	<p>1. Assignment of Counterpart Personnel</p> <ul style="list-style-type: none"> • Project director (SMEDNC executive director) • Project manager (SMEDNC Deputy Executive Director and Head of International cooperation programs Division) • Head of Training Support programs Division • Head of Financial Support programs Division • Head of Local economic development programs Division
<p>Reason: Amendment based upon approval in 1st JCC meeting. Position and names of division are clarified.</p>	

This amendment will become effective as of September 25, 2017.

- Annex 1 : Main Points Discussed
- Annex 2 : Record of Discussions (signed on February 5, 2016)
- Annex 3 : Project Design Matrix (PDM) Version 1
- Annex 4 : Plan of Operation (PO) Version 1

MAIN POINTS DISCUSSED

- Both parties reassured that "Advanced Armenian OVOP method" should be applied by SMEDNC, for promoting local SMEs' activities including international marketing, quality improvement and export promotion, in a harmonized manner with the other SMEDNC's tools, SME State Support Annual Programmes and the other international cooperation programmes.
- Both parties reconfirmed that certified OVOP trainers shall contribute to support for local SMEs' activities, applying Advanced OVOP method. It should be analyzed the possibility that SMEDNC would realize further ToT to foster more business trainers who can utilized Advanced OVOP method.
- Both parties agreed that SMEDNC shall monitor the progress of the Project and the result of activities applied to local SMEs, utilizing Data-Base which is been constructing by the Project.
- Both sides agreed the Project shall realize technical assistance for sustainable operation of Road Side Station and effective use of it for local SMEs and local brand development within the range that the Project not be affected by any kind of amendment of Roadside Station facilities construction plan done by third parties.
- Both parties agreed that the Project focus on Japanese and South-East Asian countries' market to practice export promotion of local production, including tourism production, in relevant activities of Outputs 3 and 4, and agreed that the training courses in Japan and Singapore shall be used as opportunities to participate in international trade-fairs.
- Regarding previous article, both parties agreed that Armenian trainees shall be selected from both public and private sectors, as it is important that local SMEs practice exhibition and business matching of their products in international markets and SMEDNC shall systematize the participation of international trade-fairs in SME development programmes, utilizing Advanced Armenian OVOP method.
- Both parties agreed that the equipment provided by the Japanese side should be used exclusively for the Project purpose.

(END)

RECORD OF DISCUSSIONS
ON
PROJECT FOR DEVELOPMENT OF LOCAL PRODUCTION AND
PROMOTION OF LOCAL BRANDS PHASE2
IN
THE REPUBLIC OF ARMENIA
AGREED UPON BETWEEN
SMALL AND MEDIUM ENTREPRENEURSHIP DEVELOPMENT
NATIONAL CENTER OF ARMENIA
AND
JAPAN INTERNATIONAL COOPERATION AGENCY

Yerevan, February 5, 2016



Takafumi Ueda
Senior Advisor
Japan International Cooperation
Agency



Gegham Petrosyan
Executive Director
Small and Medium Entrepreneurship
Development National Center of
Armenia

In response to the official request of the Government of the Republic of Armenia to the Government of Japan, the Japan International Cooperation Agency (hereinafter referred to as "JICA") held a series of discussions with Small and Medium Entrepreneurship Development National Center of Armenia (hereinafter referred to as "SMEDNC") and relevant organizations to develop a detailed plan of the Project for Development of Local Production and Promotion of Local Brands Phase2 (hereinafter referred to as "the Project").

Both parties agreed the details of the Project and the main points discussed as described in the Appendix 1 and the Appendix 2 respectively.

Both parties also agreed that SMEDNC, the counterpart to JICA, will be responsible for the implementation of the Project in cooperation with JICA, coordinate with other relevant organizations and ensure that the self-reliant operation of the Project is sustained during and after the implementation period in order to contribute toward social and economic development of the Republic of Armenia.

The Project will be implemented within the framework of the Agreement on Technical Cooperation signed on June 8, 2005 (hereinafter referred to as "the Agreement") and the Note Verbales to be exchanged between the Government of Japan (hereinafter referred to as "GOJ") and the Republic of Armenia.

Appendix 1: Project Description
Appendix 2: Main Points Discussed

PROJECT DESCRIPTION

I. BACKGROUND

The Government of the Republic of Armenia has followed the Small and Medium Enterprise (SME) State Support Strategy developed in 2000 for over a decade. The SME support programs have been elaborated and implemented every year based on the strategy. One of the important issues in recent years is to reinforce regional and local SMEs for increasing income and employment in rural areas. It is also recognized that it is important to identify and support those people in the rural areas who are willing to take initiatives to help themselves.

The Government of the Republic of Armenia requested Japanese technical cooperation in order to introduce and apply the One Village One Product (OVOP) approach in the country. As a result, the project named as Project for Development of Local Production and Promotion of Local Brands (hereinafter referred to as "the Project Phase1") was initiated by SMEDNC with the technical assistance of JICA as of March 2013 for the duration of three (3) years. The Project Phase1 puts emphasis on the development of marketing platforms to support local small businesses.

The Project Phase1 has been successfully implemented in close collaboration with the implementing agency, SMEDNC. The effectiveness of the project is evaluated as relatively high. The project purpose is likely to be achieved by the end of the scheduled completion, based duly to the achievements of the outputs of the project.

The Government of the Republic of Armenia requested the Project so that the positive outputs and impacts generated by the Project Phase1 can be diffused all over the country.

As the private sector development and the rural development are GOJ's priority support areas for the Republic of Armenia, Japanese side made a commitment on the implementation of the project in January 2016.

II. OUTLINE OF THE PROJECT

Details of the Project are described in the Logical Framework (Project Design Matrix: PDM) (Annex 1) and the Plan of Operation (Annex 2).

Outputs, Activities, Input by JICA, Project Site(s), Duration, and Evaluation described in the following are tentative. Objectively Verifiable Indicators described in the PDM are also tentative.

The outline of the Project will be further discussed and iteratively adjusted during the course of the Project implementation, and it will be finalized within one (1) year from the start of the Project. The Record of Discussions will be amended, if necessary, in order to finalize the outline.



1. Title of the Project

Project for Development of Local Production and Promotion of Local Brands Phase2

2. Overall Goal

Armenian OVOP movement promoted by SMEDNC contributes to local economic development of the country.

3. Project Purpose

Armenian OVOP movement promoted by SMEDNC contributes to improving the competitiveness of the local SMEs and entrepreneurs in both national and international markets, including Japanese, European and/or neighboring countries' markets.

4. Outputs

Output 1: The technical capacity of SMEDNC experts and BDS (business development service) providers is further developed in terms of wide application of "Advanced" Armenian OVOP method¹.

Output 2: The technical capacity of local SMEs and entrepreneurs is developed.

Output 3: The export of Armenian local products is promoted for international markets, including the Japanese, European and/or neighboring countries' markets.

Output 4: Tourism circuits which cover different Armenian OVOP pilot sites are promoted for both domestic and foreign tourists, including the Japanese tourists.

Output 5: Marketing platforms², including a roadside station, work for local business development.

Output 6: The project activities on Armenian OVOP movement are monitored, and the lessons learned from the activities are used for local SME development.

5. Activities

1-1. The project team³ upgrades Armenian OVOP method.

1-2. The project team plans the ToT (training of trainers) on "Advanced" Armenian OVOP method, adding new kaizen tools.

1-3. The project team provides SMEDNC and BDS providers with the ToT on "Advanced" Armenian OVOP method.

2-1. Armenian local businesses, which have already participated in Armenian

¹ "Advanced" Armenian OVOP method can consist of (i) marketing platform operation, including roadside station, (ii) knowledge of the international market demand on Armenian products, including basic knowledge on food packaging and standard, and (iii) tourism promotion methods, besides the basic OVOP method including branding, merchandizing and kaizen.

² Marketing platforms developed by the Project Phase1 include: event type (exhibitions of local products in the festival), monitor type (Facebook marketing and consumer market survey by questionnaire) and shop type (mini-antenna shops at B&Bs).

³ The project team consists of SMEDNC staff and JICA experts.

OVOP activities promoted by the Project Phase1, improve their management and products.

2-2. Newly 200 entrepreneurs (20 persons x 10 regions) participate in the start-up training, incorporating Armenian OVOP method.

2-3. SMEDNC applies various tools of "Advanced" Armenian OVOP method for the growth of local SMEs.

3-1. SMEDNC provides OVOP participants (SMEs) which intend to export their products to international markets, with the assistance for improving their products to meet international market requirements.

3-2. The project team promotes business matching between Armenian SMEs and the Japanese enterprises and markets.

3-3. The project team facilitates the participation of the SMEs in international trade fairs.

3-4. SMEDNC staff and Armenian business owners participate in the training courses in Japan.

4-1. The project team designs the tourism circuit.
(including connecting to tourism circuit of neighboring countries such as Georgia)

4-2. SMEDNC provides local SMEs and entrepreneurs, which participate in the tourism circuit, with technical and financial assistance.

4-3. The project team promotes Armenian tourism products to the Japanese and/or European tourism agencies and consumers.

5-1. The project team reinforces the marketing platforms developed by the Project Phase1, adding new practices⁴.

5-2. SMEDNC develops new practices of the marketing platform, with the technical assistance of the JICA experts team.

6-1. SMEDNC monitors the project activities, which shall be announced widely by mass media.

6-2. SMEDNC elaborates the quarterly progress reports, with the assistance of the JICA experts team.

6-3. SMEDNC applies the lessons learned from the project activities in different works for SME development.

6. Input

(1) Input by JICA

(a) Dispatch of Experts

Japanese Experts will be dispatched in accordance with the needs for the effective implementation of the Project.

Their areas of expertise could include:

- SME development policy / PPP (Public Private Partnership) for the operation of the marketing platforms

⁴ One of the new practices of the marketing platform to be developed in the Project should be a Roadside Station as long as European Union (EU) will have approved the SMEDNC's proposal on it.



- SME business administration & marketing
- Linkage with Japanese private sector/ international trade marketing
- Tourism development
- Food packaging and standards

One of the experts will act as Chief Advisor of the Project.

(b) Training

JICA will receive personnel involved in the Project for technical training in Japan and /or the third countries.

(c) Machinery and Equipment

JICA will provide equipment necessary for the Project activities.

In case of importation, the machinery, equipment and other materials under II-6 (1) (c) above will become the property of the SMEDNC upon being delivered C.I.F. (cost, insurance and freight) to the Republic of Armenia authorities concerned at the ports and/or airports of disembarkation.

(2) Input by SMEDNC

SMEDNC will take necessary measures to provide at its own expense:

- (a) Services of SMEDNC's counterpart personnel and administrative personnel as referred to in II-7;
- (b) Suitable office space with necessary equipment;
- (c) Supply or replacement of machinery, equipment, instruments, vehicles, tools, spare parts and any other materials necessary for the implementation of the Project other than the equipment provided by JICA;
- (d) Means of transport and travel allowances for the JICA experts for official travel within the Republic of Armenia;
- (e) Suitable furnished accommodation for the JICA experts and their families;
- (f) Information as well as support in obtaining medical service;
- (g) Credentials or identification cards;
- (h) Available data (including maps and photographs) and information related to the Project;
- (i) Running expenses necessary for the implementation of the Project;
- (j) Expenses necessary for transportation within the Republic of Armenia of the equipment referred to in II-6 (1) as well as for the installation, operation and maintenance thereof; and
- (k) Necessary facilities to the JICA experts for the remittance as well as utilization of the funds introduced into the Republic of Armenia from Japan in connection with the implementation of the Project.

7. Implementation Structure

The project organization chart is given in the Annex 3. The roles and assignments of relevant organizations are as follows:

(1) SMEDNC

(a) Project Director

Executive Director of SMEDNC will be responsible for overall administration and implementation of the Project.

(b) Project Manager

International Cooperation Programs Coordinator will be responsible for managerial and technical matter of the Project.

(2) JICA Experts

The JICA experts will give necessary technical guidance, advice and recommendations to SMEDNC on any matters pertaining to the implementation of the Project.

(3) Joint Coordinating Committee

Joint Coordinating Committee (hereinafter referred to as "JCC") will be established in order to facilitate inter-organizational coordination. JCC will be held at least once a year and whenever deems it necessary. JCC will review the progress, revise the overall plan when necessary, approve an annual work plan, conduct evaluation of the Project, and exchange opinions on major issues that arise during the implementation of the Project. A list of proposed members of JCC is shown in the Annex 4.

8. Project Site(s) and Beneficiaries

The target area of the Project is the Republic of Armenia. Main target beneficiaries are SMEDNC, as well as those who take part in the pilot projects.

9. Duration

The duration of the Project will be three (3) years from the date when the first Japanese expert is dispatched.

10. Reports

SMEDNC and JICA experts will jointly prepare the following reports in English.

(1) Monitoring Sheet on semiannual basis until the project completion

(2) Project Completion Report at the time of project completion

11. Environmental and Social Considerations

SMEDNC will abide by 'JICA Guidelines for Environmental and Social Considerations' in order to ensure that appropriate considerations will be made for the environmental and social impacts of the Project.

III. UNDERTAKINGS OF SMEDNC

1. SMEDNC will take necessary measures to:

(1) ensure that the technologies and knowledge acquired by the Republic of Armenia nationals as a result of Japanese technical cooperation

contributes to the economic and social development of the Republic of Armenia, and that the knowledge and experience acquired by the personnel of the Republic of Armenia from technical training as well as the equipment provided by JICA will be utilized effectively in the implementation of the Project; and

- (2) grant privileges, exemptions and benefits to the JICA experts referred to in II-6 above and their families, which are no less favorable than those granted to experts and members of the missions and their families of third countries or international organizations performing similar missions in the Republic of Armenia.

IV. MONITORING AND EVALUATION

JICA and the SMEDNC will jointly and regularly monitor the progress of the Project through the Monitoring Sheets based on the Project Design Matrix (PDM) and Plan of Operation (PO). The Monitoring Sheets will be reviewed every six (6) months.

Also, Project Completion Report will be drawn up one (1) month before the termination of the Project.

JICA will conduct the following evaluations and surveys to verify sustainability and impact of the Project.

1. Ex-post evaluation three (3) years after the project completion, in principle
2. Follow-up surveys on necessity basis

V. PROMOTION OF PUBLIC SUPPORT

For the purpose of promoting support for the Project, SMEDNC will take appropriate measures to make the Project widely known to the people of the Republic of Armenia.

VI. MISCONDUCT

If JICA receives information related to suspected corrupt or fraudulent practices in the implementation of the Project, SMEDNC and relevant organizations will provide JICA with such information as JICA may reasonably request, including information related to any concerned official of the government and/or public organizations of the Republic of Armenia.

SMEDNC and relevant organizations will not, unfairly or unfavorably treat the person and/or company which provided the information related to suspected corrupt or fraudulent practices in the implementation of the Project.

VII. MUTUAL CONSULTATION

JICA and SMEDNC will consult each other whenever any major issues arise in the course of Project implementation.



VIII. AMENDMENTS

The record of discussions may be amended by the minutes of meetings between JICA and SMEDNC. However, PO may be amended in the Monitoring Sheets. The minutes of meetings will be signed by authorized persons of each side who may be different from the signers of the record of discussions.

- Annex 1 Logical Framework (Project Design Matrix:PDM)
- Annex 2 Tentative Plan of Operation
- Annex 3 Project Organization Chart
- Annex 4 A List of Proposed Members of Joint Coordinating Committee



MAIN POINTS DISCUSSED

- Both sides agreed that a Roadside Station should be a new marketing platform to be developed in the Project, subject to the approval of European Union (EU) funding of the SMEDNC' s proposal.
- SMEDNC requested that some machinery and equipment (e.g. packaging machine) provided by JICA in the Project would need to be leased to some leading SMEs and/or entrepreneurs to demonstrate the effectiveness and to train other SMEs and/or entrepreneurs as was the case in the Project Phase1. The JICA team responded that necessity and feasibility would need to be considered in relevant activities of Outputs 2 and 3, taking into account availability of the Project' s budget.
- SMEDNC also requested that an additional vehicle would be needed to supervise activities in the target area which is all 10 marzes in the Project. The JICA team confirmed the necessity of additional transportation, but whether to purchase or lease it would need to be considered, taking into account availability of the Project's budget. Both sides reconfirmed that the vehicle should be used primarily by JICA experts in order to implement the technical transfer by the experts efficiently.
- SMEDNC pointed out that there is a possibility to utilize international trade fairs and tourism expositions in Japan and other countries in relevant activities of Outputs 3 and 4. The JICA team agreed and mentioned that the training courses in Japan can be used as opportunities to promote Armenian products, including tourism products, in the Japanese market. Including Armenian private sector participants in such courses could increase the effectiveness as have been demonstrated in similar projects in other countries.
- SMEDNC also pointed out that the Project could explore the possibilities of linking to the Islamic Republic of Iran in Activity 4-1. The JICA team agreed.



Project Design Matrix

Project Title: Project for Development of Local Production and Promotion of Local Brands Phase2

Implementing Agency: Small and Medium Entrepreneurship Development National Center of Armenia (SMEDNC)

Target Group: 10 regions (Merzes) of Armenia

Period of Project: July 2018 to June 2019 (Tentative Plan)

Project Site: 10 regions (Merzas) of Armenia (Tentative Plan)

Version 0

Dated Feb,5,2016

Narrative Summary	Objectively Verifiable Indicators (Tentative Plan)	Means of Verification	Important Assumption	Achievement	Remarks
Overall Goal Armenian OVOP movement promoted by SMEDNC contributes to local economic development of the country.	1. The number of the SME participants in Armenian OVOP movement is increased. 2. The number of employees hired by the SME participants in Armenian OVOP movement is increased. 3. The number of new material providers (Armenian farmers and businesses) for the SME participants in Armenian OVOP movement is increased. 4. The number of national and international tourists who come to Armenian local communities of OVOP participants is increased.	Data collected by SMEDNC Data collected by SMEDNC Data collected by SMEDNC Data collected by SMEDNC and/or Public statistics			
Project Purpose Armenian OVOP movement promoted by SMEDNC contributes to improving the competitiveness of the local SMEs and entrepreneurs in both national and international markets, including Japanese, European and/or neighboring countries' markets.	1. All of Armenian 10 regions (Merzes) have newly branded products*. <small>*Including branded products in the Project Phase1</small> 2. Positive changes such as the increase in sales, increased number of clients, increased employees, access to new markets and/or the other indicators are observed in at least 80 SME participants in Armenian OVOP movement. 3. SMEDNC independently supports Armenian OVOP movement in all of 10 regions (Merzas) utilizing "Advanced" Armenian OVOP method, including seminar and/or training.	Monitoring record Monitoring record Monitoring record	Other necessary actions to achieve the overall goal are taken by SMEDNC.		

Outputs	Objectively Verifiable Indicators (Tentative Plan)	Means of Verification	Important Assumption	Achievement	Remarks
1. The technical capacity of SMEDNC experts and BDS (business development service) providers is further developed in terms of wide application of "Advanced" Armenian OVOP method*. <small>*Advanced Armenian OVOP method consists of (i) increasing platform operation, including roadside station, (ii) knowledge of the international market demand on Armenian products, including basic knowledge on food marketing and branding, and (iii) tourism promotion methods, besides the basic OVOP method including branding, merchandising and sales.</small>	1-1. At least 10 SMEDNC staff members and 10 BDS providers apply "Advanced" Armenian OVOP method in their works for SME development. 1-2. New textbooks on "Advanced" Armenian OVOP method are published by June 2017.	Interview to SMEDNC staff by the project team Monitoring record	Trained SMEDNC staff continues to be involved in the project.		
2. The technical capacity of local SMEs and entrepreneurs is developed.	2-1. At least 200 entrepreneurs (20 persons x 10 regions) are newly trained in start-up trainings incorporating basic Armenian OVOP method by the end of 2018. 2-2. At least 80 businesses are newly registered in a formal way, by the end of 2018.	Monitoring record Monitoring record			
3. The export of Armenian local products is promoted for international markets, including Japanese, European and/or neighboring countries' markets.	3-1. At least 5 Armenian products are newly introduced for foreign markets, including: Georgian, Russian, Japanese, and/or European markets, by the end of 2018. 4-1. New tourism product is introduced for foreign markets, including, Japanese and/or European markets.	Products introduced for foreign markets Tourism product introduced for foreign markets			
4. Tourism circuits which cover different Armenian OVOP pilot sites are promoted for both domestic and foreign tourists, including the Japanese tourists.	4-2. The number of the guests, who stay at the BDSs participating in Armenian OVOP movement, is increased.	Data collected by SMEDNC			
5. Marketing platforms*, including a roadside station, work for local business development. <small>*Marketing platforms developed by the Project Phase1 include: event type exhibitions of local products in the markets, mobile type (food truck) marketing and research market survey by questionnaire and shop type (brand design) shops in SMEs.</small>	5-1. The marketing platforms established by the Project Phase1 work for local product development in a continuous manner. 5-2. At least 2 new practices of the marketing platform are developed, by applying the platform manual elaborated by the Project Phase1.	Conventional platforms working in a continuous way New 2 platforms working for SME marketing activities			

<p>8. The project activities on Armenian OVOP movement are monitored, and the lessons learned from the activities are used for local SME development.</p>	<p>8-1. The quarterly progress reports of the project activities are elaborated. 8-2. At least 10 SMEDNC staff members apply the lessons learned from the project activities in different tasks related to SME promotion.</p>	<p>Quarterly progress reports Interview in SMEDNC staff by the project team</p>		
Activities (Tentative Plan)		Inputs (Tentative Plan)		Important Assumption
<p>1-1. The project team upgrades Armenian OVOP method. The project team consists of SMEDNC staff and JICA experts. 1-2. The project team plans the ToT (training of trainers) on "Advanced" Armenian OVOP method, adding new kaizen tools. 1-3. The project team provides SMEDNC and BDS providers with the ToT on "Advanced" Armenian OVOP method. 2-1. Armenian local businesses, which have already participated in Armenian OVOP activities promoted by the Project Phase 1, improve their management and products. 2-2. Newly 200 entrepreneurs (20 persons x 10 regions) participate in the start-up training, incorporating Armenian OVOP method. 2-3. SMEDNC applies various tools of "Advanced" Armenian OVOP method for the growth of local SMEs. 3-1. SMEDNC provides OVOP participants (SMEs) which intend to export their products to international markets, with the assistance for improving their products to meet international market requirements.</p>	<p>The Japanese Side - Experts* *Part of the JICA experts shared through Armenian OVOP method within training contents of training and advice. - Expert on SME development policy/ PPP (Public Private Partnership) for the operation of the marketing platform. - Expert on SME business administration & marketing. - Expert on Linkage with Japanese private sector/ International trade marketing. - Expert on tourism development. - Expert on food packaging and standards. (One of the experts will act as Chief Advisor of the Project.) - Training in Japan and/ or the third countries: 8 - 10 persons x 5 times. - Provision of Equipment (Draft) - 10 printers MFU (Multi-function) (for SMEDNC regional offices) - 2 printers MFU WIFI (for SMEDNC central office) - 15 laptop computers (for SMEDNC regional offices) - 10 digital cameras for monitoring - Production equipment for leasing and training</p>	<p>The Armenian Side - Assignment of Counterpart Personnel - Project director (SMEDNC executive director) - Project manager (International cooperation program coordinator) - Training coordinator - Financial assistance coordinator - Local economic development coordinator - Office for the JICA experts team - Local cost (operational expenses)</p>	<p>Pre-Conditions</p>	

<p>3-2. The project team promotes business matching between Armenian SMEs and the Japanese enterprises and markets. 3-3. The project team facilitates the participation of the SMEs in international trade fairs. 3-4. SMEDNC staff and Armenian business owners participate in the training courses in Japan. 4-1. The project team designs the tourism circuit (including connecting to tourism circuit of neighboring countries such as Georgia). 4-2. SMEDNC provides local SMEs and entrepreneurs, which participate in the tourism circuit, with technical and financial assistance. 4-3. The project team promotes Armenian tourism products to Japanese and/or European tourism agencies and consumers. 5-1. The project team reinforces the marketing platforms developed by the Project Phase 1, adding new practices*. *One of the new practices of the marketing platform to be developed in the Project should be a Roadside Station, as long as European Union (EU) will have approved the SMEDNC's proposal on it. 5-2. SMEDNC develops new practices* of the marketing platform, with the technical assistance of the JICA experts team. 6-1. SMEDNC monitors the project activities, which shall be announced widely by mass media. 6-2. SMEDNC elaborates the quarterly progress reports, with the assistance of the JICA experts team. 6-3. SMEDNC applies the lessons learned from the project activities in different works for SME development.</p>	<p>- Project Activity Cost (local cost support) for local consultants, publication, PR (Public relations) and so on.</p>		<p><issue and countermeasures></p>
---	--	--	---

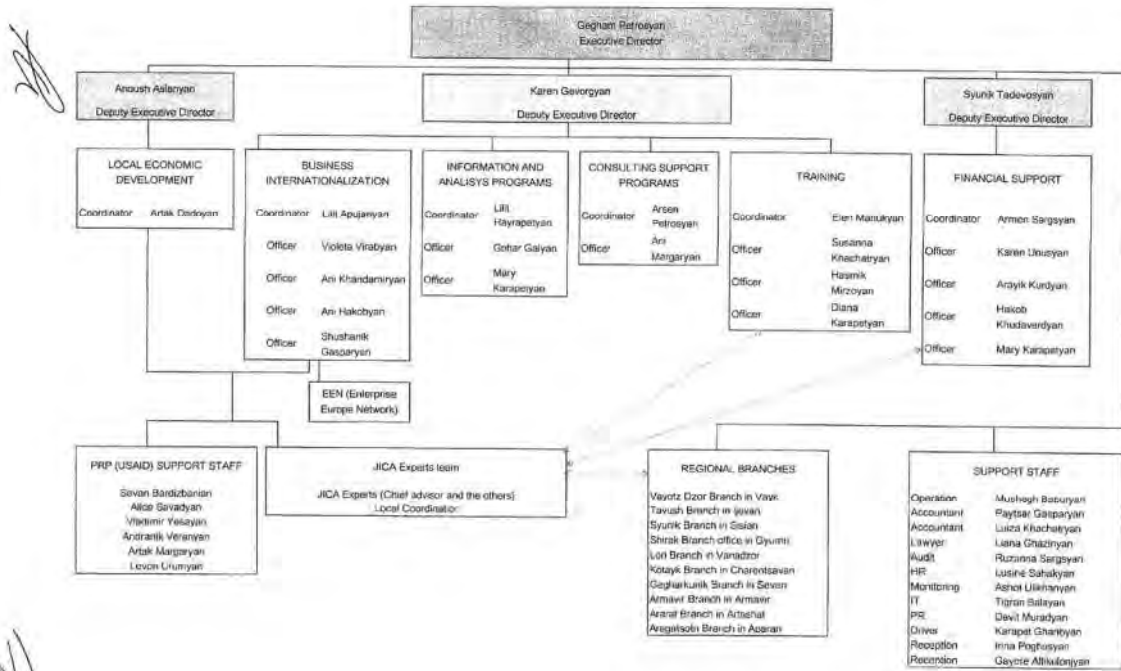
Tentative Plan of Operation

Section 2
Based Feb. 2, 2012

Project Title: Project for Development of Local Production and Processing of Local Brands Phase 2	Year												Remarks	Issues	Solutions
	1st Year			2nd Year			3rd Year			4th Year					
Inputs															
Basic development project PMP (Public Finance)															
Development for the expansion of the existing production															
WVE business administration & financing															
Design cost reduction project (WVE)															
International trade activities															
System development															
Product packaging and standards															
Training for technical personnel and business center															
Activities															
Sub-Activities															
Project 1: The technical capacity of SMEs in the field of product development and quality control															
Plan															
Act															
Fin															
Mon															
Rep															
Project 2: The technical capacity of local SMEs and expansion of domestic															
Plan															
Act															
Fin															
Mon															
Rep															
Project 3: The export of domestic final products to processed by international markets, including the Japanese, European and other neighboring countries															
Plan															
Act															
Fin															
Mon															
Rep															
Project 4: Enhancement of retail sales of domestic products in other countries, including the Japanese market															
Plan															
Act															
Fin															
Mon															
Rep															

[Handwritten signature]

[Handwritten signature]



A List of Proposed Members of Joint Coordinating Committee

Joint Coordinating Committee (JCC) will be established in order to facilitate inter-organizational coordination. JCC will be held at least once a year and whenever deemed it necessary.

1. Functions of JCC

- To approve an annual work plan of the Project,
- To review overall progress, conduct monitoring and evaluation of the Project,
- To exchange opinions on major issues that arise during the implementation of the Project.

2. Composition

Armenia side

- First Deputy Minister, Ministry of Economy (Chair)
- Executive Director, SMEDNC
- International Cooperation Programs Coordinator, SMEDNC

Japan side

- JICA Chief Advisor and other experts
- JICA Uzbekistan Office

Observers

- Embassy of Japan
- USAID
- UNDP
- GIZ (To be decided)

3. Notes

- Other observers may attend the JCC meetings upon the agreement between the Project Director and JICA.



Project Design Matrix

Project Title: Project for Development of Local Production and Promotion of Local Brands Phase2
Implementing Agency: Small and Medium Entrepreneurship Development National Centre of Armenia (SMEDNC)
Beneficiaries: (Ultimate beneficiaries) Small and Medium Enterprises and Entrepreneurs in 10 regions (Marzer) (Beneficiaries) SMEDNC

Version 1
Dated 25th September, 2017

Period of Project: July 2016 to July 2019

Project Site: 10 regions (Marzer) of Armenia

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption	Achievement	Remarks
Overall Goal Armenian OVOP movement promoted by SMEDNC contributes to local economic development of the country.	<p>1. The number of the SME participants in Armenian OVOP movement is increased up to 400 SMEs.</p> <p>2. The number of raw material providers (Armenian farmers and businesses) for the SME participants in Armenian OVOP movement is increased by 2000.</p> <p>3. Income of local SMEs is increased by 30% in 3 years.</p>	<p>Data collected by SMEDNC</p> <p>Data collected by SMEDNC</p> <p>Data collected by SMEDNC</p>			
Project Purpose Armenian OVOP movement promoted by SMEDNC contributes to improving the competitiveness of the local SMEs and entrepreneurs in both national and international markets, including Japanese, European and/or neighbouring countries' markets.	<p>1. All of Armenian 10 regions (Marzer) have newly branded products*. *including branded products in the Project Phase1</p> <p>2. Positive changes such as the increase in sales, increased number of clients, increased employees, access to new markets and/or the other indicators are observed in at least 50 SME participants in Armenian OVOP movement.</p> <p>3. SMEDNC independently supports Armenian OVOP movement in all of 10 regions (Marzer) utilizing "Advanced" Armenian OVOP method, including seminar and/or training.</p>	<p>Monitoring record</p> <p>Monitoring record</p> <p>Monitoring record</p>	<p>Other necessary actions to achieve the overall goal are taken by SMEDNC.</p> <p>Political and economic condition of the country is stable.</p>		

<p>Outputs</p> <p>1. The technical capacity of SMEDNC experts and BDS (business development service) providers is further developed in terms of wide application of "Advanced" Armenian OVOP method* *Advanced* Armenian OVOP method use consist of (i) marketing platform operation, including mobile station, (ii) knowledge of the international market demand on Armenian products, including basic knowledge on food packaging and standard, and (iii) business promotion methods, besides the basic OVOP method including branding, merchandising and sales.</p> <p>2. The technical capacity of local SMEs and entrepreneurs is developed.</p> <p>3. The export of Armenian local products is promoted for international markets, including Japanese, European and/or neighbouring countries' markets.</p> <p>4. Tourism in OVOP pilot area is promoted for both domestic and foreign tourists, including the Japanese tourists.</p> <p>5. Marketing platforms*, including a roadside station, work for local business development. *Marketing platforms developed by the Project Phase 1 include: street type (sales of local products in the festival), mobile type (Facebook marketing and consumer market served by smartphones) and shop type (retail stores shops at B&B).</p>	<p>1-1. At least 10 SMEDNC staff members and 10 BDS providers apply "Advanced" Armenian OVOP method in their works for SME development.</p> <p>1-2. New textbooks on "Advanced" Armenian OVOP method are published by June 2017.</p> <p>2-1. At least 200 entrepreneurs (20 persons x 10 regions) are newly trained in start-up trainings incorporating basic Armenian OVOP method, by the end of 2018.</p> <p>2-2. At least 80 start-ups are operating actively by the end of 2018</p> <p>2-3. At least 50 SMEs think that they are applying Advanced OVOP method in their business.</p> <p>3-1. At least 5 Armenian products have a new international business linkage by the end of 2018.</p> <p>4-1. New tourism product is introduced for foreign markets, including, Japanese and/or European markets.</p> <p>4-2. Services of SMEs is improved in the manner of advanced OVOP method.</p> <p>4-3. At least 20 tourism products are developed utilizing Advanced Armenian OVOP method.</p> <p>5-1. The marketing platforms established by the Project Phase1 work for local product development in a continuous manner.</p> <p>5-2. At least 2 new practices of the marketing platform are developed, by applying the platform manual elaborated by the Project Phase1.</p>	<p>Interview to SMEDNC staffs by the project team</p> <p>Monitoring record</p> <p>Monitoring record</p> <p>Questionnaire survey & monitoring</p> <p>Products introduced for foreign markets</p> <p>Tourism product introduced for foreign markets</p> <p>Data collected by SMEDNC</p> <p>Conventional platforms working in a continuous way</p> <p>New 2 platforms working for SME marketing activities</p>	<p>Trained SMEDNC staff continues to be involved in the project.</p>		
--	---	---	--	--	--

<p>6. The project activities on Armenian OVOP movement are monitored, and the lessons learned from the activities are used for local SME development.</p>	<p>6-1. The quarterly progress reports of the project activities are elaborated. 6-2. At least 10 SMEDNC staff members apply the lessons learned from the project activities in different tasks related to SME promotion. 6-3. SMEDNC utilize data base and realize periodically quantitative monitoring.</p>	<p>Quarterly progress reports Interview to SMEDNC staff by the project team</p>	
<p>Activities</p>	<p>Inputs</p>	<p>Important Assumption</p>	
<p>Common Activity: Conduct online survey to collect information for indicators.</p>			
<p>1-1. The project team* upgrades Armenian OVOP method. <small>*The Project team involves of SMEDNC staff and JICA experts</small></p>	<p>The Japanese Side - Experts* <small>*All of the JICA experts should manage Armenian OVOP method, which mainly consists of branding and labels, based on Armenian OVOP concept.</small></p>	<p>The Armenia Side - Assignment of Counterpart Personnel - Project director (SMEDNC executive director) - Project manager (SMEDNC Deputy Executive Director and Head of International cooperation programs Division) - Head of Training Support programs Division - Head of Financial Support programs Division - Head of Local economic development programs Division</p>	
<p>1-2. The Project team plans the ToT (training of trainers) on "Advanced" Armenian OVOP method, adding new kaizen tools.</p>	<p>- Chief Advisor/ SME development policy - SME business administration - International trade marketing - Tourism development - Project Coordinator/Food sanitation and packaging</p>	<p>- Training in Japan (3times) and third countries (Thailand and Singapore); around 10 trainees in each training</p>	
<p>1-3. The Project team provides SMEDNC and BDS providers with the ToT on "Advanced" Armenian OVOP method.</p>	<p>- Training in Japan (3times) and third countries (Thailand and Singapore); around 10 trainees in each training</p>	<p>- Office for the JICA expert team</p>	
<p>2-1. Armenian local businesses, which have already participated in Armenian OVOP activities promoted by the Project Phase 1, improve their management and products.</p>	<p>- Provision of Equipment - 10 printers MFU (Multi-function) (for SMEDNC regional offices) - 2 printers MPU WIFI (for SMEDNC central office and for ICT training) - 17 laptop computers (for SMEDNC regional offices) - 1 laptop computer with multi-function (for PR materials) - 10 digital devices with camera - 1 large interactive projector - 1 large monitor - Production equipment for leasing and training</p>	<p>- Local cost (operational expenses)</p>	
<p>2-2. Newly 200 entrepreneurs (20 persons x 10 regions) participate in the start-up training, incorporating Armenian OVOP method.</p>			
<p>2-3. SMEDNC applies various tools of "Advanced" Armenian OVOP method for the growth of local SMEs.</p>			
<p>3-1. SMEDNC provides OVOP participants (SMEs) which intend to export their products to international markets, with the assistance for improving their products to meet international market requirements.</p>			<p>Pre-Conditions (activity3-1)* One of the new practices of the marketing platform to be developed in the Project should be a Roadside Station, as long as it is constructed and inaugurated during the Project implementation period.</p>

<p>3-2. The Project team promotes business matching between Armenian SMEs and the Japanese enterprises and markets.</p>	<p>Project Activity Cost (local Cost support) for local consultants, publication, PR (Public relations) and so on.</p>		
<p>3-3. The project team facilitates the participation of the SMEs in international trade fairs.</p>			
<p>3-4. SMEDNC staff and Armenian business owners participate in the training courses in Japan.</p>			
<p>4-1. The Project team develops the tourism products (catalogues of B&B, informational materials, touristic places, etc)</p>			
<p>4-2. SMEDNC provides local SMEs and entrepreneurs, with technical and financial assistance to improve services</p>			
<p>4-3. The project team promotes Armenian tourism products to Japanese and/or European tourism agencies and consumers.</p>			
<p>5-1. The Project team reinforces the marketing platforms developed by the Project Phase 1, adding new practices*</p>			
<p>5-2. SMEDNC develop new practices* of the marketing platform, with the technical assistance of the JICA experts team.</p>			
<p>6-1. SMEDNC monitors the project activities, which shall be announced widely by mass media.</p>			
<p>6-2. SMEDNC elaborates the quarterly progress reports, with the assistance of the JICA expert team.</p>			
<p>6-3. SMEDNC applies the lessons learned from the project activities in different works for SME development.</p>			<p><Issues and countermeasures></p>

Plan of Operation

Version 1
Dated 25th September 2017

Project Title: Project for Development of Local Production and Promotion of Local Brands Phase2	Monitoring																Remarks	Issue	Solution	
	Year	1st Year				2nd Year				3rd Year				4th Year						
		I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III				IV
Inputs																				
Expert																				
Chief Advisor/ SME Development	Plan																			
Actual																				
Deputy Chief Advisor/SME Administration (1)	Plan																			
Actual																				
SME Administration (2)	Plan																			
Actual																				
Tourism development (1)	Plan																			
Actual																				
Tourism development (2)	Plan																			
Actual																				
Export Marketing	Plan																			
Actual																				
Food packaging and safety standards/Project Coordination	Plan																			
Actual																				
Training in Japan and/or third countries	Plan																			
Actual																				
Training for counterpart personnel and business owners	Plan																			
Actual																				
Activities																				
Sub-Activities																				
Common activities																				
Conduct End line survey																				
	Plan																			
	Actual																			
Output 1: The technical capacity of SME/DNC experts and BDS (business development service) providers is further developed in terms of wide application of "Advanced" Armenian OVOP method.																				
1-1. The project team upgrades Armenian OVOP method.																				
	Plan																			
	Actual																			
1-2. The Project team plans the ToT (training of trainers) on "Advanced" Armenian OVOP method adding new lesson tools.																				
	Plan																			
	Actual																			
1-3. The Project team provides SME/DNC and BDS providers with the ToT on "Advanced" Armenian OVOP method.																				
	Plan																			
	Actual																			
Output 2: The technical capacity of local SMEs and entrepreneurs is developed.																				
2-1. Armenian local businesses, which have already participated in Armenian OVOP activities promoted by the Project Phase1, improve their management and products.																				
	Plan																			
	Actual																			
2-2. Newly 200 entrepreneurs (20 persons x 10 regions) participate in the start-up training, incorporating Armenian OVOP method.																				
	Plan																			
	Actual																			
2-3. SME/DNC applies various tools of "Advanced" Armenian OVOP method for the growth of local SMEs.																				
	Plan																			
	Actual																			

Output 3: The export of Armenian local products is promoted for international markets, including Japanese, European and/or neighbouring countries'																		
3-1. SME/DNC provides OVOP participants (SMEs) which intend to export their products to international markets, with the assistance for improving their products to meet international market requirements.																		
	Plan																	
	Actual																	
3-2. The Project team promotes business matching between Armenian SMEs and the Japanese enterprises and markets.																		
	Plan																	
	Actual																	
3-3. The project team facilitates the participation of the SMEs in international trade fairs.																		
	Plan																	
	Actual																	
3-4. SME/DNC staff and Armenian business owners participate in the training courses in Japan.																		
	Plan																	
	Actual																	
Output 4: Tourism in OVOP pilot area is promoted for both domestic and foreign tourists, including the Japanese tourists.																		
4-1. The Project team develops the tourism products (catalogues of B&E), informational materials, touristic places, etc)																		
	Plan																	
	Actual																	
4-2. SME/DNC provides local SMEs and entrepreneurs, which participate in the tourism circuit, with technical and financial assistance to improve services.																		
	Plan																	
	Actual																	
4-3. The project team promotes Armenian tourism products to Japanese and/or European tourism agencies and customers.																		
	Plan																	
	Actual																	
Output 5: Marketing platforms, including a roadside station, work for local business development.																		
5-1. The Project team reinforces the marketing platform developed by the Project Phase1, adding new practices.																		
	Plan																	
	Actual																	
5-2. SME/DNC develop new practices of the marketing platform, with the technical assistance of the JICA experts team.																		
	Plan																	
	Actual																	
Output 6: The project activities on Armenian OVOP movement are monitored, and the lessons learned from the activities are used for local SME																		
6-1. SME/DNC monitors the project activities, which shall be announced widely by mass media.																		
	Plan																	
	Actual																	
6-2. SME/DNC elaborates the quarterly progress reports, with the assistance of the JICA expert team.																		
	Plan																	
	Actual																	
6-3. SME/DNC applies the lessons learned from the project activities in different works for SME development.																		
	Plan																	
	Actual																	
Duration / Phasing																		
	Plan																	
	Actual																	

Monitoring Plan	Year	1st Year				2nd Year				3rd Year				4th Year				Remarks	Issue	Solution
		I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV			
Monitoring																				
Joint Coordinating Committee	Plan	●				●				●				●						
	Actual	●				●				●				●						
Set-up the Detailed Plan of Operation	Plan	▲				▲														
	Actual	▲				▲														
Submission of Monitoring Sheet	Plan	▲	▲			▲	▲			▲	▲			▲	▲					
	Actual	▲	▲			▲	▲			▲	▲			▲	▲					
Monitoring Mission	Plan				●															
	Actual				●															
Joint Monitoring	Plan					▲				▲				▲						
	Actual					▲				▲				▲						
Post Monitoring	Plan																			
	Actual																			
Reports/Documents																				
Inception Report	Plan	▲																		
	Actual	▲																		
Progress Report	Plan	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲			
	Actual	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲			
Project Completion Report	Plan																			
	Actual																			
Public Relations																				
Issuing monthly report	Plan	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲			
	Actual	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲			
Seminar for public	Plan	▲																		
	Actual	▲																		

付属資料 3 : JCC 議事録

(1) 第 1 回 JCC 議事録

THE MINUTES OF THE JOINT COORDINATION COMMITTEE
ON
JAPANESE TECHNICAL COOPERATION PROJECT FOR
DEVELOPMENT OF LOCAL PRODUCTION AND PROMOTION OF LOCAL BRANDS
PHASE 2

The Joint Coordination Committee was held on 26th August 2016, in order to discuss the plan for First Term of the Project for Development of Local Production and Promotion of Local Brands Phase 2 (hereinafter referred to as “the Project”), which is implemented by Small and Medium Entrepreneurship National Development Center of Armenia (hereinafter referred to as “SMEDNC”) and Japan International Cooperation Agency (hereinafter referred to as “JICA”).

The main points discussed in the meeting are noted below;

- Mr. Karen Gevorgyan, Deputy Executive director of SMEDNC, is appointed to the Project Manager, as well as Ms. Lilit Apujanyan, International Cooperation Programs Coordinator of SMEDNC.
- The Project should develop “Advanced Armenian OVOP Method” which is applicable for providing technical support to local Small and Medium Enterprises (SMEs) by SMEDNC and other Business Development Service (BDS) providers.
- The “Advanced Armenian OVOP Method” should be aligned with SMEDNC’s current tools so that SMEDNC can apply it in a consistent and sustainable manner, in accordance with SME State Support Annual Programmes, and should be served for entrepreneurs, export-oriented SMEs, tourism services providers, and so on.
- The Project should be implemented in a consistent manner to diffuse positive results and impacts of the previous Project for Development of Local Production and Promotion of Local Brands (hereinafter referred to as “the Project Phase 1”)
- The Project inputs, including equipment and automobile provided in the Project Phase 1, must be used properly for the Project activities.

Yerevan, 26th August 2016

村井 博満

For Mr. Katsutoshi Fushimi
Chief Representative
JICA Uzbekistan Office
Japan International Cooperation Agency
(JICA)



Mr. Garegin Melkonyan
First Deputy Minister
Ministry of Economy
Republic of Armenia

(2) 第2回JCC議事録


THE MINUTES OF THE JOINT COORDINATION COMMITTEE MEETING
ON
JAPANESE TECHNICAL COOPERATION PROJECT FOR
DEVELOPMENT OF LOCAL PRODUCTION AND PROMOTION OF LOCAL BRANDS
PHASE 2

The Joint Coordination Committee was held on 25th September 2017, in order to discuss the plan for second term of the Project for Development of Local Production and Promotion of Local Brands Phase 2 (hereinafter referred to as “the Project”), which is implemented by Small and Medium Entrepreneurship National Development Center of Armenia (hereinafter referred to as “SMEDNC”) and Japan International Cooperation Agency (hereinafter referred to as “JICA”) in the Republic of Armenia.

The main points discussed in the meeting are noted below;

- The Project has already generated positive results, including the development of Advanced Armenian OVOP (One Village, One Product) method and application for local SMEs and entrepreneurs, with ownership of SMEDNC.
- The workplan of the second term of the Project was approved. To achieve the Project Purpose, it emphasizes the development effective models for local SMEs development, applying Advanced Armenian OVOP method. At the same time, it stresses the importance of human resource development, and sustainability and applicability of those models for regional economic development.
- During the second term, the Project intends to establish model to strengthen competitiveness of some local SMEs in international market, providing opportunities for them to exhibit their products (including tourism products) in 3 international trade fairs in Japan and Singapore, combined with technical training and follow-up activities. SMEDNC will realize selection of eligible exhibitors, under certain criteria.
- The Project will develop monitoring mechanism and data base which shall serve for SMEDNC to monitor and follow-up of local SMEs.
- The Project inputs, including equipment and automobile provided in the Project Phase 1, must be used properly for the Project activities.

Yerevan, 25th September 2017



Mr. Katsutoshi Fushimi
Chief Representative
JICA Uzbekistan Office
Japan International Cooperation Agency
(JICA)



Mr. Levon Mnatsakanyan,
Executive Director
Small and Medium Entrepreneurship
Development National Center of Armenia

(3) 第3回 JCC 議事録

MEETING NOTE
ON
PROJECT FOR DEVELOPMENT OF LOCAL PRODUCTION AND PROMOTION OF
LOCAL BRANDS PHASE 2

In the Joint Coordination Committee (JCC) meeting held on November 2, 2018, Armenian and Japanese sides had a series of discussions on the Project for Development of Local Production and Promotion of Local Brands Phase 2 (hereinafter referred to as "the Project"), which has been implemented by Small and Medium Entrepreneurship National Development Center of Armenia (hereinafter referred to as "SMEDNC") and Japan International Cooperation Agency (hereinafter referred to as "JICA") in the Republic of Armenia.

The discussions developed by both sides include:

1. Project Progress

The Project activities have generated the following positive results.

- Advanced Armenian OVOP (One Village One Product) method has been developed, in a way that lessons learnt from training courses realized in Japan, Singapore and Thailand have been incorporated in the method.
- All of Armenian 10 regions (Marzer) have newly branded products.
- Positive changes such as the development of new products, access to new markets and/or the other indicators are observed in more than 50 SME (Small and Medium Enterprise) participants in Armenian OVOP movement, thanks to the application of Advanced Armenian OVOP method.

It is estimated that the Project Purpose would be achieved successfully by the end of the Project period, taking into consideration the Project progress mentioned above.

2. Activities to be developed in the remaining period of the Project

The following activities should be implemented in the remaining period of the Project.

- SMEDNC regional staff will provide SMEs with seminars and/or trainings based on the Advanced Armenian OVOP method in November 2018.
- End line survey will be carried out in the first quarter of the year 2019 to identify the impact generated by the Project.
- Good practices generated by the application of the Advanced Armenian OVOP method will be introduced in the next JCC meeting.

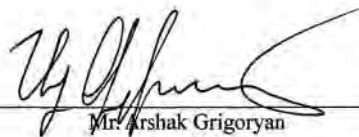
3. Others

Armenian side presented their interest in the possibility to develop the "SME Development through Strengthening Cluster and Value Chain Project". The Japanese side will analyze the request presented by SMEDNC.

Yerevan, November 2, 2018



Mr. Shun Omori
Representative
JICA Uzbekistan Office



Mr. Arshak Grigoryan
Executive Director
SMEDNC

付属資料 4：発展型一村一品手法教材（英語版）

4-1 起業家と零細企業のためのガイドブック

Guidebook on
Elementary OVOP methods
harmonized with CEFE method
for newly developing businesses



Table of Contents

Introduction: Who can use these methods?2

1. Business development, marketing and branding based on Armenian OVOP concept.....3

2. Basic quality and food sanitation management based on 5S5

Introduction: Who can use these methods?

This material is useful for entrepreneurs to start-up their business, and SME managers who are not confident with their products and services.

In this material, two (2) important methods are presented. Those methods are widely used in Japan and in other countries, including Armenian SMEs which have already participated in OVOP activities.

Table 1. OVOP method for newly developing businesses

Method	Who can use the method?
1. Business development, marketing and branding based on Armenian OVOP concept	<ul style="list-style-type: none"> Any SMEs (producers and service providers) that want to expand their market or add more value to their products/services.
2. Basic quality and food sanitation management based on 5S	<ul style="list-style-type: none"> Any SMEs that want to organize well their factory, storage, shop, office, etc. Food processing factories, restaurants and B&Bs which are required to keep clean.

As presented in this table, Armenian OVOP methods include (i) **marketing and branding** techniques and (ii) operational improvement tools represented by **continuous improvement (Kaizen)**, because the business success can be caused by increasing “**emotional value based on substantial quality**”.

This can be described as the following figure.



Figure 1. Concept of the product value

The figure points out the followings.

- To increase the value of the product involves both consolidating the intrinsic benefit (=product improvement) and enhancing the extrinsic benefit (=branding).
- The emotional and self-expression benefits do not make up for product defects.
- A product/service will not sell only for psychological reasons without a decent level of physical and functional quality.

1. Business development, marketing and branding based on Armenian OVOP concept

Who needs this tool?

- Entrepreneurs who want to develop products/services
- SMEs which want to develop more attractive products, utilizing local resources and cultures.

When should you use it?

When you think of new products/services to develop.

How does this tool help your business?

You can realize more profitable business, by attracting more customers.

One Village One Product (OVOP) is a local economic development initiative applied in different countries, while the original concept had been developed in Japan.

The Armenian OVOP concept is defined as “an integrated effort to promote local economy, small enterprises, products and services in a coordinated manner, by utilizing local resources and culture” as illustrated below.



Figure 2. Overview on Armenian OVOP concept

The catchwords “*Touch the Culture, Feel the Nature and Taste the Tradition*” and logo (see the cover of this book) are also used to express the Armenian OVOP concept. The catchwords emphasize **the importance of the use of local resources for the business development**.

It is important to harmonize the supply of local attractiveness and the consumers’ demand. In this sense, Armenian OVOP movement emphasizes the importance of marketing, above all, **listening to the consumers’ voices** to apply them to business development and/or improvement.

Branding is one of the important marketing activities, and it contributes to increase the value of the products and services from the consumers’ viewpoint.

The history of branding goes as far back in time as when people owned cattle. In order to

distinguish their goods, craftsmen imprinted trademarks on their goods and creations to signify the maker and origin. Ultimately, trademarks assured the buyer or trader of the quality of the merchandise¹. The purpose of branding is thus to present distinction and identity of the producer to assure the quality. It gives your customers confidence and ease of finding your quality products.

Branding based on Armenian OVOP concept is expressed as; “**Sell your story, not your product.**”. The local uniqueness, culture and resource can contribute to develop “your story”.

For example, one of the Armenian OVOP participant companies, which produces and sells dried fruits, uses the following logo.

The logo represents the **sunny and green** image of Bagratashen village located in Tavush region, since the village has a lot of trees with warm climate. This can reinforce the **positive image** of their products, because Armenian consumers love the beautiful nature. Thus, the story based on the local uniqueness can increase the product value for the consumers.



Figure 3.
Logo of the dried fruits products in Bagratashen village

It is recommended that the following questions would be applied to facilitate (i) development of new business or (ii) improvement of the value of existing business and products.

Thus, Armenian OVOP concept can facilitate business development and branding.

Exercise 1: Story of your product

Story of your town/ country (Armenia):

- Which attractive characteristics does your town/village/country (Armenia) have?
- How are the characteristics of your town expressed through your product?

Story of your business:

- What is your promise to your customers?
- What contribution does your business make to your community?

Story of your product:

- What features of your product are particularly meaningful to the consumers?
- What is uniqueness about your product?

¹ http://www.acf.com/pdf/landa_history_rev2.pdf

2. Basic quality and food sanitation management based on 5S

Who needs this tool?

Those who want to take control of quality and cleanness of your products and places.

When should you use it?

When you think of new products/services to manufacture/operate.

How does this tool help your business?

You can provide products/services at a satisfactory level of quality and sanitation.

5S can be applied in different categories of the businesses, including; **food-processing, restaurant, B&B, retail shop**, etc. 5S represents the following Japanese words:

- **Seiri**: To **sort** necessary and unnecessary things and eliminate unnecessary things.
- **Seiton**: To **put** necessary things in an ordered manner.
- **Seisou**: To **clean** the work place (shop, office, warehouse, etc.) to identify easily operational problems (shortage of inventory, inappropriate use of materials and equipment, etc.).
- **Seiketsu**: To **keep** cleaned work place.
- **Shitsuke**: To **accustom** to do these activities.

A business can gradually improve the operational conditions and product quality by applying a checklist as shown below. It is recommended that each business prepare **its own checklist** appropriate for its operational situation.

Table 2. Example of checklist for 5S in the case of a food processing workshop

		1st week	2nd week	3rd week	4th. week
Sort (Seiri)	Are there any unnecessary excess inventory (products at process) in the workshop?				
	Are there tools and instruments that has not been used in recent years in the workshop?				
	Are the grasses removed near the workshop, to achieve cleanness against insects?				
Order (Seiton)	Are the materials and tools placed properly in fixed positions with labels?				
	Are raw materials and final products placed separately?				
	Is the height of work tables adequate?				
Clean (Seisou)	The production machinery is washed periodically?				
	The workshop is cleaned every day?				
Keep (Seiketsu)	Do workers use masks, gloves and uniforms, etc.?				
	Are the spaces which should be hygienic (space for production and warehouse to keep finished products, etc.) separated from dirty spaces (space to receive the raw materials, etc.)				
	Are all things in the workshop and warehouse should be stored with the distance of 15 cm from the ground to maintain the sanitary?				
	Is the packaging process carried out in highly sanitary space?				
Accustom (Shitsuke)	Does each product have the recipe, to standardize the production?				
	Do workers take care of machines and productive tools?				
	Does the company check the quality of the raw materials, when it receives them?				

The following pictures presents the application of 5S in Armenia and the other country.

1) Case of the dried fruits production



2) Case of the storage room of the restaurant



Thus, 5S, one of the Japanese continuous improvement (*Kaizen*) tools, can complement Armenian OVOP concept, by improving substantial quality of the business / product.

Exercise 2: 5S for B&B

What activities are important for 5S of B&Bs, among the followings; organizing the database of the guests, well cleaned room, well organized kitchen, etc.? How can we organize well the kitchen?

(END)

Successful Expansion

Guidebook on Advanced OVOP Methods For Potential Exporters



March 2017

INTRODUCTION

This guidebook presents different methods being applied in the Armenian One Village One Product (OVOP) movement, supported by the international cooperation Project named “Development of local production and promotion of local brands in Armenia (Second Phase)”. The project, including its first phase, has been implemented since March 2013 by SMEDNC (Small and Medium Entrepreneurship Development National Center) with the technical assistance of JICA (Japan International Cooperation Agency). The Project aims at the business competitiveness improvement of Armenian local and regional SMEs (Small and Medium-sized Enterprises) in domestic and international markets, by utilizing the OVOP concept adopted in Armenia. The OVOP concept had been developed originally in Japan, and today different countries apply this concept for local economic development. In Armenia, it can be defined as an integral effort to develop local economy, businesses and products in a coordinated manner with local uniqueness and culture.

The Project develops different activities based on this OVOP concept. These activities include; promoting the exportation of Armenian products to the foreign markets, tourism development, reinforcing marketing platforms which is system where businesses can collect the information of consumers’ needs, etc.

This guidebook presents mainly the methods for reinforcing the business competitiveness in international market, so that more enterprises can be successful in terms of the exportation of their products. It is expected that many people would apply the methods presented in this material for the business success.

Table of Contents

Chapter 1: General Information on Armenian OVOP methods	2
1.1 Background information on OVOP	2
1.2 Armenian OVOP Concept and methods	3
Chapter 2: Quality Management	5
2.1 Quality management based on <i>Kaizen</i> (Continuous Improvement)	5
2.1.1 Introduction	5
2.1.2 TQM (Total Quality Management) and Q7 (Seven Tools for Quality Management)	7
2.1.3 Basic and important points of quality management for food processing businesses	12
2.2 Product package improvement	13
2.2.1 Main functions of package	13
2.2.2 Designing package process	14
2.2.3 Summary of labelling	16
Chapter 3: Marketing	19
3.1 Branding based on “Armenia”	19
3.2 International Marketing	20
3.2.1 Introduction	20
3.2.2 Deciding whether to go abroad	21
3.2.3 Deciding which markets to enter	25
3.2.4 Deciding how to enter the new market	27
3.2.5 Deciding on the marketing program	29
3.3 New product development based on P7 (seven tools for product planning)	49

Chapter 1: General Information on Armenian OVOP methods

1.1 Background information on OVOP

One Village One Product (OVOP) can be defined as a set of territorial economic and social development activities through the development of products and services based on territorial identities and resources. Sometimes "OVOP" can generate inadequate understanding because of its own title. "OVOP" is not necessarily "a product for each village", but can be flexible, for example, "ten products for a village or city", "a brand developed by three cities", etc. It is very important to mention that OVOP approach emphasizes not only product development but also local economic and social development.

The OVOP campaign had been originally developed in Oita Prefecture, Japan, as of 1980 with the initiative of the prefectural governor at that time, so as to (a) minimize the gap between rural and urban areas in terms of economic development, and (b) promote the territorial development based on the local people's ownership. The products developed and / or promoted through this campaign has included: plum and its derived products in Oyama community, handicrafts made of bamboo in Beppu city, citrus and its derived products in Saganoseki community, etc. The number of products developed by the campaign increased from 143 in 1980 to 336 in 2001, according to the information of the OVOP promotion committee.

The principles, which has been applied in this campaign, include:

- (a) Concept "G-Local": Developing the product that has a competitiveness even in the global market, through product differentiation, using local identity and culture.
- (b) Ownership of the community: Promoting OVOP activities by local people's own initiative
- (c) Human resource development: Strengthening the capacity of the people, especially territorial leaders

It is important to mention that similar approaches to OVOP has been applying in different territories of Japan. In general, these Japanese approaches have the following characteristics;

- Reinforcement of the territorial brand by utilizing the territorial culture and resources
- Territory's competitiveness reinforced by efforts of the different territorial enterprises
- Public sector's assistance to reinforce the ownership of the territorial private sector.

In recent years, OVOP approach has been adopted in several countries, such as Thailand, Mongolia, Malawi, Chile, Colombia, El Salvador, etc., adapting to the reality of each of these countries. Above all, OVOP program in Thailand, named as "OTOP: One *Tambon* (sub district) One Product" is one of the most famous OVOP activities in the world. OTOP is characterized as the following points:

- Thailand OTOP program had been developed by the central government.
- The main focus is product development rather than community development.

1.2 Armenian OVOP Concept and methods

Armenian OVOP concept is defined as an integral effort to develop local and regional economy, enterprises and products in a coordinated manner, as illustrated below.



Figure 1-1 Vision of Armenian OVOP concept

The vision illustrated above can be facilitated by applying the following catchword;” Touch *the culture, Feel the nature, and Taste the traditions.*”

Armenian OVOP movement aims at the competitiveness reinforcement of the local small and medium enterprises (SMEs). Armenian OVOP methods are technical tools to realize the OVOP concept. They consist mainly of marketing and quality management, and have two (2) levels (for new businesses and potential exporters) as described below.



Figure 1-2. Structure of Armenian OVOP methods

This guidebook presents the advanced marketing and quality management tools for potential exporters. It is important to mention that marketing and quality management complement each other, since the company's competitiveness in the market can depend on its product and management quality.

Besides these two (2) main technical contents, OVOP methods include also tourism development techniques and marketing platform management tools. Marketing platform can be defined as system in which SMEs can show their products and services and know the consumers' observation about them. Such platform includes roadside station, internet web site, Expo, and so forth. These tools are not presented in this guidebook but in the other materials.

Chapter 2: Quality Management

Quality management is one of the important contents of OVOP methods for potential exporters, because international standard quality is required to export their products.

2.1 Quality management based on *Kaizen* (Continuous Improvement)

Who needs this tool?
<ul style="list-style-type: none">● SMEs which want to improve the quality of the business, product and service.● SMEs which want to improve the productivity by decreasing the operational loss.
When should you use it?
When you think of products/services quality to be improved.
How does this tool help your business?
You can realize more profitable business, by (i) decreasing the operational loss and (ii) improving your business competitiveness.

2.1.1 Introduction

The product and business quality can be improved by utilizing continuous improvement (*Kaizen*), which can be characterized as applying lessons learned from the past operation into current management, as illustrated below.



Figure 2-1. Application of Kaizen for Quality Management

5S can be applied, as a fundamental method of the continuous improvement, in different categories of the businesses, including; food-processing, restaurant, B&B, retail shop, etc. 5S represents the following Japanese words:

- Seiri: To sort necessary and unnecessary things and eliminate unnecessary things.
- Seiton: To put necessary things in an ordered manner.

- Seisou: To clean the work place (shop, office, warehouse, etc.) to identify easily operational problems (shortage of inventory, inappropriate use of materials and equipment, etc.).
- Seiketsu: To keep cleaned work place.
- Shitsuke: To accustom to do these activities.

A business can gradually improve the operational conditions and product quality by applying a checklist as shown below. It is recommended that each business prepare its own checklist appropriate for its operational situation.

Table 2-1 Example of checklist for 5S in the case of a food processing workshop

		1st week	2nd week	3rd week	4th week
Sort (Seiri)	Are there any unnecessary excess inventory (products at process) in the workshop?				
	Are there tools and instruments that has not been used in recent years in the workshop?				
	Are the grasses removed near the workshop, to achieve cleanness against insects?				
Order (Seiton)	Are the materials and tools placed properly in fixed positions with labels?				
	Are raw materials and final products placed separately?				
	Is the height of work tables adequate?				
Clean (Seisou)	The production machinery is washed periodically?				
	The workshop is cleaned every day?				
Keep (Seiketsu)	Do workers use masks, gloves and uniforms, etc.?				
	Are the spaces which should be hygienic (space for production and warehouse to keep finished products, etc.) separated from dirty spaces (space to receive the raw materials, etc.)				
	Are all things in the workshop and warehouse should be stored with the distance of 15 cm from the ground to maintain the sanitary?				
	Is the packaging process carried out in highly sanitary space?				
Accustom (Shitsuke)	Does each product have the recipe, to standardize the production?				
	Do workers take care of machines and productive tools?				
	Do es the company check the quality of the raw materials, when it receives them?				

The following pictures presents the application of 5S in Armenia and the other country.

1) Case of the dried fruits production



Fruits being dried "not" put directly on the ground



2) Case of the storage room of the restaurant



Fixed place to be kept for each item

Easy to know how many stock the business has (This can facilitate the business to keep an appropriate volume of the inventory without overload or shortage.)

Thus, 5S, one of the Japanese continuous improvement (*Kaizen*) tools, can complement Armenian OVOP concept, by improving substantial quality of the business / product, in the following manners:

- 5S can reduce the time to look for necessary operational tools. It can contribute for increasing the work efficiency.
- By setting tools and raw materials at fixed places, it can be avoided to buy unnecessary things. This can reduce the operational cost.

2.1.2 TQM (Total Quality Management) and Q7 (Seven Tools for Quality Management)

Total Quality Management (TQM) refers to integrated efforts for improving the quality of several matters, such as product, operational system, business administration, etc. by systematically applying the lessons learned from the past operation.

The Seven Tools for Quality Management (Q7) are applied in the activities of the TQM, and they are a set of techniques identified as being most helpful in troubleshooting quality issues.

The cause-and-effect diagram (known as the "fishbone"), one of Q7, is applied in many cases to identify all possible measures to be taken for the targeted quality purpose¹, in terms of the

¹ This refers to the use of the fishbone diagram to prevent the quality problems. The diagram can be applied also for analyzing the relation between causes and effects of the quality problems as long as the data on

following 5Ms.

- Material: measures related to raw materials, including; raw material stock management, appropriate use of the materials, etc.
- Machine: measures related to machine and tools, including; maintenance, appropriate use of the productive machine, etc.,
- Men (workers): measures related to workers, including; training of workers, their sanity conditions, etc.
- Method: measures related to production method; including; improvement of the productive process management, transformation tasks, etc.
- Measurement: measures related to measurement; including the quality data collecting and analysis

Supposing that we want to prevent inappropriate mold in cheese. In this case, we can develop the following table to analyze all possible measures to realize the purpose. The following example is a case in which all possible measures have “not” been still identified. It is important to complete the table.

Table 2-2 Example of possible measures for preventing inappropriate mold in cheese

Objective	5M	Primary measures	Second measures
For preventing inappropriate mold in cheese	Men	Preventing the contamination which comes from to workers	Wearing well cleaned uniform To shorten the hair
	Material (raw materials)	Using raw material with appropriate quality	
		Preventing the contamination which comes from raw materials.	
	Machine and tools	Appropriate maintenance	
	Method	Appropriate ripening process	Appropriate humidity in the cheese-maturing chamber Appropriate temperature in the cheese-maturing chamber
	Measurement	Having quality data collecting system	

After elaborating the table, we can describe “fishbone” diagram, as the following example, so as to present visually the identified measures.

production processes are collected and systematized.

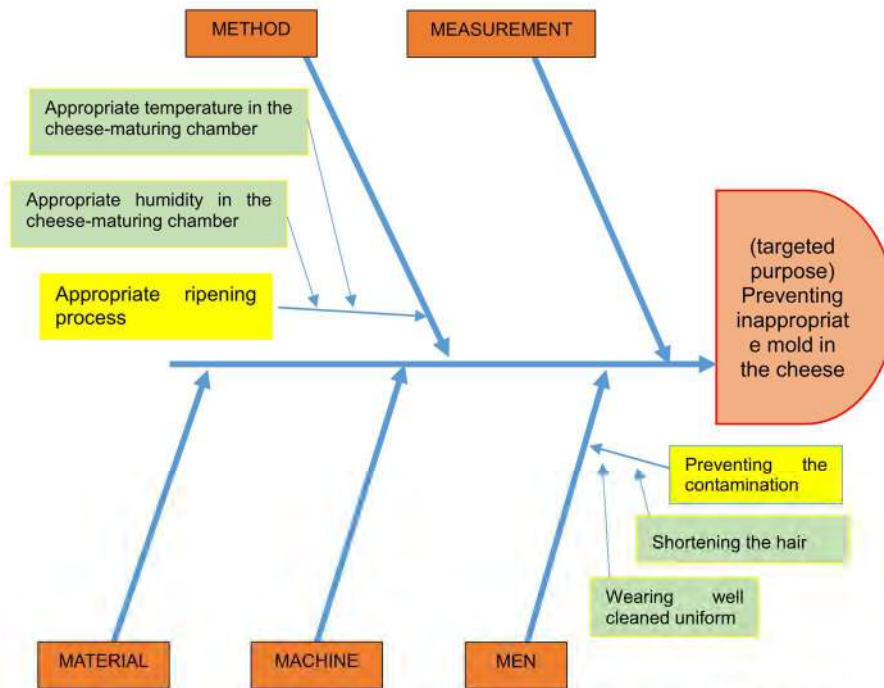


Figure 2-2. cause-and-effect diagram for preventing inappropriate mold in the cheese

It is important to say that the example presented above has not been completed in the sense that the figure does not present all possible measures for the purpose. Fishbone diagram should be drawn and completed in the following ways.

- Step 1: Put the targeted purpose in the right side of the diagram as head of the fish.
- Step 2: Elaborate main diagram structure which consists of 5Ms.
- Step 3: Add the primary measures (yellow colored in the example) in each of 5Ms, and then add the secondary measures (green colored in the example).

Exercise:

The cause-and-effect diagram can be perfected by adding more possible measures. Please add possible secondary and tertiary measures more in the diagram.

The example of “fishbone” diagram elaborated more completely is presented below, in the case of a sawmill which wants to minimize the unexpected variance of sawn timber size.

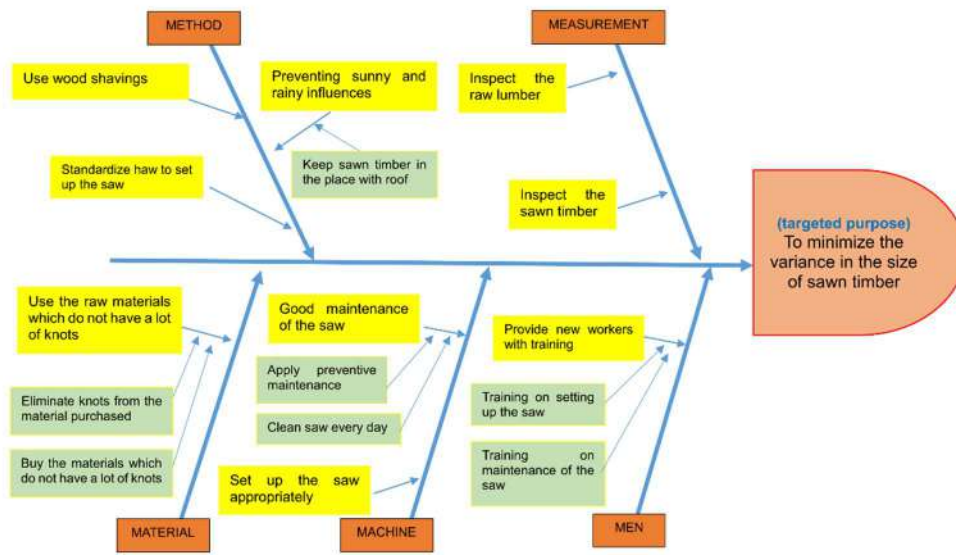


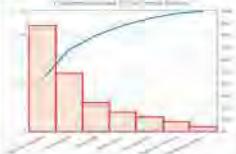
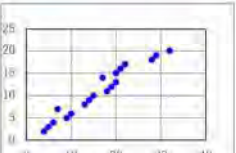


Figure 2-3. example of "fishbone" diagram in the case of a sawmill which wants to minimize the unexpected variance of sawn timber size

After having elaborated the diagram, the factory should analyze which measures should be applied among the alternatives presented in the diagram, taking into account the factory situation.

The other six (6) tools of Q7, which are presented in the following table, can facilitate the application of such measures related to data collection and analysis. It is important to say that data management is fundamental for the quality control, therefore, the measurement is one of the 5Ms mentioned above.

Table 2-3 Brief explanation of Q7 tools

<table border="1"> <tr><td>A</td><td>9</td><td>XXXXXXXXXX</td></tr> <tr><td>B</td><td>5</td><td>XXXXX</td></tr> <tr><td>C</td><td>6</td><td>XXXXXX</td></tr> <tr><td>D</td><td>2</td><td>XX</td></tr> <tr><td>E</td><td>8</td><td>XXXXXXXXXX</td></tr> </table>	A	9	XXXXXXXXXX	B	5	XXXXX	C	6	XXXXXX	D	2	XX	E	8	XXXXXXXXXX	<p>Check sheet: It is a form (document) used to collect data in real time at the location where the data is generated.</p>
A	9	XXXXXXXXXX														
B	5	XXXXX														
C	6	XXXXXX														
D	2	XX														
E	8	XXXXXXXXXX														
<p>No image, because it is intangible concept.</p>	<p>Stratification: It refers to the appropriate classification of the collected data for analyzing them.</p>															
	<p>Control charts: It is a statistical process control tool used to determine if a manufacturing or business process is in a state of control.</p>															
	<p>Histogram: It is a graphical representation of the distribution of numerical data. It is an estimate of the probability distribution of a continuous variable.</p>															
	<p>Pareto chart: It contains both bars and a line graph, where individual values are represented in descending order by bars, and the cumulative total is represented by the line.</p>															
	<p>Scatter diagram: It displays values for typically two variables for a set of data.</p>															

By applying these tools, the TQM aims at (i) identifying the quality issues on which the company should focus, to improve the quality efficiently without consuming a lot of work efforts, (ii) with a view to optimizing total quality of the product and the company administration.

2.1.3 Basic and important points of quality management for food processing businesses

One of the most important points for Armenian small food industries to develop marketable products is quality management with knowledge of standardization for the production control.

In order to develop high quality products and to maintain the quality, it is necessary to develop five (5) standards at the production site, as noted below.



Figure 2-4. Five (5) standards required for food processing industries

The Q7 presented in the previous section can be used to ensure the application of these five (5) standards, with a view to the achievement of the suitable quality.

Besides the general quality management mentioned above, sanity management should be realized by applying the methods presented in the next section.

2.2 Product package improvement

Who needs this tool?

- Food processing SMEs which want to export their products.
- Food processing SMEs which want to improve the product package.

When should you use it?

When you think of product package, sanitation, and appearance to be improved.

How does this tool help your business?

The product package will be improved.

As regulations for the quality and labeling is increasingly strict in the world, designing appropriate package is necessary to export products. This section introduces main functions of package, designing package process and summary of labeling.

2.2.1 Main functions of package

There are three (3) main functions of package, 1) Protection, 2) Convenience and 3) Communication.

1) Protection

Package should prevent products from hazards caused by physical factors, chemical factors, human factors, and biological factors.

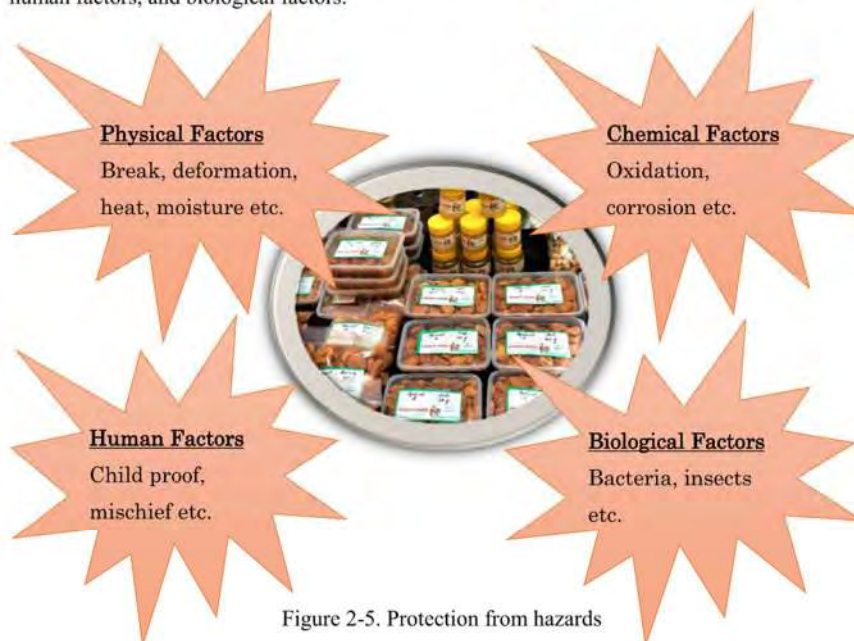


Figure 2-5. Protection from hazards

2) Convenience

Package should be designed to be easy to move, use and identify for distributors, retailers and consumers.

3) Communication

Package attracts consumers by advertising the product, brand and company.

Package should provide appropriate information on its label in accordance with a regulation.

Further detail of labeling is mentioned in (3) Labeling section.

2.2.2 Designing package process

We can design appropriate package by following steps below.



Figure 2-6. Designing package process

Supposing we are producing dry apricots to export Japan, a sample designing package process is shown below.

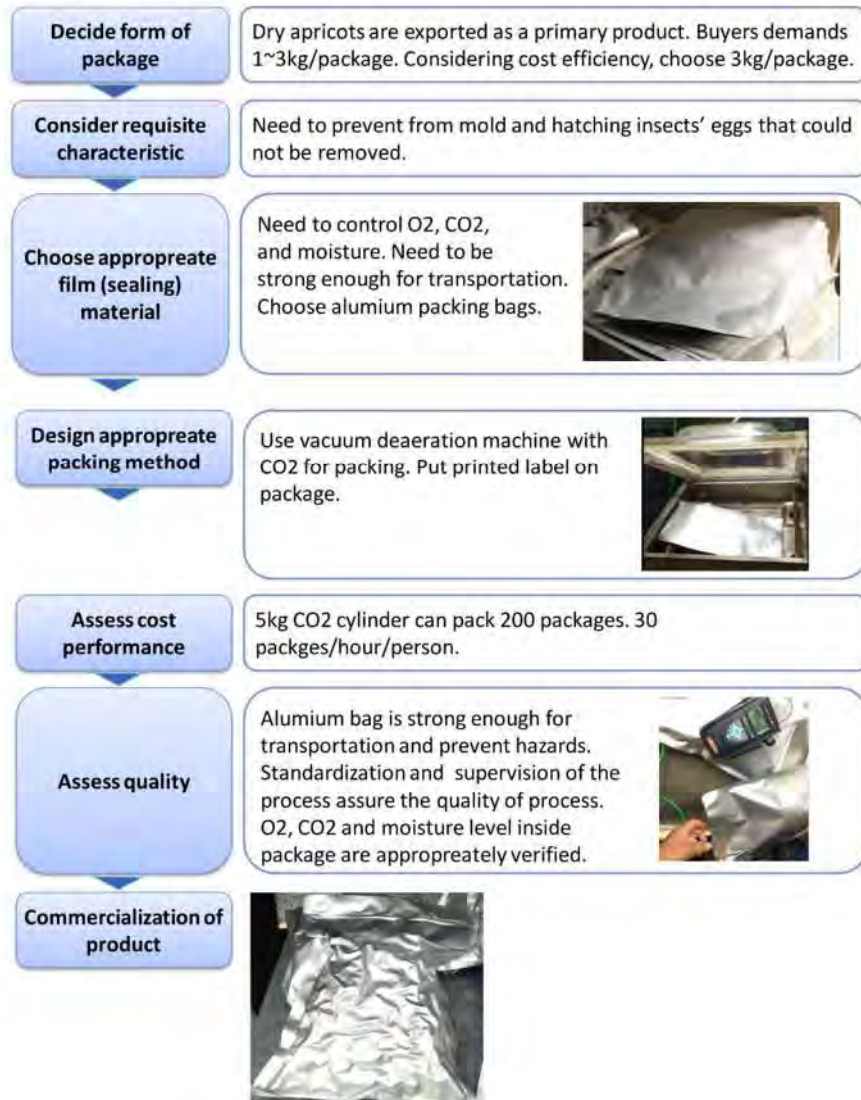


Figure 2-7. A sample designing package process

Exercise1:

Design package on your own product following the designing package process.

2.2.3 Summary of labelling

Contents on a label should comply with a regulation of export destination. Regulations of many countries, EU, US and ASEAN countries etc. are compliant with Codex. As standards and contents of labeling vary over country, type of food and usage of food etc., it is recommended to ask your business partner in a destination country about requirements of labelling.

Generally following contents are required on labelling.

Table 2-4. General Contents on Food Labelling

Required contents on a label
Name of the food
List of ingredients
Quantitative ingredients declaration
Net contents and drained weights
Name and address of company
Country of origin
Lot identification
Date marking and storage instructions
Instructions for use and special storage requirement
General script
Nutrition labelling

For your reference, a sample labeling of a cereals package in Singapore is shown below.

Nutrition Labelling
Nutrition labelling enables consumers to make more informed choices with regard to the nutritional characteristics of the food.

Product Name
A common name or description of the food must be stated in order to inform the purchaser of the true nature of the products.

Ingredients Listing
A statement of ingredients for prepacked food products containing two or more ingredients is required.

Net Weight
The minimum net quantity stated on the product label must be in absolute values, and not expressed over a range of

Manufacturer
It is mandatory to incorporate the name and address of the local importer, distributor or agent on the labels of imported food products for sale in Singapore.

Date Marking
Date marking allows consumers to know the date by which the food shall be eaten for best quality.

Manufacturer Country
The country where the product is manufactured shall be considered as the country of origin for the purpose of labelling.

Figure 2-8. Label sample in Singapore

Source: Agri-Food & Veterinary Authority of Singapore

Website: <http://www.ava.gov.sg/explore-by-sections/food/labelling-packaging-information/labelling-guidelines-for-food-importers-manufacturers>

Source of labelling information of Codex is shown below for your further information.

Table 2-5. Codex Alimentarius - Food Labelling

Contents	Website
CODEX GENERAL STANDARD FOR THE LABELLING OF PREPACKAGED FOODS	http://www.fao.org/docrep/005/Y2770E/y2770e02.htm#bm02
CODEX GENERAL STANDARD FOR THE LABELLING OF FOOD ADDITIVES WHEN SOLD AS SUCH	http://www.fao.org/docrep/005/Y2770E/y2770e03.htm#bm03
GENERAL STANDARD FOR THE LABELLING OF AND CLAIMS FOR PREPACKAGED FOODS FOR SPECIAL DIETARY USES	http://www.fao.org/docrep/005/Y2770E/y2770e04.htm#bm04
CODEX GENERAL GUIDELINES ON CLAIMS	http://www.fao.org/docrep/005/Y2770E/y2770e05.htm#bm05
CODEX GUIDELINES ON NUTRITION LABELLING	http://www.fao.org/docrep/005/Y2770E/y2770e06.htm#bm06
GUIDELINES FOR USE OF NUTRITION CLAIMS	http://www.fao.org/docrep/005/Y2770E/y2770e07.htm#bm07
GENERAL GUIDELINES FOR USE OF THE TERM "HALAL"	http://www.fao.org/docrep/005/Y2770E/y2770e08.htm#bm08

Exercise2:

Design labelling, for the cases of own product.

(The following pictures refer to packaging training realized in 2015 by OVOP Project.)



Chapter 3: Marketing

3.1 Branding based on “Armenia”

Who needs this tool? ● SMEs which want to improve the product value in the foreign market.
When should you use it? When you think of branding for foreign market
How does this tool help your business? Your brand value will be increased in the foreign markets

One Village One Product (OVOP) concept emphasizes the importance to use the local and regional uniqueness for improving the competitiveness of the local and regional companies.

In this sense, it is important to utilize Armenian uniqueness and positive characteristics to promote the exportation of Armenian products.

The following sheet can be applied for this purpose.

Table 3-1 Sheet for analyzing how to use Armenian uniqueness for branding

	Attractive characteristics	How to utilize for improving your business
Your country (Armenia)		
Your own business / product		

Exercise:
What kind of Armenian uniqueness can be used for improving the branding of Armenian cheese in the international market?

3.2 International Marketing

Who needs this tool?
<ul style="list-style-type: none"> • SMEs which want to sell their products in the foreign markets
When should you use it?
When you think of the possibility to export your products
How does this tool help your business?
The marketing strategy and plan will be developed by this tool.

3.2.1 Introduction

Armenian OVOP participants' products are sold not only in domestic market but also international ones, as presented below.



Cheese brand exported to Russian market



Dried fruits exported to Spanish and Russian markets

Armenian OVOP methods include international marketing tools for promoting exportation. Decisions of new market entry takes the following steps. We will learn how to make each decision by using simple tools.



Figure 3-1. Steps for new market entry

*1 4P: Product (what to sell), Promotion (how to communicate), Place (where to sell), and Price (at how much to sell).

3.2.2 Deciding whether to go abroad



Should you go abroad or just stay in Armenia? The following check list helps you to examine your current business situation and make sure that you have a good strategic reason to export. If you are not ready yet, you will understand what needs to be done to become ready for exportation opportunities.

Who needs this tool?

Business owners who are interested in exportation but are not sure if it makes business sense

When should you use this tool?

When you are interested in exportation opportunities, but not sure if you are ready

How does this tool help your business?

- You will understand why you should or should not export from a business point of view
- Even if you are not ready at the moment, you will understand what to do to become ready

Table 3-2. Check List: Should you go abroad?

Check Points	How to Verify
Can you improve profit by selling at a higher price abroad?	<p>1) Find the markets where you can sell your products at a higher price,</p> <p>2) Study competitive products in these markets to make sure that your products will be reasonably competitive.</p> <p>How to collect information:</p> <p>You can ask your friends and relatives who live abroad to collect information.</p> <p>You can also search internet with product name, country, and price. Online shops are very useful, as they provide product information and price.</p> <p>If you find such markets, consider exportation to improve profit.</p> <p>Example: Areni wine to Poland</p>
Can you reduce production cost per unit by acquiring a larger customer base and increasing production?	<p>Compute how much extra production capacity you have, and how much your production cost per unit can be reduced by maximizing your production volume. If your net profit will be expected to be larger than extra costs associated with exportation, consider exportation to maximize your production.</p> <p>Example: Production of wine</p>
Can you reduce dependence (risk) by not relying on only Armenian local market?	<p>Check if your business can be easily affected by macro environmental factors (political, economic, social trends, new technologies), if yes, seek opportunities outside to reduce risks.</p> <p>Example: Energy supply during 1990's</p>
Can you reduce dependence (risk) by not relying on a sole market (e.g. Russia) for exportation?	<p>Calculate how much your business goes down, if you lose exportation from the country you rely on. If the damage is severe, seek exportation opportunities with other countries.</p> <p>Example: Farmed fish</p>
Do you see large strong foreign competitors coming into Armenia? Can you sustain your business against them?	<p>Watch out for strong foreign competitors coming into Armenia and take your business away in the local market.</p> <p>If you detect such news, consider exportation to sustain your business.</p> <p>Example: Dried fruit from Turkey and Iran</p>

Exercise: Imagine that your business is production of fruit jam, and your current situation is as following.

- Apricot jam production maximum capacity is 200,000 bottles per year.
- Currently selling 100,000 bottles within Armenia at USD1.00 profit per bottle.
- There is an opportunity to participate in an expo in EU, which would cost USD3,000 per person for airfare and daily expenses.
- A supporting agency will cover your expo participation fees, but you will have to handle all product sample preparations and shipment.
- The expo is known to have a substantial number of visitors, and many of them are local distributors.
- It is said that if you exchange 100 business cards, there may be 3-4 serious negotiations for potential dealership, as long as your product quality and package have good potential for the market.

Q: How do you decide whether you should consider exportation?

→

Q: What other information would you collect to make a decision?

→

Q: Would you participate in the expo?

→

Important tip 1:

- ✓ *Business network and consumers among Armenian diasporas in foreign countries can be helpful to your business. Research foreign markets where a large population of Armenian diasporas reside, and examine if they would appreciate your product in their countries. If your product can be competitive among similar products in their market and can take advantage of Armenian network, that is another potential foreign market to consider.*

Important tip 2:

- ✓ *Detailed financial analysis can be done only after 3.2.5 Step 8. However, in order to make sure that your exportation to foreign markets is financially realistic, it is advised that you run a rough calculation at this step.*

Important tip 3:

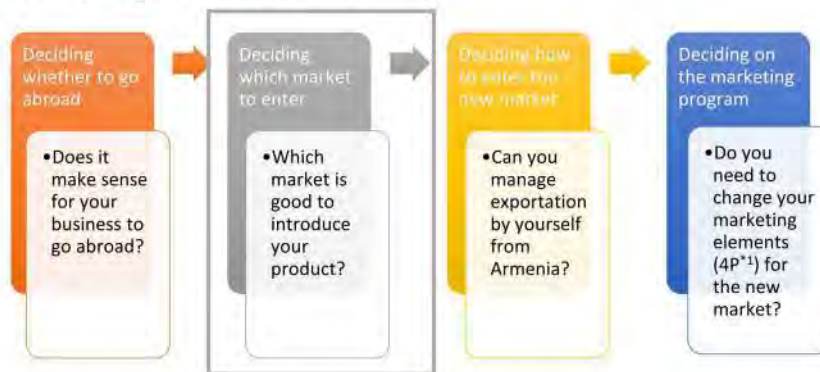
- ✓ *Keep in mind that your costs, until you reach your consumers in the new market, will add up as the following chart. Your product must be good quality, hygienic, and attractively packaged to be able to sell at a higher price in the new market.*



COGS = Cost Of Goods Sold

Figure 3-2. Image of international chain

3.2.3 Deciding which markets to enter



Now you know that exportation makes sense with your business, but you are not sure which markets to enter. The following check list will help you identify high potential markets for you to enter.

Who needs this tool?

Business owners who decided to export, have some ideas which markets to export, but are not sure to which market(s) they should enter.

- Business owners who have been exporting neighboring countries, such as Russia and Georgia, but want to expand to different markets.

When should you use this tool?

Before you jump to a conclusion to which country to export your product.

How does this tool help your business?

This tool will help you identify which market(s) is better fit with your business, easier to enter, and possibly brings better business.

Table 3-3 Check list

Factors	Check List
Product attractiveness	✓ Is your product attractive to customers in the target market?
Geographical advantage	✓ Do you have geographical convenience and/or financial advantage? <ul style="list-style-type: none"> ▪ Closer, cheaper, and easier (e.g. visa) to visit ▪ Lower shipping costs ▪ Familiar with the market through relatives and friends residing in the country
Income and population	✓ What is the disposable income of your target customers in this country? Can they afford your product? ✓ Is the population in the target market large enough, especially if you are targeting a niche segment?
Political climate	✓ How is the relationship between your target market and Armenia? Any possibility that they may block imports or increase tariffs from Armenia?
Other factors	✓ Regulations (FDA approval, Halal certificate, prohibited ingredients, etc.) ✓ Free-trade zones (EU, EEU, NAFTA, ASEAN, TPP, etc.) ✓ Import tax benefits (e.g. designated developing countries to EU) ✓ Consumption taxes in the target country (e.g. taxation on alcohol, tobacco, etc.)

Exercise:

Q. Why do you need to think about free-trade zones?

→ You may have cost disadvantage before entering the market.

Answer example: You are trying to export wine to Japan, and another country with free trade agreement also exports wine to Japan. Their wine already has cost advantage, because import duty is waived. For Armenian wine, about 15% of CIF (Cost, Insurance, and Freight) will be imposed as import duty for the Japanese market. (The rate varies in each country.)

Q. Why do you need to think about consumption taxes in the new market?

→ Some countries impose extra taxes on regulated items such as alcohol and tobacco, which may result in high price to consumers.

Answer example: In Japan, 70,472JPY (approximately 335,000AMD) per kilo-litter is added to wine pricing as a liquor tax. After adding up your COGS(Cost Of Goods Sold), your margin, shipment, tariffs, distributor's margin, and additionally a liquor tax, can your price remain competitive in the target country?

Important tips:

- ✓ *When you have different destination options, you can use this assessment to decide which market is more advantageous to your business.*
- ✓ *It is rare that all 5 factors are in favor for your business: what is important is to be prepared for the challenge and come up with strategic ideas how to address those challenges.*

3.2.4 Deciding how to enter the new market



Now you have an idea what product to export to which country. The following tool will help you establish your export capabilities as an organization, according to how much business you acquire from exportation.

Who needs this tool?

Business owners who already know to which market to enter but not sure how to manage extra workload related to exportation.

When should you use this tool?

- Before starting exporting to see who might be able to handle extra work when start exporting
- After starting exporting to see if you need organizational changes, in order not to overload your employees and not to compromise your product and service quality

How does this tool help your business?

This tool will help you develop organizational management skills according to the scale of export business.

Once you start receiving an order of 1,000 packs of dried fruit every week (while you originally sold 5,000 packs per year in Armenia), can you manage production, labeling, shipment preparation, regulatory paperwork, and correspondence with buyers, etc. all by yourself? As you grow your export business, you need to be prepared to move to the next step as an organization.

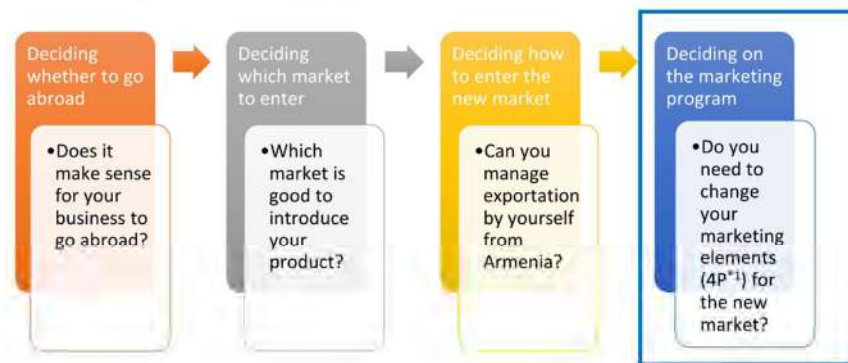
	Export Order Amount / Frequency	Situation
Less investment, Less commitment, Less control over foreign market  More investment, More commitment, More control over foreign market	Step 1: Export as necessary: Somebody in your business handles as an extension of current business.	
	Manageable amount of orders Order frequency is low or on an ad-hoc basis	No problem with handling of export activities without compromising product quality and regular business operations.
	Step 2: Export via independent representative: Pay commission to an intermediary facilitator to handle export activities. (Or hire somebody dedicated to handle export activities.)	
	Larger order amount More destinations to export Regular orders are coming in	Current employees are becoming too busy handling both export and domestic businesses. You need somebody dedicated to handle export business.
	Step 3: Establish your sales subsidiaries: Start building your branch office for sales in the destination markets.	
	Solid and large export amount	Export business is established, and you can afford a direct employee in the destination market. Your brand is growing rapidly in the target market, so market information becomes important to grow business in the destination market.

Important tip:

As export business expands, monitor workload associated with exportation activities and financial situation. It is helpful to keep in mind what the next step would be.


For example, moving from Step 1 to Step 2, it takes time to find a trustworthy and effective intermediary. Moving from Step 2 to Step 3, it takes time to prepare for the large investment. Always be prepared for the future. Growth of your business is unpredictable. You would not like to compromise your production, quality, or operations due to overwhelming orders. It can deteriorate your new business, just as you start growing.

3.2.5 Deciding on the marketing program



Now you are committed to export business, but your fundamental marketing elements (4P: Product, Promotion (communication), Place (channel), and Price) in Armenia may not necessarily work in the destination country.

Your new customers in the new market may appreciate your product (taste, usage, package, etc.) as is, and also be interested in the unique selling proposition (USP) of the product. In this case, it is relatively easy. You can produce extra amount of your current product for exportation, and sell them with the same message as what you do in Armenia.

	<p>To sell bottles of pine nut jam in Russia: Russians appreciate your product as is, and they already know its taste, consumption manner, and the benefit of immune enhancement. No major changes are required. You can sell your product as is.</p>
---	---

However, some customers may not like something about your product due to different food culture, tradition, habit, climate, etc. Or they may not appreciate your product benefit due to different life style. In this case, you may have to change your 4Ps to make your product suitable in the target market.



To sell pomegranate wine in Japan:

Japanese customers may not like the flavor and strong tannin as “wine” to drink with meals, as they are more accustomed to drink traditional dry grape wines. However, they may appreciate health benefit of pomegranate, as it is in a social trend especially among women. You will have to find out what would appeal and what would not, and change marketing technique accordingly. (e.g. Sell pomegranate wine as “a health care supplement to take before bed time”, instead of “tasty wine for dinner”.)

Who needs this tool?

Business owners who decided to export and have ideas which market(s) to enter.

When should you use this tool?

When you decide what product to sell and how to market it in the new market

How does this tool help your business?

This tool will help you understand how to alter your marketing elements (4P) to attract consumers in the destination market, so that your product sells well in the new market.

International Marketing Strategy Tool

The following 8 steps will guide you to develop marketing strategy for new markets.



Figure 3-3 Steps for international marketing strategy

Step 1: Research your consumers in the new market

- (1) Bring your product to the new market, let people try it, and identify who in their country would like it (rich people, middle-class, mothers, young people, male vs. female, etc.)

→ Use in Step 3 onward: This is the key target consumers in the new market.

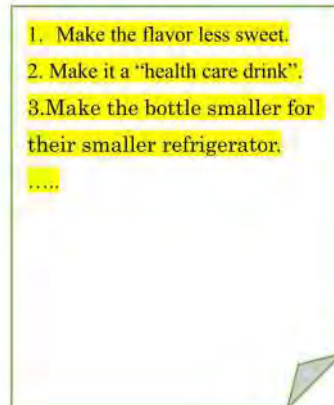
How to collect information:

Direct Contact	<ul style="list-style-type: none"> - Ask your friends who live or have lived in the target country. - Ask people who are from the target country. - Participate in Expo, which brings potential buyers from your target country (Check Expo website where their visitors are from.)
Indirect Contact	<ul style="list-style-type: none"> - Research Internet to see USP of similar products in the target country. - Research Internet and analyze what type of people similar products are sold to. (Assume from the design of the website, product benefit, package design, and price point.) - Research online website, consumers' forum, blog sites, etc. to and check customer reviews: what type of people appreciate similar products?

(2) Let the key target consumers identified in (1) try your product, and ask them following 5 questions.

- ① What they like about it, and why
- ② What they do not like about it, and why
- ③ How would they use it
- ④ When would they use it
- ⑤ How and where would they store it

(3) Based on information collected in the above step (1), list ideas how you can change your product to satisfy their wishes. → Use in Step 3



Important tip:

✓ *It is helpful to think through the following factors:*

Product functional benefit, product emotional benefit, usage occasions, product design (taste, ingredients, materials, etc.), size, package shape, and package material.

Step 2: Research your competitors in the new market

Research and try similar products in the new market, and collect following information:

- (1) What are their unique selling propositions (USPs)? → Use in Step 3
- (2) Who (distributors and retailers) sells them?
(e.g. supermarkets? pharmacies? liquor stores?) → Use in Step 7
- (3) At what price are they selling? → Use in Step 8

How to collect information:

Direct Contact	- Go to the target country and buy similar products and try. - Participate in Expo, which features similar products, and try other companies' products.
Indirect Contact	- Research Internet to see similar products in the target country. (Check if they are selling well, and what benefits those products claim.) - Check online shopping site of the target country and buy similar products to try.

Important tips:

- ✓ *If you don't find same products, find products that give the same solution to customers. (e.g. In Japan, you may not find pine nut jam products, but propolis supplement pills and sprays are commonly sold for natural immune enhancement.)*

- ✓ *You want to be similar with competitors to satisfy your customers' fundamental requirements (e.g. efficacy, convenience, acceptable taste, "natural" ingredients for a natural immune enhancer). If your product does not meet the fundamental requirements, the consumers would not even consider a purchase.*

- ✓ *You want to find own uniqueness to differentiate your product from your competitors'. If your product is same as competitors', it is difficult to convince consumers to switch to your product, as they are already used to the existing products.*

Step 3: Analyze your product and make necessary changes



Situation		What you need to do
A	<p>Customers in the new market accept your product as is.</p> <p>AND</p> <p>Your product's USP is well appreciated.</p> <p>Example: Pine nut jam to Russia</p>	<p>Produce extra quantity of your current product for exportation.</p> <p>Develop your communication materials based on your current unique selling proposition in Armenia.</p>
B	<p>Customers in the new market accept your product as is.</p> <p>BUT</p> <p>Your product's USP does not appeal so special to them.</p> <p>Example: Herb tea to Japan</p>	<p>Produce extra quantity of your current product for exportation.</p> <p>Find a different unique selling proposition to attract these customers.</p> <p>Develop new communication materials to appeal to the customers with a new unique selling proposition.</p>
C	<p>Customers in the new market doesn't like something about your product.</p> <p>BUT</p> <p>Your product's USP is well appreciated.</p> <p>Example: Pomegranate wine to Japan</p>	<p>Make changes with your product to suit their preference.</p> <p>Develop your communication materials based on your current unique selling proposition in Armenia.</p>

D	<p>Customers in the new market doesn't like something about your product.</p> <p>ALSO</p> <p>Your product's USP does not appeal (or is completely foreign) to them.</p> <p>Example: Pine nut jam to Japan</p>	<p>Make changes with your product to suit their preference.</p> <p>Find a different unique selling proposition, or change expression of unique selling proposition to attract these customers.</p> <p>Develop new communication materials to appeal to the customers with the new (or comprehensive) unique selling proposition.</p>
---	---	--

C & D: Product for new market

- (1) Analyze above chart and write down necessary product changes.
- (2) Combine ideas from above (1) and your product improvement ideas (Step 1 – 3).
- (3) Check if you have a differentiation point vs. competitors in the new market.
- (4) Finalize your product design for the new market. → Use in Step 4

A & B: Communication for new market

- (1) List all possible USPs of your product.
- (2) Combine ideas from (1) and your product improvement ideas (Step 1-3), and decide which USP on the list is most appealing to your new market.
- (3) Check if you have a differentiation point vs. competitors in the new market.
- (4) Finalize your USP for the new market. → Use in Step 4

Exercise 1

Scenario: Case B

Japanese consumers are used to taking herb tea, and are well aware that herb tea has health benefits. However, if they see “herb tea”, it is nothing new or nothing special.

The most popular herb teas are: #1 Chamomile, #2, Lemongrass, and #3 Peppermint, #4 Rosehip, and #5 Lemon Balm. Hibiscus, ginger, and jasmine are also commonly consumed.

Many people have heard other herbs such as, basil, thyme, clove, cinnamon, and fennel, and use them for cooking; however, they are not commonly consumed as tea.

Some other herbs are known for its health benefit but more commonly sold as a supplement, not as tea, such as Saint John's Wort, Licorice, and Ginkgo.

Q. If you approach Japanese consumers as “herb tea”, it is nothing new, and nothing special. How would you approach Japanese market with your herb tea products’ USP?

→ You want to find uniqueness about your product. It can be a product story (e.g. traditional herb uniquely used from ancient time in Armenia), product quality (e.g. stronger flavor than the same herb from other countries), or product benefit (e.g. health benefit not yet well known in Japan).

Exercise 2

Scenario: Case D

You collected the following information from your Japanese friends.

- ✓ Japanese consumers are very health conscious, and flu is a common issue during the dry winter season.
- ✓ Some Japanese people find pine nut jam to be too sweet.
- ✓ They have never seen pine nut jam, and don’t know how to use it.
- ✓ They don’t commonly eat pine nuts. so they don’t know what it is for.

Q. Do you need to make any changes? What would be your ideas?

→ Any new ideas to overcome the above challenges are welcome.

e.g. “medicinal syrup” as an immune booster, sweet snack-like immune booster juice for children, communicate tradition from Siberia as an USP, etc.

Exercise 3:

You read an article about a Japanese product coming to Armenia. It is a bottle of dark brown rice vinegar, which is introduced as following.



- (1) It is made of Japanese rice by a traditional methodology. Good to drink 50-60ml daily for weight reduction diet purposes
- (2) Strongly advised that you dilute with water or fruit juice
- (3) You should not drink on an empty stomach.
- (4) When used with meat, it enhances the flavor.
- (5) It gives refreshing taste when used for salad dressing.
- (6) It helps recover from physical strain.
- (7) It has anti-ageing effect.

Q. What do you think this product is for?

→ Cooking ingredient or health care item?

Q. Who would be the key target users?

→ Is it for housewives, or for young female who is conscious about diet?

Q. Where do you think you will find this product?

→ Supermarket food ingredients section, drink section, or health care section?

→ Specialty store which carries only imported special items?

Important tips:

- *Depending on how you identify your product, the place your consumers expect to find your product would be different.*
 - ✓ *If you make it a cooking ingredients, package similar to those for cooking, and communicate ONLY cooking related benefits.*
 - ✓ *If you make it a health care item, package similar to those for medicinal use, and communicate ONLY health benefits.*
- *Do not use many USPs: One most important selling point; otherwise, customers will be confused and cannot remember your product characteristics.*

Step 4: Verify new ideas (product and/or USP) with key target consumers of the new market

Reach your key target consumers in the new market (identified in Step 1 - 1)), in the same way as you collected information for Step 1.

Ask them about their product acceptance and insight regarding other marketing elements with the following questions.

	Question	MCQ (Multiple-Choice Questions) Answers					How to utilize each result
Product	Do you like it?	like it very much	like it	neither	don't like it	don't like it at all	To Step 5 (Develop Product): If the result is reasonably good, move on to Step 5
	Would you buy it?	definitely buy	probably buy	neither	probably not buy	definitely not buy	To Step 3: If the result is not desirable, re-work on product modification ideas. Go back to Step 3
Promotion	How do you obtain product information about similar products?	TV	Magazine	Newspaper	Social network ¹³ :	Others ¹³ :	To Step 6 (Communication Materials) – 3): You want to expose your product through the media they check. Use this information when you plan communication media
	What kind of campaign would you be interested in?	Discount	Free useful recipes	Free samples	Tasting	Others ¹³ :	You want to attract your consumers with campaigns that they are interested in. Use this information when you plan promotion ideas.
Place	Where would you expect to find this product?	Supermarket	Pharmacies	Cosmetics shops	Online store ¹³ :	Others ¹³ :	To Step 7 (International Channel Strategy): Use this information to decide where to sell in the new market.

38

	Question	MCQ Answers					How to utilize each result
Pricing	At how much do you feel expensive with this product size (e.g. 250ml)? ¹⁴	\$5.00–\$5.49	\$5.50–\$5.99	\$6.00–\$6.49	\$6.50–\$6.99	\$7.00–\$7.49	To Step 8 (International Pricing Strategy): Use this information to decide pricing for the new market.
	At how much do you feel cheap with this product size (e.g. 250ml)? ¹⁴	\$3.00–\$3.49	\$3.50–\$3.99	\$4.50–\$4.99	\$5.00–\$5.49	\$5.50–\$5.99	

¹³ You want to list possibly appropriate advertising media (promotion), promotion ideas (promotion), and store types to sell (place) for them to choose from. However, if you are not sure, you can let them fill it out (e.g. Social network: Please specify _____).

¹⁴ Provide a reasonable range, based on competitive prices from Step 2 and comparison of your product with theirs. If your product is more premium than your competitors', you should expect your price to be higher, and vice versa.

39

Step 5: Develop product

Now you know that your (modified) product design will be well accepted by the key target consumers in the new market. Verify that the following additional factors are incorporated in your product development at this stage. Especially in international marketing, differences in regulation and culture are critical factors to market.

<p>Regulation (Marketability)</p>	<p>No prohibited ingredients are used. Labeling complies with the new market's requirements Prepare the following information with your final product: 1. Ingredient composition <ul style="list-style-type: none"> • The total of ingredients should be 100%. • If coloring is used, EC Number is required. • If flavoring is used, an exact name is required. 2. Nutrition facts (if F&B category) 3. Manufacturing process chart</p>
<p>Package</p>	<p>Marketing purposes: Your brand name & logo are clearly indicated Your product's USP is indicated Your brand name, product name, package shape, package colors are <u>meaningful and not offensive</u> to the new market</p> <p>Functional purposes: Your package function is as convenient as your competitors in the new market (Refer to information from Step 2) Your package is convenient for storage (Refer to information from Step 1-2)) Your package is securely sealed and protected to avoid spoilage, leakage, and breakage.</p>

Example:

Q. Why do you think the brand name had been changed to "MONTERO", when popular SUV "PAJERO" was exported from Japan to Spanish speaking markets?

→ The brand name means something offensive in Spanish speaking countries. In Spanish, PAJERO means "wanker", and it is a negative association for the brand.

PAJERO

グレード&価格 エクステリア・インテリア 環境性能 走行性能 安全性能 機能・装備 スペック

スペシャル アクセサリー ムービー オンライン見積り 展示車/試乗車検索 販売店検索 カタログ請求

Point 1 環境性能

時代が求める環境への優しさ、上質な走り。
クリーンディーゼルエンジン (DI-D)

クリーンディーゼルが誇る、時代にマッチした環境性能とトルクフルな走行性能は、地球上を走り続けるパジェロにこそ、よく似合う。

mitsubishi-motors.co.jp
Mitsubishi Motors in Japan

詳しくはこちら

クリーン
低燃費
走りの楽しさ

従大気汚染物質
低CO₂

低燃費
平成27年度
燃費基準達成

走りの楽しさ
高静粛性
トルクフル

JC08モード 燃料消費率[※]
(国土交通省基準値)
[クリーンディーゼル車]
SUPER EXCEED EXCEED GR/VR-II

10.0km/L 10.4km/L

Source: Mitsubishi-motors.co.jp

Mitsubishi Motors Drive earth

mitsubishi-motors.es
(Mitsubishi Motors in Spain)

Inicio Contenidos Servicio Accesorios Acuerdo de privacidad Inicio

I-MiEV SPACE STAR ASX OUTLANDER OUTLANDER PHEV MONTERO L200

MONTERO
LA CALIDAD ESTÁ EN LOS DETALLES

- Una vista impresionante
- Estilo y espacio
- Potencia y prestaciones
- Sin límites fuera de la carretera
- All wheel control

SOLICITAR UNA PRUEBA

SOLICITAR UN CATÁLOGO

Source: Mitsubishi-motors.es

Step 6: Develop Communication Materials

(1) What to communicate: Unique selling proposition

Always communicate the finalized USP in every material on which you can communicate for the new market.

- ① Product label
- ② Package
- ③ Pamphlet
- ④ Product information card
- ⑤ Display board (festivals and expos)
- ⑥ Hanging label on a package
- ⑦ Shopping bags

(2) How to communicate: 4Cs

- Connected to your customers' life and emotions
It is more effective to appeal how your product solve their frustrations / concerns / inconvenience. Communicate from their point of view. (e.g. "You feel better after a big dinner" than "our mint tea will ease your stomach discomfort.")
- Concise message
Communicate only a few most important things. Average consumers can remember only up to 2 things (of their interest) from a TV commercial. Research shows that the average human's attention span is now as short as 8 seconds. The more you try to communicate, the less chance they will remember anything.
- Convincing with facts
Consumers don't trust what companies say about their products any more. They seek more objective information. Therefore, third party information and endorsement work well to convince your product quality and benefit.
 - ① Scientific facts
 - ② Awards received
 - ③ Certificates received
 - ④ Picture(s) of facilities, ingredients, etc. to indicate quality production
 - ⑤ Testimonials
- Consistent across different materials
Use same name, same color, same logo, same vocabularies, and same catch phrase across all materials. By repeating same information, consumers remember your product better.

Example

Simple message about mint tea	Communication with connection & conviction
<p>Our mint tea will ease your stomach discomfort.</p>	<p>You guilty feel from a big dinner, will diminish together with a refreshing smell of mint.</p> <p>According to the University of Wisconsin School of Medicine and Public Health, a cup of peppermint tea will soothe an upset stomach and relieve heartburn.</p> <p>Our herb tea received best sales award at xxx festival, and is certified with xxx standard.</p> <p>Please try our mint tea, produced by xxx Family from xxx village in Armenia. We personally took good care of naturally grown mint for your after mean refreshment.</p>

(3) Where to communicate: Packaging

Packaging communicates to customers. Especially when you cannot spare costs for advertisement, package becomes an important communication medium. Make sure that you put all important messages on the packaging.

Exercise:

Q. What are important elements communicated through this package?





→ Answer examples as below

	<ul style="list-style-type: none"> - Glass bottle (Quality: freshness) - Brand logo (Band's assurance) 		<ul style="list-style-type: none"> - Sealed cap (Quality: No contamination) - Brand name on seal (Brand's assurance)
	<ul style="list-style-type: none"> - Hanging leaflet explaining how this organic juice is produced (Quality: organic) 		<ul style="list-style-type: none"> - Brand name - Organic - Picture of ingredients (Communicates modern image as well)
	<ul style="list-style-type: none"> Tri-lingual label (Export quality to FR & KZ) 		<ul style="list-style-type: none"> All acquired certificates: EAC – Eurasian Union HST – Armenian standard Q – Quality Austria ECOGLOB ISO HACCP

Important tip:

Your new consumers in new markets are used to this level of package information. Especially because "Made in Armenia" does not have high awareness yet, and your brand is not well known in their market, you must assure quality and credentials on your package. --- This is a role of packaging. Package is one of the brand elements, and the origin of "branding" was to assure quality to customers by identifying the manufacturer who is responsible for the quality.

3) Where to communicate: Planning advertisement and campaigns

Media information from Step 4 can be used here to understand what advertisement and campaigns would be effective.

Most likely, your partner in the new market will handle this area, as they know the market more closely. However, there are two benefits if you are aware of this information:

- ① You can share your findings with your partner for better relationship.
- ② You can verify what your partner is suggesting would/would not be effective.

4) Country of Origin

Buyers have distinct attitudes & beliefs on products from different countries; therefore, country-of-origin perceptions affect consumers' decision making.

Be aware that consumers have mental associations and beliefs triggered by a country. It may work in favor or against your product.

Exercise 1

Q. Which business car would you buy? Why?

Both: Made in year 2000, sold at USD4,000, same mileage, in a very good condition

Made in America



Made in Germany



Q. You went to an international food festival to check out good cheese. There are booths from different countries, but you have limited time to visit only 2 booths. Which countries would you choose? Why?



China



Indonesia



France



Italy



Australia

As you see, different countries are associated with different favorable and unfavorable perceptions. When you can develop favorable associations with images of "Armenia", you should communicate to your customers as a reason why your product is better than ones from other countries.

Exercise 2

What do you think are unique and favorable images of Armenia?

What products can be possibly associated with each image in a favorable way?



Image:

Former USSR _____

Oldest winery in the world _____

→

Product:

Good vodka _____

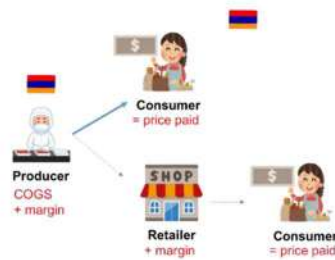
Good wine _____

Important tips:

- ✓ *If your customers do not know about Armenia, they do not have any images in their mind; therefore, Country of Origin does not have any impact. If your customers do not know much about Armenia, educating customers about Armenia needs to be done simultaneously.*
- ✓ *Test the product first to assure acceptance, before communicating Country of Origin: This is a "perception"; therefore, if reality does not meet their expectations from the perception, disappointment will be big.*

Step 7: International Channel strategy

You may have been selling your products mostly directly to consumers from your farm/factory or on a road side. (e.g. mulberry vodka)



However, when you export your products, you need to engage a wholesaler or a distributor, and a retailer before reaching consumers in the new market.



Based on the information collected in Step 4, you decide where to sell your product in the new market. Your product must be placed in the places where your customers shop in their country. You will then need to select a local partner who can help distribute your product to those stores.

For example, consumers may be used to buying mulberry vodka directly from a neighbor producer in Armenia; however, Japanese customers would expect to find it at liquor stores or supermarkets. If you decided to sell it in a small bottle for medicinal purposes, they would expect to find it at drugstores. (Note: A “drugstore” in Japan is a combination of a pharmacy and a supermarket. These stores carry not only medicines but also all health care related merchandise.) In this case, you need to find a Japanese partner who can distribute your product to drugstores.

Basic principles

Channel members (distributor, wholesaler, and retailers) help you reach your consumers in the new market. You need to find a partner who can help you best with capabilities that you don't have.

- Marketing function
How effectively promote your product through which retailers
- Logistical function
How efficiently manage ordering system, warehousing and transportation
- Financial function
How securely hold inventory on your behalf

Important tip:

- ✓ *It is helpful if you can research distributors' requirements in the destination market, before approaching potential partner. You will appear prepared and professional from the first meeting, and they would understand that you are serious about exportation.*

Example 1. In Korean market, the following requirements apply for packaged food and beverages: 1) No prohibited ingredients, 2) English list of ingredients composition (% indication), 3) EC Number (for coloring) and name of flavoring agents, if used, 4) nutrition facts, and 5) manufacturing process chart.

Example 2. In Singapore market, wine distributors expect the following information on the label: 1) unique story, 2) profile of taste (e.g. raspberries with a touch of vanilla, etc.), and 3) grape profile (e.g. Areni, Cabernet Sauvignon, etc.).

Step 8: International pricing strategy

Based on the information collected in Step 4, you decide pricing for the new market.

Basic principles

You decide your wholesale price from four perspectives:

- (1) Final retail price to consumers can be suggested with the following three steps.
 - i. Your price can be between “cheap” and “expensive”
 - ii. Adjust within the range, according to what image you would like to give:
 - Premium (better than your competitors)
 - Value for money (average quality, but more reasonably priced than competitors)
 - iii. Check competitors’ prices in the new market, and make the final adjustment to be:
 - i) competitive enough (not too expensive) and ii) not to leave money on the table (not too cheap).
- (2) Your costs must be covered.
- (3) Your margin must be added on.
- (4) Your wholesale price must be reasonable among competitors’ wholesale prices.

Important tips:

- ✓ *To the end consumers, the lower the price, the better it is. Therefore, the price information collected in Step 4 may appear to be lower than what you think would be right. Check competitors’ prices to adjust to match the market standard.*
- ✓ *When negotiate with the wholesaler (or distributor), you should use consumers’ information and competitors’ price information, if they work on your advantage.*

3.3 New product development based on P7 (seven tools for product planning)

Who needs this tool? Those who want to develop and sell new products and services differentiated from the competitors'
When should you use it? When you want that your business would be more competitive
How does this tool help your business? You can provide competitive products/services to the market

Finally, this guidebook shows how to develop new competitive products, because this topic is essential to survive the business in both domestic and international markets. For this topic, we can utilize P7, which is a set of tools to plan new products/ services systematically. P7 consists of marketing and quality management techniques, as illustrated below.



Figure 3-6. Overview of P7

Some of these tools area noted below.

(1) Structured interview

Many enterprises realize interviews to targeted consumers for studying their demand. Sometimes such interview cannot identify well the consumers' need, when it consists of abstract questions. When the consumers are asked about their preferences and its reasons among the different existing product brands, they are likely to present concrete answers about their need and demand. This technique can be applied for the research of the foreign markets.

(2) Innovative Idea Generation

Sometimes innovative ideas can be generated by considering the opposite situation from the reality. In this sense, one of the methods to generate ideas on new products can have the following steps.

- Step 1: Consider the contrary features of the current situation
- Step 2: Consider what problem happens when the contrary situation takes place.
- Step 3: Consider possible solutions for the problems.

- Step 4: Generate ideas of new products associated with the solutions.

Supposing that we want to develop new type of cheese, first of all, we should consider the contrary features of the existing products. Generally speaking, Armenian cheese products are salty and made of milk, therefore, the contrary situation are “not salty” and “made of vegetable fat”. These contrary features can cause some problems, for instance, if the product were made of vegetable fat, it would have too much light taste. Then, we should consider possible solution(s) about the problem. In this case, a possible solution is adding tomato source. This can lead to an idea on possible new type of the product “cheese with tomato”.

Thus, we can generate different ideas on possible new products, by considering the contrary features. These considerations can be summarized as noted below.

Table 3-4. Idea generation by considering contrary situations

Actual Features	Contrary	Problem	Solution	Ideas of new products
Made of milk	Made of vegetable fat	Too much light taste	Tomato source added	Cheese with tomato 
		Difficult to be firmed	Other shapes	Cheese whose shape is flower 
Salty	Not salty	Cannot keep well	Vacuum packed	Well packed fresh cheese 
	Sweet	Not tasty as a cheese	Like cheese cake	Sweet cheese (but different from cheese cake) 

Though this table presents only 4 new ideas, it is desirable to generate more than 10 new ideas through this method.

It is important to mention that this method can generate new innovative ideas, however, these new ideas are not always consistent with the market demand. In other words, this method can facilitate “brain storming”, and it is needed to select ideas according to the market demand which can be estimated by the other methods such as structured interview mentioned earlier.

(3) Conjoint analysis

Conjoint analysis is often used not only for quality tests of industrial products but also for product planning by different enterprises. It can identify an optimal set of different features of a product (or service). For example, a cheese product has the features such as taste, shape, color, solidity, brand name, price, etc., as noted in the following table. Customers make their decision for their purchase, taking into consideration different features at the same time. Therefore, a survey on consumers’ preferences can lead to inappropriate results, when we ask their preference on different features one by one as follows:

- Do you like salty taste of cheese?
- Do you like yellow colored cheese?
- Which do you like more economic cheese or expensive one?, etc.

In this sense, it is important to ask the customers; which combination of features do they like among the following eight (8) options? These eight (8) option are called as “conjoint cards”.









We can show such conjoint cards to sampled consumers of the targeted segment, and then ask them to evaluate each of these cards by five (5) grades (5 = wants to buy very much, 4 = wants to buy, 3 = moderate, 2 = not so attractive, 1 = never buy). Then, we can apply the coefficient analysis, one of statistical methods, so as to reveal which features are relevant to the targeted consumers’ decisions.

It is important to mention that the analysis can examine whether new product ideas are really demanded by the targeted consumers or not. In this sense, the following options include the comparison between cheese with tomato and normal cheese. It is recommended that this analysis should be done, after designing well main concept of possible new products, and /or elaborating hypothesis to be examined.

Exercise; P7

How can we apply innovative idea generation method and conjoint analysis for planning new type of B&B service?

Table 3-5. Conjoint Cards

<p>Option 1 Not salty Yellow 2,000 AMD/kg Firm Made in Armenia</p>  <p>Normal cheese</p>	<p>Option 5 Salty Yellow 2,000 AMD/kg Soft Made in France</p>  <p>Cheese with tomato</p>
<p>Option 2 Not salty Yellow 2,500 AMD/kg Firm Made in France</p>  <p>Cheese with tomato</p>	<p>Option 6 Salty Yellow 2,500 AMD/kg Soft Made in Armenia</p>  <p>Normal cheese</p>
<p>Option 3 Not salty White 2,000 AMD/kg Soft Made in France</p>  <p>Normal cheese</p>	<p>Option 7 Salty White 2,000 AMD/kg Firm Made in Armenia</p>  <p>Cheese with tomato</p>
<p>Option 4 Not salty White 2,500 AMD/kg Soft Made in Armenia</p>  <p>Cheese with tomato</p>	<p>Option 8 Salty White 2,500 AMD/kg Firm Made in France</p>  <p>Normal cheese</p>

As this case which includes 2 levels in each of 6 features (salty taste, color, price, firmness, national brand, with or without tomato), 64 options to be compared can be formed ($2 \times 2 \times 2 \times 2 \times 2 \times 2 = 64$). But it is very difficult to select attractive options among 64 alternatives. Therefore, the number of options should be reduced as presented in the following table which shows only 8 options. To reduce the number of options, the following orthogonal tables can be applied.

Table 3-6. L8 orthogonal table

	Feature 1	Feature 2	Feature 3	Feature 4	Feature 5	Feature 6	Feature 7
Option 1	0	0	0	0	0	0	0
Option 2	0	0	1	0	1	1	1
Option 3	0	1	0	1	1	0	1
Option 4	0	1	1	1	0	1	0
Option 5	1	0	0	1	0	1	1
Option 6	1	0	1	1	1	0	0
Option 7	1	1	0	0	1	1	0
Option 8	1	1	1	0	0	0	1

(END)

Successful Tourism

**Guidebook on
Advanced OVOP Methods
for Tourism Development**



March 2017

PREFACE

This guidebook presents different methods to be applied to the Armenian One Village One Product (OVOP) movement, supported by the Japanese international cooperation Project named “Development of local production and promotion of local brands in Armenia (Second Phase)”. The project, including its first phase, has been implemented since March 2013 by SMEDNC (Small and Medium Entrepreneurship Development National Center) with the technical assistance of the JICA (Japan International Cooperation Agency). The Project aims to raise competitiveness of the Armenian local and regional SMEs (Small and Medium-sized Enterprises) in domestic and international markets, by utilizing the OVOP concept adopted in Armenia. The OVOP concept had been developed originally in Japan, and today different countries apply this concept for local economic development. In Armenia, the OVOP can be defined as an integral effort to develop local economy, businesses and products in a coordinated manner, capitalizing on the local uniqueness and culture.

The Project develops different activities based on the OVOP concept, focusing on: (1) the export promotion of Armenian products; and (2) the regional tourism development. The underlying system that support the development of these activities lies in the marketing platforms where the businesses can collect the information of consumers’ needs as well as to effectively promote the value products and services, etc.

This guidebook is designed essentially for hospitality business owners who are interested in deepening their understanding of primary aspects that should be considered to enhance attractiveness of local tourism for new and repeating visitors. The topics to be covered focus on: (a) demand and supply sides of tourism products/services; (b) hospitality service quality; and (c) promotion and communication. Included are practical exercises to help the learners (re)define the products/services, and four special topics as food for thoughts.

Table of Contents

Chapter 1: Introduction.....	3
1.1 Background of the OVOP.....	3
1.2 The Armenian OVOP Concept and methods.....	4
1.3 The Armenian OVOP and the tourism development.....	5
Chapter 2. Demand and Supply.....	7
2.1 Tourism product.....	7
2.2 Understanding travel motives and planning patterns.....	7
2.3 How to enhance local tourism attractiveness?.....	11
Chapter 3. Service quality enhancement and Kaizen process.....	17
3.1 Guest Satisfaction and Hospitality (“Omotenashi”).....	17
3.2 Make use of guests’ feedback ~ Kaizen process to improve tourism services.....	22
Chapter 4. Promotion and Communication.....	25
4.1 Information and Communication channels.....	25
4.2 Communication with potential customers.....	26

Table of Figures

Figure 1 Vision of Armenian OVOP.....	4
Figure 2 The Armenian OVOP methods.....	5
Figure 3 Components of tourism related businesses.....	7
Figure 4 Approaches to improvement and innovation.....	8
Figure 5 Example: Purpose-driven travel.....	8
Figure 6 Example: Location based travel: themes (left) and example of Kyoto (right).....	9
Figure 7 Different resources as tourism attractions.....	11
Figure 8 Concept of Omotenashi.....	17
Figure 9 Six elements of uniqueness of the Japanese cuisine.....	21
Figure 10 Three aspects of information on website.....	27

Chapter 1: Introduction

1.1 Background of the OVOP

One Village One Product (OVOP) is a set of territorial economic and social development activities that bundle the development and commercialization of products and services that embody territorial identities and resources.

The term "OVOP" sometimes leads to misconception because it can be interpreted as "(only) one product for each village". However, the OVOP approach in practice is more flexible; for example, "ten products for a village or city", "a brand developed collectively by three cities" are quite possible. The invariable essence of the OVOP is the value addition to local products that enable the local communities to generate higher income and to transform local environments to be more attractive to residents and visitors alike.

The OVOP campaign was originally developed in Oita Prefecture, Japan, in 1980, as an initiative of the then prefectural governor in his attempts to: (a) minimize the gap of the economic development between rural and urban areas; and (b) promote territorial socio-economic development with strong sense of ownership of the local community as stakeholders. The products developed and / or promoted through the OVOP in Oita included plum and chestnuts and their derived products in Oyama community, handicrafts made of bamboo in Beppu city, citrus and its derived products in Saganoseki community, to name a few.

The underlying principles of the OVOP encompass the following:

- A) "Glocal (Global+Local)" concept: Developing products locally that have strong market appeals in the global market, by elevating values through product differentiation using local (unique) identity and culture.
- B) Community ownership: Promoting OVOP activities with local people's initiative
- C) Human resource development: Strengthening the capacity of the people, especially territorial leaders.

It is important to mention that similar approaches to OVOP have been applied in different parts of Japan. Generally, such approaches embrace the following features:

- Reinforcement of the territorial brand by utilizing the latent community creativity and potentials based on the territorial culture and resources (size of the territory ranging from ward, village, town, city, prefecture, to region)
- Joint efforts by multiple local enterprises to raise territory's competitiveness.
- Encouragement by the public sector that value stronger ownership of the territorial private sector.

In recent years, countries such as Thailand, Mongolia, Malawi, Chile, Colombia, and El Salvador have adopted the OVOP approach to enhance territorial development. In order to put the OVOP into practice, these countries have introduced necessary adjustments, considering the context of respective countries. The OVOP program in Thailand, called “OTOP: One Tambon (sub district) One Product” is one of the most well-known OVOP activities that have been undertaken outside Japan. The OTOP is different from the original OVOP in the sense it was developed by the central government and focusing on the local capability to sustainably produce the developed product.

1.2 The Armenian OVOP Concept and methods

The Armenian OVOP concept is defined as an effort to develop local and regional economy, enterprises and products in a coherent manner (Figure 1-1). This vision can be unfolded by the slogan: **“Touch the culture, Feel the nature, and Taste the traditions.”**



Figure 1 Vision of Armenian OVOP

The Armenian OVOP employs a set of technical tools consist of the marketing and quality management, including the *Kaizen* approach, packaged as the OVOP methods.

This guidebook is designed for the hospitality business operators, primarily the Bed & Breakfast owners in the regions, and covers fundamental aspects of the marketing and quality management for the hospitality business.



Figure 2 The Armenian OVOP methods

Who needs this tool?

Hospitality business owners and aspiring entrepreneurs who want to enhance attractiveness and quality of tourism services and increase the overnight stay visitors in the local area.

When should you use this tool?

When you develop, operate, improve, and promote tourism products/services for inbound foreign tourists.

How does this tool help your business?

To review fundamental aspects for business development and improvement, giving special attention to the guidance to achieve customer (guests) satisfaction.

To envision enhanced tourism attraction in your locality as well as to identify areas of improvement of your services.

1.3 The Armenian OVOP and the tourism development

Armenia is endowed with abundant natural and man-made attractions throughout its territory. The country's heritage, shaped by nature and history, constitutes unique attractions for tourists. Tourists can discover diverse attractions through visiting distinctive natural and historic heritage places,

experiencing Armenian lifestyles and values, and learning about the rich stories associated with them.

The Armenian OVOP movement prioritizes strengthening regional tourism for both domestic and inbound tourists. Its approach will help small and medium sized tourism-related businesses improve service quality as well as elaborate effective promotion strategy so that they can increase visitors and service users.

Chapter 2: Demand and Supply

2.1 Tourism product

Tourism product is a group of components or elements brought together, often bundled, to satisfy the traveler's need. It is more than simple attraction or accommodation; it contains physical objects, services, personalities, places, organizations and ideas. The basics of tourism product formulation are selling experience, which the tourists can hardly obtain at home.



Figure 3 Components of tourism related businesses

2.2 Understanding travel motives and planning patterns

Knowing the guest's motivations/reasons to visit a given place is an important step to understand its values perceived by the visitors. This will help you identify strengths and significance of the local resources (including your services), which should give some orientations to identify business improvement and innovation, and to increase the number of visitors and/or motivate them to stay longer.



Figure 4 Approaches to improvement and innovation

There are two common patterns for a traveler to decide his/her itinerary.

(1) Purpose-driven planning. The traveler has one central objective of the travel, and one or multiple destinations selected to fulfill it (Figure 5).

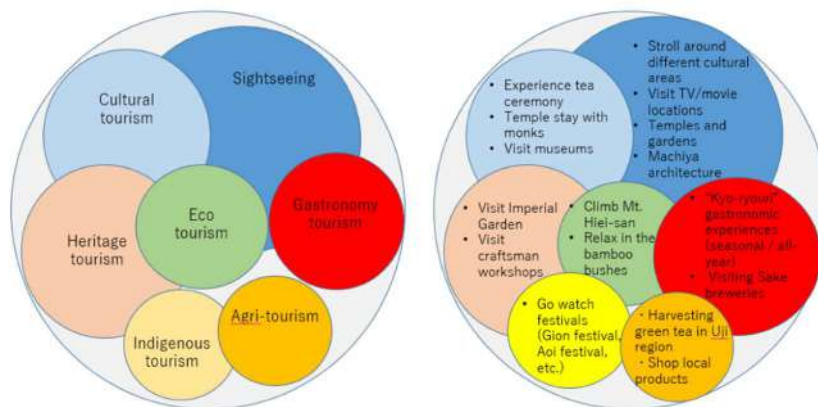
(2) Location-driven planning. The traveler has selected a primary destination, which offers one or multiple achievable objectives associated with the destination (Figure 6).



Figure 5 Example: Purpose-driven travel

The purpose-driven travel is a natural option when a traveler has some basic ideas of the locations that are linked with his/her purpose. Some simple examples are shown below.

Purpose	Destination / circuit examples
General sightseeing	Paris city tour, museums, shopping
Gastronomy	Lyon, Normandy, Basque regions
Gastronomy and wine	Wineries and chateaux in Bordeaux, Bourgogne, Champagne regions
Nature	French alps, Basque regions
Relaxation and healing	Province, Cote d'Azur



Adaptation from the National Geographic Geotourism

Figure 6 Example: Location based travel: themes (left) and example of Kyoto (right)






A location-based travel can be naturally formulated when a given location offers at least one clear attraction to the trip planner. In fact, a selection of the location may be based on one main attraction, but the place can offer various ways to experience the main attraction.




Such is the case of Kyoto, the old capital city of Japan. Kyoto represents one of the top travel destinations for both domestic and inbound tourists all year round. The core value of Kyoto is "being an old capital city of Japan" that offers many historic and cultural heritage sites (i.e. temples, shrines, castle, gardens, houses, streets, etc.). At the same time, various seasonal festivals and temporary events take place, which add-up motivations to visit Kyoto on different occasions in accordance with the event calendar.

The point is that a wide variety of tourism products of Kyoto has been developed in such way that

the tourists can experience the core value of Kyoto repeatedly and in different manners. The left circle of Figure 6 demonstrates different themes that the attractions of Kyoto can be segmented into, while the right circle of the figure gives some specific activities that correspond to the themes. This way the city continues to offer something new and worthwhile discovering through sightseeing, eating, shopping, and resting, for the first-time visitors and repeater visitors alike.

As Armenia's tourism development is still in the incipient phase, it would require conscious efforts to publicize diverse range of attractions of the country and foster "image formation" of the country. The following are some simplified examples of images from Armenia. Having images helps raise awareness of the (potential) visitors and stimulate curiosities towards Armenia. Moreover, an exposure (directly or indirectly through medias, such as publication, TV program, promotional videos, or via friends and families) to specific Armenian products may lead to motivate people to visit the producers/artisans, to purchase the products, or to learn how to make them. All of these have implications for tourism products/service development and improvement.

		
<p>Areni Wine Festival</p>	<p>Nature: Dynamic terrain</p>	<p>Wild sea buckthorn</p>
		
<p>Table linens with embroseries</p>	<p>Traditional designed doll</p>	<p>Hand-made textiles/linens</p>

 <p>Beautiful and unique designs of Trchnagir</p>	 <p>Long history and influences of various civilizations and cultures</p>	 <p>Natural and traditional recipes for beauty and healing.</p>
--	--	---

Exercise 1. Tourists motivations to visit Armenia and specific areas

What are the main reasons of your guests who visit your local area?

If you do not have an experience to hear the opinion from your guests, think about possible answers.

2.3 How to enhance local tourism attractiveness?

When traveling, a traveler uses full use of five senses - **Sight, Hearing, Taste, Touch, and Smell.** Tourism product/service that appeal to those senses is likely to make the visitors' experience more special and memorable. It is important to look at your surroundings consciously, and identify local attractions from visitor's perspective.



Figure 7 Different resources as tourism attractions

Reference: Adaptation from Japanese example

The following are a few examples of existing resources in Armenia that may be ordinary for the locals, but may be something different and unique for tourists.

		
<p>BBQ itself is not unique, but actively participating in preparation, learning local (family) recipes, and sharing plates make special occasion.</p>	<p>Tourists can be curious about local seasonal produce and about opportunity to interact with producer/vender.</p>	<p>Tourists may want to taste something familiar (corn) but in a very different environment to make a memorable experience.</p>

Exercise 2. Identification and redefinition of local attractions (4-steps)

The purpose of this exercise is to revise your intrinsic local resources. The results of this exercise will be reference for new product/service development or improvement.

Step 1. Think about touristic attractions in your local area (including your own services, if you consider your service very unique or offer special values) and list them up in two categories: “Places to visit” and “Things to experience”.

Step 2. Organize the items of the Step 1. into corresponding season(s). Some attractions may be available all-year-around, while others limited to specific period(s) of the year.

Step 3. Revise your sketch from the Step 2, considering the following aspects.

- 👉 Are there any elements of historic/cultural/personal or family significance that are embedded in the attraction(s) that are not widely known to visitors? What meanings does this attraction (these attractions) hold?
- 👉 Are there any local stories, old myths, featured films, citation from well-known books or poems that can be utilized for on-site interpretation?
- 👉 How are places/things inter-connected? Can they be combined as package menu, or tour, or thematic trail?

Step 4. Associate your attractions with specific visitor profiles. What types of visitors do you think can enjoy your local resources? You may consider visitor's characteristics such as: (1) residence country or nationalities; (2) age segments; (3) sex; (4) travel experiences; (5) professions; (6) travel motivations (relaxation, active, sports, cultural, academic, etc.); (7) special interests (nature, adventure, geology, photography, sports, gastronomic, etc.); (8) travel style (with or without travel companion, luxury or budget, family, long or short stay, etc.).

Step 1. Listing up resources

Things to Do	Places to Visit
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

Step 2. Organizing your/local tourism attractions by season

SPRING	SUMMER
AUTUMN	WINTER

Step 3. Memo and conclusions

Step 4. Memo and conclusions

Special Topic 1. Local-based participatory tourism product development ~ an example of the Harmony Trail of Salt City, Jordan (JICA project)

Background of the trail development

The regional office of the Ministry of Tourism and Antiquities together with a local NGO has developed a local trail named “Harmony Trail” as a way to invigorate local economy. This trail capitalizes on both tangible (represented by the well preserved historic architectures, traditional interior/décor of the tribe’s salons) and intangible cultural heritages (religions, customs and relationships between different tribes), highlighting their harmonious coexistence that makes the city unique and compelling as a place to visit and explore. This endeavor started with stocktaking of the existing local resources and intrinsic heritages, which later translated into the original city map with substantial participation of the locals. The visitors can tailor their itinerary / route, selecting from various options of sightseeing and cultural experience spots available throughout the city.

Outcomes of the initiative

After the tour was officially launched, more guides and residents in Salt city have become involved as trail guides and hosts (open house to the visitors, including sharing tea/serving home-made hearty meals). The visitors appreciate the enriching experiences through the sightseeing and interacting with the local people enabled by the trail tour. As the Harmony Trail gained substantial

success, some tour operators in Jordan started promoting and selling the tour product to travel agents abroad.

Possibility of utilizing this type of tourism development in Armenia

The experience of the Salt City has significant implications to the viability of participatory tourism product development that help enhance the local attractiveness for tourists. This approach appears to be adoptable in Armenia, for example, to the case of Gyumri city. Gyumri has a historic district where various architecture designs which reflect the cultural influences and histories that the city has survived over the centuries. These heritage, coupled with associated stories constitute unique touristic attraction that today cater to visitors with specialty interests (photographers, film productions, architects, etc.).

Gyumri City has good potential to transform itself to a more versatile destination that appeal to a wider range of visitors. For that purpose, the good practices showcased by the Harmony Trail such as high level of involvement of the locals to re-discover and redefine the local resources (“treasures”), and/or development of unique touring tool such as a trail map can serve as reference.



Guided town waking tour



Trying on traditional clothing



Local home/family visit



The original trail map

Chapter 3: Service quality enhancement and *Kaizen* process

3.1 Guest Satisfaction and Hospitality (“*Omotenashi*”)

Hospitality represents the core value addition in tourism business. Regardless of the differences of the basic profiles, travel purposes, or travel styles, most people seek for satisfactory experiences as a given. In this sense, the ultimate goal of a tourism service provider is to assist the visitors to have satisfying experiences with excitement and delights. Good memories of delightful experiences are highly likely to be shared with family and friends, and disseminated through social media to wider public. Such communication plays an important part of tourism promotion. *Omotenashi* is the essence of hospitality to make the guest feel welcomed and to have pleasant stay and travel experiences.

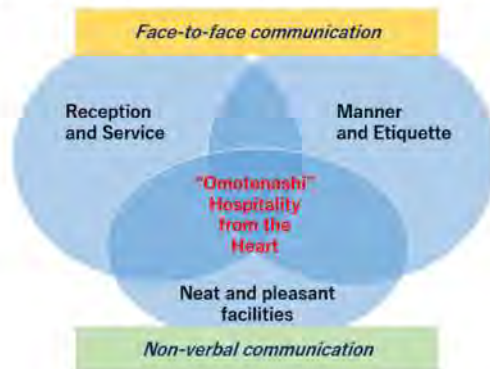


Figure 8 Concept of *Omotenashi*

Below are some examples of *Omotenashi* (descriptions and values).

		
<p>Guests can learn simple Armenian expression. At breakfast area in a hotel.</p>	<p>Guests receive welcome herb tea freshly brewed, using plants in the garden. Guests may be invited to pick her own herb in the garden.</p>	<p>Guests and hosts enjoy dinner together. Hosts may entertain the guests with unique local stories.</p>
<p>Clean and pleasant breakfast area + Cultural tip (language)</p>	<p>Well-managed garden & neat / clean table-setting</p>	<p>Home-made seasonal local specialties + local story-telling</p>

Special Topic 2. Tips to host foreign tourists comfortably

1. Communication

- Prepare a communication tool in accordance with specific purposes.



Example. A finger-pointing communication sheet (left) for English-Japanese can facilitate basic communication between the host and a guest. The sheet contains sentences in red (questions of the host) and in blue (response options of the guest) that are commonly used for a given situation.

(Source: Tokyo Metropolitan Government)

- Display local maps (or make your own special map), books about Armenia in common foreign languages, picture books of traditional handicrafts or tourism spots, recipe books of Armenian cuisine in an open space easily accessible by your guests.



(Source: Photo images from an online bookstore).

2. Meal services

- Menu with pictures and basic descriptions

Simple tool facilitates communication while preventing misunderstanding. Having photos and simple descriptions helps you to ask your guests their choice easily, while making sure that understand what they can expect.

	<p><u>Menu A</u> Grilled fish with boiled potatoes.</p>		<p><u>Menu B</u> Patties with dried apricots and nuts.</p>		<p><u>Menu C</u> “Spas”; Armenian yogurt soup with barleys and mints.</p>
--	---	--	--	--	---

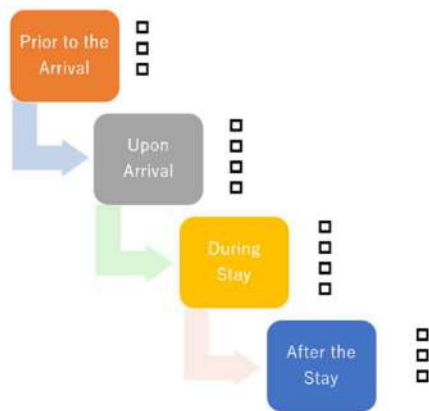
3. Souvenirs/sales: Description and the price in common foreign languages would be helpful to foreign tourists to consider purchase.



4. Offer demonstration-based tour products that require minimum language skills.
Ex.) Cooking class of typical Armenian dishes, Horseback riding, Dry fruits making, etc.
- Prepare an information brochure which include length, price, what's included, etc. in common foreign languages.
 - Prepare relevant referential materials (ex. Recipe in common foreign languages) of the activity that the clients can use during the session or keep for later use.

Exercise 3: Elaborate your own hospitality services

Using the following scheme, think about concrete ways of hospitality to ensure your guests' good experience. Do not limit your ideas to provide basic services, but give thoughts to your unique extras:



Here are some ideas for the Exercise 3.

Prior to arrival	Dispose information relevant to the facility (via e-mail or over the phone at the time of reservation), meal options, access, attractions nearby, guestroom amenities, etc.
Upon arrival	Serve welcome drink / snack (tea, coffee, specialty drink, local sweets, etc.) / Tour of the facility and explain the surroundings, etc.
During the stay	Explain attractions nearby, assist with logistics and reservation of activities / Invite to pick fruits and herbs in your garden, to participate/observe preparation of dinner/breakfast / Facilitate communication amongst guests, etc.
After the stay	Send seasonal greetings (e-mail), informing local special events and festivals, any promotional offer (discount), etc.

Special Topic 3. Hospitality and Culinary Culture ~ enriching gastronomic experiences

Local specialty food often constitutes essential motivations for some travelers. In recent years, an increasing number of foreign tourists visit Japan with the purpose of experiencing variety of authentic Japanese cuisine, independent of their travel budgets. Unique and memorable gastronomic experiences can be produced by the service providers, highlighting single or a combination of the elements shown in the Figures 8 and 9.

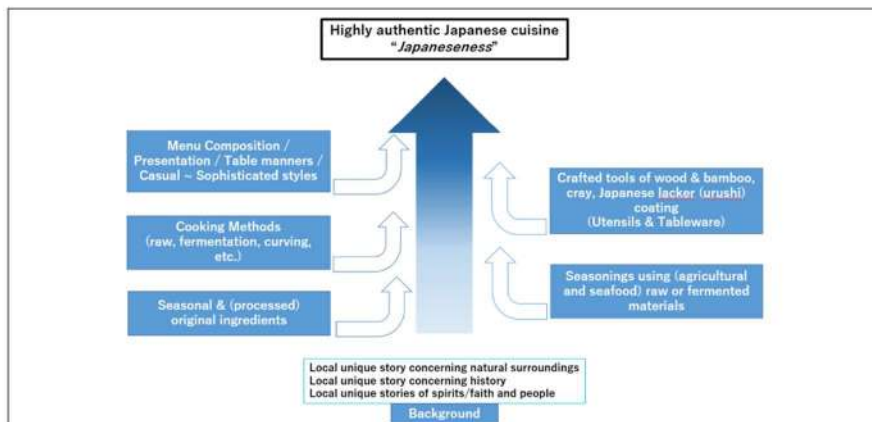


Figure 9 Six elements of uniqueness of the Japanese cuisine



Examples of presentation: different serving sets of Japanese *Sake* (rice wine)

The Armenian cuisine reflects a mixture of different ethnic elements and local inheritance. Home brewed fruits vodkas, distinctive coffee (different from typical American or European ways of brewing), dishes made with generous amount of herbs and dried fruits are just few things amongst the unique essences of the Armenian gastronomy that travelers can experience during their stay.



¹ <https://www.amazon.com/Armenian-Coffee-Grinder-Different-Colors/dp/B01GTJBYXW> (2016.12.12)



Varieties of fruit jams, honey, nuts, dried fruits, charcuteries, and cheese

The products that the tourists see and taste can be developed as souvenir that symbolize their memorable experiences, and share with family and friends at home.

Exercise 4. Armenian gastronomic experiences and local specialties

In this exercise, think about unique Armenian gastronomic experiences available in your region/at your guesthouse. In doing so, pay attention to the details such as seasonality, elements to make these uniquely Armenian (or yours), accessibility (if it's not offered on your property), and participatory level of the guests in preparation, etc (review the Figure 9 for reference). It is important to remember that good gastronomic experiences shall create opportunities to sell relevant products (i.e. food, ingredients, cutlery, tableware, etc.) to the visitors as souvenirs.

Exercise 4. Idea list

- ✓
- ✓
- ✓
- ✓
- ✓

3.2 Make use of guests' feedback ~ Kaizen process to improve tourism services

Kaizen is an approach and system for continuous improvement based on the customer orientation and the total quality control. Kaizen activities by hearing guests feedback can be highly resourceful for the business improvement and new service development. Specifically, guest feedback can provide information to:

- ⇒ understand the quality of your service judged by your customers;
- ⇒ decide whether or when to add/change/modify your services to reflect the customer needs; and
- ⇒ publicize the evaluation of your services endorsed by the guests for promotion purpose (on websites, through different media, in the open space at your property, etc.)

There are various ways to obtain guests feedback.

Feedback methods	Advantages	Disadvantages
Directly ask questions to the guests.	<ul style="list-style-type: none"> ● quick. ● facial expressions of the guests. 	<ul style="list-style-type: none"> ● language barrier. ● shyness of the guests.
Feedback sheet with structured questions (prepared in common languages).	<ul style="list-style-type: none"> ● opinions on specific issues of your interests. ● tendencies of the opinions on specific issues. 	<ul style="list-style-type: none"> ● tend to be lengthy.
Guest note. Invite the guests to write in anything.	<ul style="list-style-type: none"> ● easier for guests. ● comments may include valuable travel tips for other guests. 	<ul style="list-style-type: none"> ● comments may be on random aspects and not necessarily on something specific you want to know.
Simple memo-pad feedback.	<ul style="list-style-type: none"> ● can be decorated and remain visible to the guests. ● easier to read. 	<ul style="list-style-type: none"> ● comments may be too simple and not precise enough to identify areas of improvement.

Each method should reveal some hints for *Kaizen*, though the level of richness of the information that you can expect to retrieve will vary. Be aware that some guests may not mind giving feedback openly, while others may prefer some discretion and anonymity. In any settings, offering something to drink or snack to the guests may facilitate obtaining their feedbacks.

Examples of feedback materials

 <p>A box and paper/memopad at guests disposal. At his/her own discretion.</p>	 <p>Using a unique memo pad (paper) to draw guests' attention. Pomegranate = the symbol of Armenia!</p>
---	---



A simple notebook and your guests will write freely. Guests can read other guests comments, which may include valuable local travel tips.



Home décor! You can request the guests to write something short on specific matter. Ex) home country, one word that describe his/her experience at the guesthouse, most memorable place or experience in the local area, etc.

(photos from the website accessed December 2016)

<http://www.instructables.com/id/How-to-make-guest-book-shadow-box-picture-frame/>

Exercise 5. Feedback system

Elaborate what information you would like to obtain through guests' feedback.


Which are your priority questions? What type of feedback method would be adequate? Consider the trade-offs of the advantages and disadvantages described in the previous page.



Chapter 4: Promotion and Communication

4.1 Information and Communication channels

Broadly speaking, there are two categories of travel information that would influence the tourism in Armenia: (1) general information of the country disseminated; and (2) travel specific information useful for travel planning purpose. It is in the dimension of the second category of the information that you, as a tourism related business operator should focus to directly promote your services to the potential customers. However, the general information that are made available should not be overlooked because these may play substantial role in awareness raising of what Armenia is like to the larger pool of potential travelers.

<p>Information: general information and information of specific theme of Armenia.</p>  <p>Ex.) An article featuring the ropeways of the world, including Tateb (in flight magazine of the Aeroflot. Sep. 2016)</p>	<p>Practical travel information: Travelers collect information concerning, the tour operators, tourism products/services, flight and accommodation, transportation, access to sites and opening hours, event calendar, restaurants/café, and other peoples' experiences and reviews and evaluations, etc.</p>
<p>Channels</p>	
<ul style="list-style-type: none"> ● Mass media (newspapers, books, magazines, TV, radio, movies, advertisements, internet) ● Personal communication: stories of your family, friends, colleagues ● School education: geography, history 	<ul style="list-style-type: none"> ● Tour operators: pamphlets, websites, agents in the office ● Travel website: information and reservations ● Hotels and airline companies: access, nearby attractions ● Public sector: Embassy ● Tourism publication and other media (guide books, information magazines, videos) ● SNS



4.2 Communication with potential customers

The quality and accessibility of the practical information for the tourists are highly important.

Travelers are increasingly depending on the personal experiences and opinions as meaningful sources of information. Stories from family and friends, travelers' blogs and SNSs are influential references for the potential visitors. Particularly, independent travelers tend to decide where to visit and where to stay based on the reviews posted online.

The following is some examples of users' reviews of different accommodation services. The comments may suggest deciding factors for the readers (potential customers) to choose the accommodation.

The screenshot displays two sections of online reviews for accommodation services. The top section, titled "Good Reviews", features two positive reviews. The first review, from Switzerland, describes the owner as "friendly and chalerous and welcoming" and mentions a "nice breakfast" and "see how Lavash (traditional Armenian bread) is prepared". The second review, from Lithuania, gives a 10/10 rating and describes the host as an "Amazing host and cook" who provides a "convinient place" for families or backpackers, highlighting the "hospitality and authenticity" and a "walking tour to the best bakery in town". The bottom section, titled "Mixed / bad reviews", shows a negative review from the US stating "The hotel is a little run down but not that bad. The bed is very hard. My main problem was with the breakfast buffet. The hot items were cold. With all the great fruit in the country their fruit was old and dried out." Below this, a review from the United Kingdom notes that "The water was not warm for long" and that the hostess was wonderful.

(source: hotels.com, booking.com accessed December, 2016)

When you promote your services online, you should pay careful attention to three principle aspects: quantity and quality of information, and convenience and functions. The contents of these information matter greatly to attract the potential customers. Likewise, if the customers end up finding certain gaps between the information provided and the actual experiences, unfavorable review may be posted.

Quantity	Quality	Convenience
<ul style="list-style-type: none"> Information provided is sufficient and accurate Room size, facility, equipment, surroundings, access, options, etc. 	<ul style="list-style-type: none"> Information provided match the actual conditions Pictures posted show clear and precise images 	<ul style="list-style-type: none"> Website links function properly Online reservation service is available Payment options

Figure 10 Three aspects of information on website

In promoting your service, apart from guests comments, any award-winning experiences or membership of recognized organization may as well provide additional validation concerning the quality of your service. The following are some examples of logos found online or on the properties.



- ✓ Are you a member of an association that offers a special quality?
- ✓ Have you received an award or recognition of high quality service?
- ✓ Have you been featured in any news article, magazines, or other types of media?

Exercise 6 Ideas for promotion

Elaborate your idea as to whom and how you should promote your tourism products/services. Consider the communication channels (players) shown in the right column of the table above, if you do not limit your promotion to the direct communication with the potential customers. List specific promotional tool you will use.

- ✓
- ✓
- ✓
- ✓

Special Topic 4. Making use of Roadside Station (*Michi-no-eki* stations) for local promotion

1. What is Roadside Station (RS)?

A Michi-no-Eki is a roadside rest area for those driving across Japan. There are over 1,000 RSs in total (as of November 2016). The RS has three fundamental functions: (A) **Refresh** – rest areas, including free parking space and toilette, and food services; (B) **Information** – where road, tourist and emergency care information is readily available; and (C) **Community** – regional co-operation where cultural centers, tourist attractions, recreation and other local development facilities promote interaction with the region.



Source: Michi-no-Eki official website, <http://www.michi-no-eki.jp/en-what/> (Dec. 2016)

In Armenia, Gntuniq in Aparan, Aragatsotn region has somewhat similar function, but its scope is limited largely to the refresh function.

(A) Refresh



Eat local specialty dish. (Fukagawa, Hokkaido)

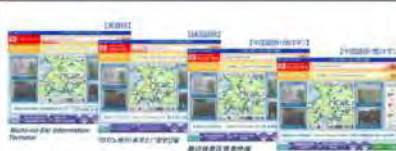


Eat-out space with view (Niseko, Hokkaido)



Foot bath with landscape view (Hinano Sato, Chiba)

(B) Information



A touch-panel computer is installed by which the latest information (tourism spots and route, weather, road conditions, local events, etc.) are accessible in 4 foreign languages.



Information system can be found inside the facility, or outside, close to the parking space.



Panel exhibition of photos and detailed information of wild birds in the area for the bird-watchers.



Map and the pamphlets of tourism spots and services in the area readily available for the RS users.

(C) Community.



Sales points of local fresh and processed products, and souvenir. Function as a marketing platform.



Historic building conveys the historic heritage of the community. Stopping here itself becomes a tourism experience for users.
(Nasushiobara, Tochigi)



Rice paddy design art observable from viewing deck attract travelers to make a stop at this RS. Shuttle services to the rice fields from the RS.
(Inakadate, Aomori)



Kiso Narakawa Museum and shop, where a user can experience the lacquer ware craftsmanship. Direct buses also run here from Tokyo.
(Shiojiri, Nagano)



The RSs collectively develop tour products/services to attract visitors. These efforts lead to a greater recognition and promotion of each RS.

<p>Stamp rally for RSs in Eastern area to motivate people to get to know multiple RSs within the extended area. Incentives (discount coupons for food and shopping, ticket to obtain specialty goods) printed in the original stamp book (approx.\$4).</p>	<p>Gourmet competition hosted by RSs. The RSs and tour operators sell bus tour. The participants evaluate and rank the signature dishes presented by each RS. These dishes contribute to form the images of the local areas. (above: tour promotion leaflet; below: sample signature dishes of the RSs)</p>

2. Examples of good RS models

How local tourism related businesses are utilizing the Roadside stations? Here are some good models endorsed by the Japanese government in 2016.

	<p>RS as an access point (gateway) to local tourist points. Local farmers sell agricultural products to the RS operator; manufacture processed products; development and sales of original products.</p>
	<p>RS that embodies "Agriculture & Tourism". A village with 3,700 residents attracts 1.2 million visitors per year with many repeaters (70% of the users are repeaters). Fruit picking and craft experiences and events on property where the visitors and the residents interact. Tourism Association staff is stationed at the visitor center to provide information of local tourism services, including accommodation facilities, guided tours, tourism spots.</p>

 <p>Hagi, Yamaguchi</p>	<p>RS collaborates with the local businesses to process fresh seafood. The original products have won many awards, including “The ultimate souvenir”, contributing to revitalize the local community comprehensively.</p> <p>Local fishermen sell approximately 15% of their products here, leading to substantial “locally produce, locally consume”.</p>
 <p>Uchiko, Ehime</p>	<p>Local farmers comprise the principal actors to develop original products. They develop processed products using the harvests of the season. Such seasonal products make up 15% of the agricultural sales value of the local community. The RS introduced an IT system to ensure having adequate amounts of fresh products in its store.</p>

All websites accessed December XX, 2016 (from left to right, top to bottom)

1. What is Roadside station?
http://tg.tripadvisor.jp/news/ranking/roadstations_2016/, <https://seniorguide.jp/article/1018920.html>,
http://www.hkd.mlit.go.jp/ziyoka/z_doro/station/jyohotanmatu/#01, <http://www.koito-ind.co.jp/product/information-road.php> . <http://www.subashiri.jp/about.html>, <http://takachiho-kanko.info/sightseeing/detail.php?log=1339227883>, <http://www.nasushioagri.or.jp/mysite2/>,
<http://expatsguide.jp/features/travel-sightseeing/michi-no-eki-japans-roadside-stations/>, http://web-japan.org/trends/11_culture/pop131111.html, http://www.michi-no-eki.jp/stamp_rally/, <http://michi-1.jp>

2. Example models. https://www.mlit.go.jp/road/Michi-no-Eki/juten_eki/model01.html



**Project for Development of Local Production
and Promotion of Local Brands
in the Republic of Armenia Phase 2**

**Guidebook for
Food Hygiene
From Basic to Advance**

Table of Contents

INTRODUCTION	3
IMPLEMENTATION	7
FACILITY	9
WATER	13
PERSONNEL HYGIENE	13
PEST CONTROL	16
WASTAGE CONTROL	20
EQUIPMENT	21
STORAGE & RAW MATERIAL	25
MARKET ORIENTED FOOD HYGIENE	32
EXPORT TO JAPAN	45

INTRODUCTION

FOOD HYGIENE IS COMPANY'S RESPONSIBILITY

Recently, with the increase number of company which produce food and markets are becoming competitive, many companies tend to reduce production costs without considering food hygiene. However, producing safety food is one of the most important social responsibilities that company should comply. Not only developed countries but also developing countries enact a law on food safety, and penalty will be imposed if a company do not comply with the regulation.

EASILY BANKRUPT

A company which do not seriously take food hygiene into account is highly likely to cause food poisoning scandal which might involve deaths, particularly weak people, babies and the elderly. Once food poisoning scandal happens, company is legally ordered to pay penalty as well as need to spend vast amount of money for recalling poisoned products. Company lose credibility of brand among clients, and clients never purchase products whatever that company makes. It takes long and long time to gain back a lost trust, nonetheless, company can never recover to the previous position in the market. Only large companies are privileged to recover from scandal thanks to their economic capacity, and almost all SMEs will easily bankrupt once food poisoning scandal happens.

Number of recall of food products in November 2016 in Japan¹

Company	Product	Foreign material	Number of recall
A	Jelly	Fungus	2,700,000
B	Vegetable	Piece of plastic	610,000
C	Frozen food	Bacterium	50,000
D	Beverage	Bacterium	4,020

¹ Source | <http://www.nhk.or.jp/ohayou/digest/2016/12/1212.html>



Teeth in a potato²



Rat in bread³



Food poison outbreak⁴



Frozen food recall⁵



² Source | <http://logmi.jp/33723>

³ Source | https://www.youtube.com/watch?v=pl0qm_NHuag

⁴ Source | <https://www.youtube.com/watch?v=TpM881rXnaQ>

⁵ Source | <https://www.youtube.com/watch?v=BJksm4ZdIeQ>

Screw inside a burger⁶

MARKET LOSER

Not only consumers but also more and more countries require high level of food hygiene status to food production company. Japan is the one of the most quality sensitive countries, where clients' and consumers' opinions and claims have a significant influence on company' brand and reputation. Without high level of food hygiene, buyers and consumers never purchase products even though the price is attractive. Furthermore, US, EU countries, South East Asian countries require HACCP for certain types of food for importation. Without establishing and providing sufficient evidence of food hygiene, company's growth will plateau.

Who needs this tool?

- Business owners who start up business and establish food hygiene system in accordance with the law
- Business owners who decided to reinforce food hygiene system to reduce risks on food poisoning.
- Business owners who decided to export.

When should you use this tool?

When you build or refurbish facility, establish or change production process, purchase new packing materials, educate employees, prepare for food hygiene inspection, prepare for export.

⁶ Source | <https://www.youtube.com/watch?v=vIrLpLJiLEw>

How does this tool help your business?

This tool will help company with improving food hygiene to meet the general requirement and preparing documents of quality control to provide to your clients.

IMPLEMENTATION

EMPLOYEES' MORALITY NEVER EXCEEDS

MANAGER'S MORALITY

Establishing high level of food hygiene has to be begun from a top manager. As employees' morality cannot exceed manager's morality, a top manager has to have high level of awareness, understanding and commitment on food hygiene. Then manager's morality and commitment should be prevailed among employees through education and training.

4 PRINCIPLE OF FOOD SAFETY

Food hygiene system shall be constructed based upon following principles.

1. Prevent the introduction
2. Prevent the contamination
3. Prevent the growth
4. Eliminate

IMPROVE FOOD HYGIENE WITH 5S

5S is an essential activity for food hygiene and improvement shall be carried out with 5S.

SEIRI	To sort necessary and unnecessary things and eliminate unnecessary things
SEITON	To put necessary things in an ordered manner
SEISOU	To clean the work place to identify easily operational problems
SEIKETSU	To keep cleaned work place
SHITSUKE	To make habitual practice for these activities

With 5S, improvement shall be launched step by step according to following sequence.

1. **Assemble team**
2. **Facility checkout**
SEIRI, SEITON, SEISOU, SEIKETSU
3. **Training and education for operators**
SITSUKE
4. **Create necessary record and monitoring book**
SITSUKE

ASSEMBLE TEAM

To implement improving food hygiene with 5S, company assemble a team to operate improvement, which is called **KAIZEN** in Japan. A Team includes management members and practical operation members. Management members are expected to find problems and monitor improvement process and operation members are expected to improve problems. Top management tell all employees about purposes and strategy to improve food hygiene and introduce members of the team so that whole company understand company's policy.



Top manager's commitment and team work fuel the food hygiene improvement activity

Member	Responsibility	Appropriate person	Task
Management member	Introduction and management	1~3 people from leaders who understand processing operation	Find problems, monitor process of improvement and review the improvement method.

FACILITY

Check Point	
1. There is not contaminant source around facility	
2. There is not entry pathway of contaminants between outside and facility	
3. Production traffic is one direction	
4. Areas are sectioned by the level of cleanliness (Zoning)	
5. Brightness of production room is enough to observe products	
6. There are not problems such as dew condensation and frost	
7. There is a sanitary room for entering production room.	

CROSS CONTAMINATION

When contaminants are transmitted to other materials through equipment or personnel wearing such as clothes and shoes, cross contamination happens. To avoid cross contamination, a **sanitary room** where operators change clothes and wash hands should be created, and **production traffic** should be improved.

Cross contamination occurs



A sanitary room is equipped



ZONING

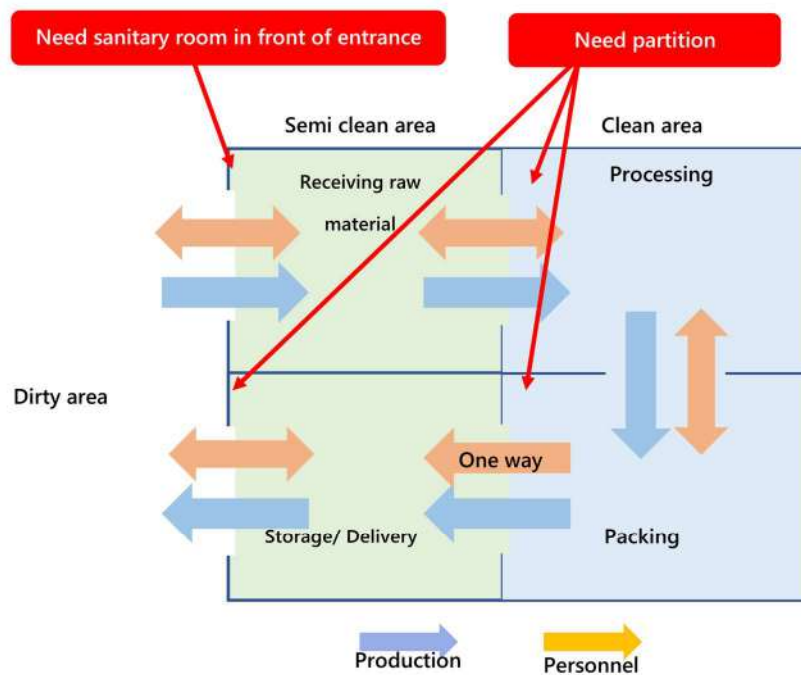
Zoning is to section processing area by level of cleanliness. Each process requires different level of cleanliness. For example, packing process usually requires the highest level of cleanliness. If packing is proceeded under the low level of cleanliness, such as outside, insects, dust or other foreign materials can easily contaminate products. Therefore, level of cleanliness should be determined according to process, and appropriate zoning is required.

- Zoning is designed to avoid cross contamination
- Partition shall be designed based on level of cleanliness and budget
- One direction process traffic is preferable to avoid cross contamination.

To design and improve zoning, you can implement from drawing following diagrams.

- Facility diagram
- Product traffic diagram
- Personnel traffic diagram

Example



Partition ideas



Verial curtain partition



Direction indicator



Line to show different zone.



Line to separate different zone



Display to show different zone



locker to prevent cross contamination



Door and shoos cleaner to separate zone⁷



Chain to separate different zone

⁷ Source | <http://www.taniguchibussan.co.jp/haccp/base.html>

Source for other pictures | <http://www.foodesign.net/>

WATER

Check Point	
1. Quality of water is inspected as per production requirement	

Quality of water shall be met legal requirement as well as production requirement (if defined). When water is sourced from other than legally authorized facility, quality of water shall be inspected to meet legal requirement.

PERSONNEL HYGIENE

Check Point	
1. Operator wear uniform, hat and shoes appropriately	
2. Medical condition, uniform and hand-wash are checked	
3. Operators receive education for food hygiene	
4. Training program for new employees is created and used	
5. Hygiene control manual is created and used	

Operators shall be educated discipline and rules of hygiene uniform, medical condition and hand-wash. Discipline and rules shall be disseminated and monitored by using display and check list.

UNIFORM



Hair does not stick out

Skin does not expose



Prohibit necklace, pierces, earrings, lame clothes, nail color, and long nail

PERSONNEL MEDICAL CONDITION

Person who are sick or have scars shall be refrained from engaging production to avoid contamination.





IMPLEMENTATION

Display and check list are effective to educate employees.



CHECK LIST

Personal Hygiene Check list

Oct-17 Department Processing Department

Revised on	Revised by

Name	Check Point	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
	Diarrhea	<input type="checkbox"/>																														
	Fever	<input type="checkbox"/>																														
	Vomit	<input type="checkbox"/>																														
	Suppuration	<input type="checkbox"/>																														
	Scars	<input type="checkbox"/>																														
	Hat	<input type="checkbox"/>																														
	Shoes	<input type="checkbox"/>																														
	Uniform	<input type="checkbox"/>																														
	Diarrhea																															
	Fever																															
	Vomit																															
	Suppuration																															
	Scars																															
	Hat																															
shoes																																
uniform																																

PEST CONTROL

Check Point	
1. Take countermeasures for pest and insect	

Responsible person should clarify entry pathways of insects and pests and take countermeasures.

Understanding the habit of insects and pests is useful to prevent them.

- Green curtain shut insects physically also shut ultraviolet that attracts insects
- Flying insects are reluctant to fly where there is strong wind

Ideas to prevent pests and insects



Wind from fan to prevent insect entrance



Green curtain shut insect



Insect trap for monitoring insect (not for prevention)



Block gaps



Light insect trap shall be equipped so that light cannot be seen from outside, other wise it attract insect from outside.



Source | <https://diy-pest.com.au/shop-online/category/light-units>



Screen with 20~200 mesh/ inch is valid for insect preventino.

Source | <https://kenzai-digest.com/screen-door-mesh/>

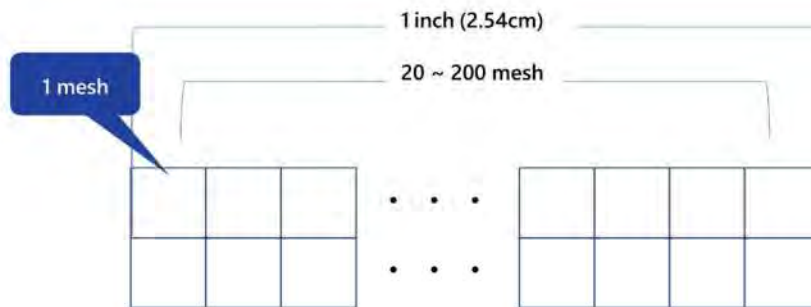


Double door for entrance of ingredients

Sauce for other pictures | <http://www.foodesign.net/>

MESH SIZE

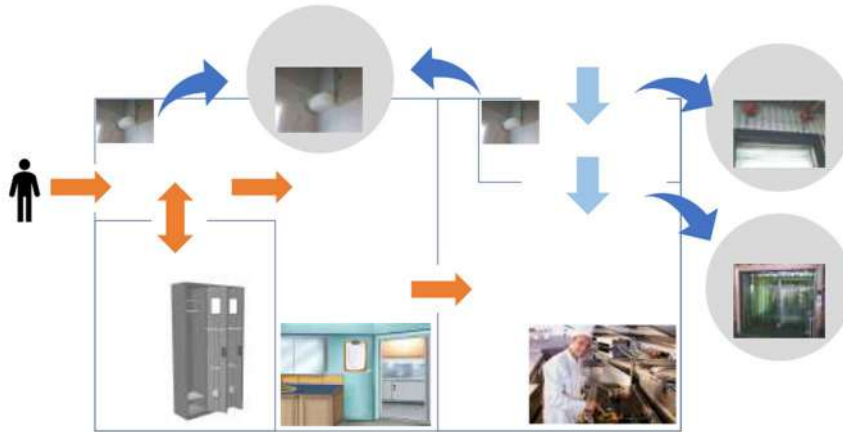
Screen shall be selected with consideration to mesh size. Valid mesh size for insect prevention is from 20 mesh per inch.





IMPLEMENTATION EXAMPLE

- Light trap at entrance
- Wind fan at first entrance
- Green curtain at second entrance



WASTAGE CONTROL

Check Point	
1. Drainage and wastage do not contaminate products	
2. Drainage and wastage are maintained and controlled	

Drainage and wastage can directly contaminate products as well as can be source of insects and pests unless they are appropriately maintained, therefore, they shall be placed and cleaned appropriately. Wastage must not be piled up within production area.



Provisional wastage is physically separated from products



Wastage shall be stored in a container with lid



Wastage storage shall be cleaned regularly

Source for pictures | <http://www.foodesign.net/>

EQUIPMENT

Check Point	
1. Material of cleaning equipment is appropriate	
2. Cleaning equipment is placed appropriately	
3. SEIRI and SEITON is applied in production area	
4. Equipment is placed so as to be cleaned easily	
5. Clean carefully the equipment and tools which directly contact foods	
6. Cleaning rules for equipment is established and conducted	

If cleaning is not conducted appropriately for the production room and equipment, food residuals and contaminants nurture bacteria, insects and rodents, which are sources of food contaminant and cross contamination. Facility shall be regularly cleaned and equipment shall be cleaned and sterilized in an appropriate manner.

To make the cleaning easy, SEIRI and SEITON shall be implemented, which sort out necessary equipment and allocate them in an appropriate manner.

CLEANING MATERIAL

Wooden equipment or equipment which hair of brush can easily drop off shall be avoided.

EQUIPMENT ALLOCATION



Place 15 cm above the floor to be cleaned easily



Make under the work table easy to clean



Block gaps to prevent contaminant source



Simply organize equipment with fixed position and fixed number.



Avoid placing materials directly on the floor



Place equipment 15 cm apart from the wall to be cleaned easily

CLEANING METHOD

CLEANING PRODUCTION AREA

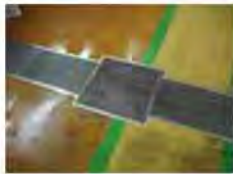


1. Cleaning of production area shall be conducted after finishing all production; all ingredients and products are taken out of the area.
2. Cleaning shall be started from a distance toward drainage, and all equipment shall be moved to make the exposer of the floor wider.
3. Removing dust, brushing with wash powder, rinse with water and dry using wiper.

CLEANING EQUIPMENT



Disassemble equipment and clean each unit Use high pressure cleaner to significantly contaminated part Dry equipment in a hygienic way



Clean drainage once a day



Clean ventilation once a month

MONITORING

Cleaning method and frequency shall be standardized for each equipment. Monitoring shall be conducted to check if cleaning is implemented in accordance with the standard. Two types of record books are recommended. One is for daily and weekly check and the other is for monthly and yearly check.



Two types of monitoring, daily & weekly, and monthly & yearly are recommended



Daily & Weekly



Monthly & Yearly

Example of monitoring sheet

Dayly & Weekly Record for Cleaning Equipment

Responsible person 1	Responsible person 2

From 9 Oct to 15 Oct, 2017

Equipment	Method	Frequency	Mon	Tue	Wed	Thu	Fri	Sat	Sun
Blives	Washup	1/production	name check	/	/	/	/	/	/
Blives	Washup/Sterilize	1/d	/	/	/	/	/	/	/
Chopping bord	Washup	1/production	/	/	/	/	/	/	/
Chopping bord	Washup/Sterilize	1/d	/	/	/	/	/	/	/
Table	Washup	1/production	/	/	/	/	/	/	/
Basin	Washup	1/production	/	/	/	/	/	/	/
Tank	Washup	1/production	/	/	/	/	/	/	/
Floor	Wipe/Washup	1/d	/	/	/	/	/	/	/
Drainage	Washup	1/week	/	/	/	/	/	/	/

Monthly & Yearly Record for Cleaning Equipment

Responsible person 1	Responsible person 2

In 2017

Equipment	Method	Frequency	April	May	June	July	August	September	October	November	December	January	February	Month
CrFra	Reins	1/month	name check	/	/	/	/	/	/	/	/	/	/	/
Bas	Washup	1/month	/	/	/	/	/	/	/	/	/	/	/	/
Washup floor	Wipe	1/month	/	/	/	/	/	/	/	/	/	/	/	/

STORAGE & RAW MATERIAL

Check Point	
1. Storages for raw materials, equipment and products are sectioned clearly	
2. There is no risk that dangerous materials such as lubricant, pesticide, detergent and antiseptic solution contaminate raw materials, equipment and products	
3. There is no contaminants source around bare food	
4. The quality of raw materials is inspected and recorded when received	
5. Facility and equipment are designed so that food products are not placed directly on the floor	
6. Raw materials can be traced from the final products	

Operators shall handle food products in a hygienic way to avoid contamination from bacteria and foreign material. It is important to decide handling method of food products.

RECEIVE RAW MATERIALS

When operators receive raw materials, following points shall be checked and recorded.

- Supplier company name
- Name of product, volume and lot number
- Quality of product (temperature, color, smell, foreign materials)
- Packing (if there is damaged part)
- Expiration date

Example of record book

Receive Record

M - Y	Oct-17
Company	ABC Ltd.
Product	Raw apricot

Responsible person 1	Responsible person 2

Date	Operator	Volume (Kg)	Lot No.	Expiration date	Temperature (°C)	Packing	Color	Smell	Foreign materials
2017/10/16	Nishino	500	123-1	2017/10/13	5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FIRST IN FIRST OUT

Operators shall preferentially use a raw material which is put in the storage first. Layout of storage and the method of storing raw materials shall be designed according to first-in first-out principle.



Source | <http://www.uni-x.co.jp/service/warehouse/>

STORAGE LAYOUT



Use rack to avoid putting materials on the floor



SEIRI and SEITON



Put section map on a wall

Sauce for pictures | <http://www.foodesign.net/>; <https://www.pref.nagasaki.jp/shared/uploads/2013/06/1370934433.pdf>

PACKAGE & LABELING

Check Point	
1. Package material and method are designed to avoid physical, chemical and biological risks	
2. The durability of package to reach the final destination is verified	
3. Label contents are in accordance with the law	
4. Operators check printing contents of label	

The packing material shall be durable enough to protect a product from physical, chemical and biological risks, to convey product safely and hygienically from a factory to final market. Label contents shall be in accordance with the law and contents, particularly expiration date or production date shall be check by operator.

PHYSICAL RISK

Package material shall be durable enough to avoid break, deformation due to heat, pressure and moisture, and leakage of products.

CHEMICAL RISK AND BIOLOGICAL RISK

Packing shall prevent chemical risk such as oxidization and moisture which further become sources of biological risks to nourish microorganisms. Also, should avoid corrosion of package and ultraviolet which deteriorate the quality of product.

WATER ACTIVITY [Aw]

To prevent rotten and molds, controlling water activity by choosing appropriate package material and establish **uniform method** is important. Water activity is an indicator that shows **moisture content inside food** which bacteria can utilize to grow; i.e. how easily bacteria can grow. Water activity is measured by a water activity meter.

For example, water activity for dried food should be kept below 0.63 to prevent xerophilic molds.

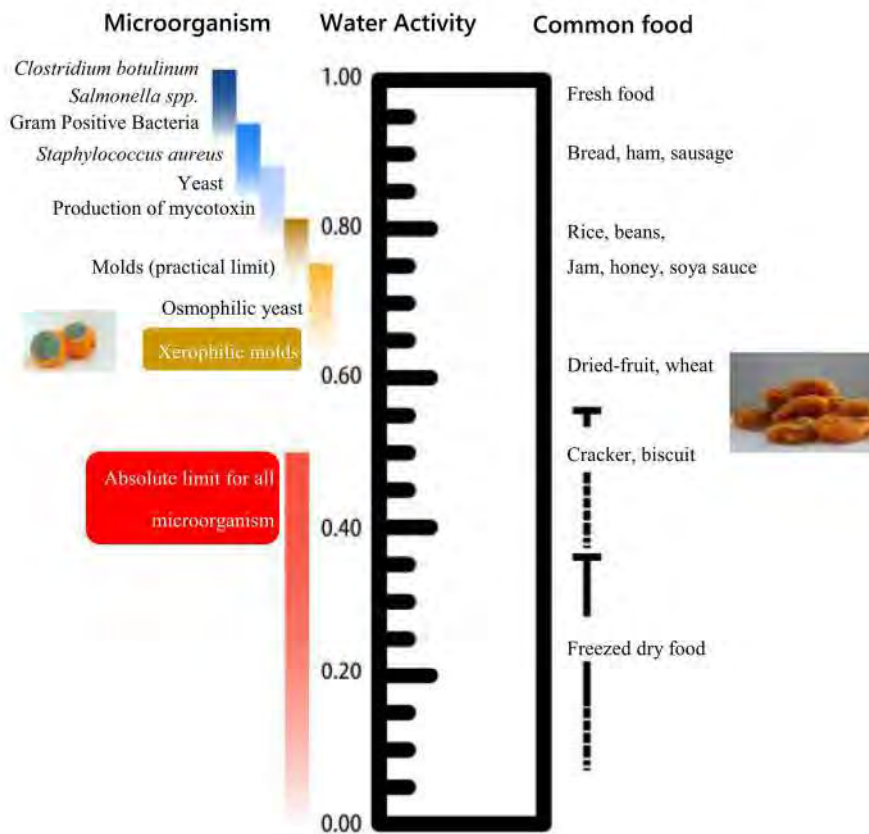


Diagram source | <http://blueberry.ofdfoods.co.jp/shelflife.html>

Photo source | <http://www.kabi.jp/breed/>



Sample of water activity meter

Source | <http://www.ffi.nz/water-activity-meter-calibrations-decagon/>

OXIDIZATION

To prevent oxidization is important to preserve taste and color of food, as well as to protect food from aerobic bacterium, molds or insects which cannot survive without oxygen.

To avoid oxidization, putting **deoxidant** into package, **deaeration** or **substitution** method is used. For the substitution method, nitrogen or carbon dioxide are substituted for oxygen.



Sample of deoxidant

source | <http://www.mgc.co.jp/seihin/a/ageless/>









Sample of vacuum packing machine

source | <http://www.vacuumpackingmachineindia.com>

MATERIALS






Material shall be selected considering above aspect as well as cost-effectiveness.

Material	 Light resistance	 Moisture and oxidization resistance	 Physical resistance	 Price
Aluminum 	⊙	○	⊙	High
Plastic (High barrier film) 	×	○	○	Medium

Source | <https://www.aliexpress.com>, <http://maruai.co.jp/package/dampproof/>

MANUALS

To establish an uniform method of packing or other operations, company can educate operators with procedure manuals. Here is a sample of procedure manuals.

Title: Vaccum and Sealing		Editor	Rep.1	Rep.2
Date of Issue: 25-04-16		Date of Revise:		
Manual No. 3-1				
Product: Dry apricot		Process: Vaccum and Sealing		
No.	Step.	Instruction	Picture	Caution
1.	Vaccum	Set a bag in vaccum machine Put stick on sealing part Put edge flatwise on heater Close lid of machine Check sealed part	    	Machine setting No wrinkle Place edge flatwise on heater No wrinkle
2.	CO2 injection	Put nodul inside bag and fill gas	balloon picture	fill gas until the bag became like a balloon (fill gas seeps from the bag)

No.	Step.	Instruction	Picture	Caution
		Release gas from the bag. Repeat inject and release gas 3 times.	release picture	For the first 2 times, release gas as much as possible. For the 3rd time, release half amount of gas from the bag.
3.	Sealing	Seal gas filling hole Seal whole edge Check sealed part	  	Sealer temperature Put edge flatwise on heater No wrinkle

Date:	By:	Date:	By:	Date:	By:	Date:	By:	Date:	By:
Date:	By:	Date:	By:	Date:	By:	Date:	By:	Date:	By:

A sample of procedure manuals

MARKET ORIENTED FOOD HYGIENE

Check Point	
1. Flow diagram is available	
2. Criteria of important processes are determined, monitored and recorded	
3. Inspection of the product is conducted	
4. Emergency response procedure is established	

BUSINESS DECISION MAKING

On top of the basic food hygiene, companies are required to provide enough evidence on quality control method to buyers and consumers to expand business.

As buyers judge your product's quality reliability, your company shall provide information that they can review. Buyers' decision making usually follows the process below.



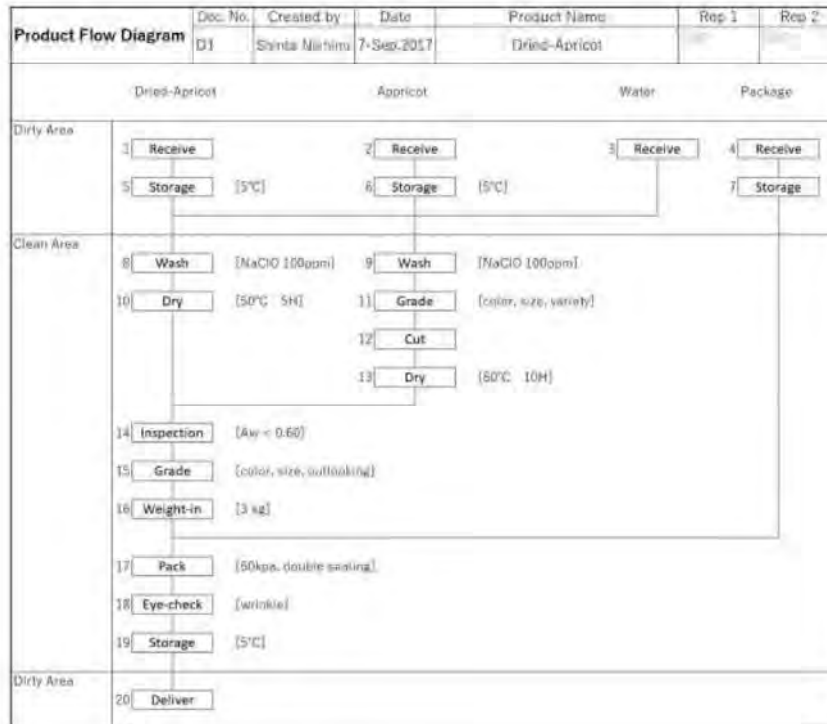
FLOW DIAGRAM

Main purpose of the flow diagram is to analyze risks and hazards within production process. The second purpose is to provide objective information on the validity of the production process to buyers and auditors. Flow diagrams shall be described so that anyone can understand the outline of the process and check points for safety control, from raw materials to final products. Flow diagrams are made following the sequence below.

1. Main materials, auxiliary materials, additives, package, water etc. are written at the top
2. From receiving to delivery, all processes are listed, boxed and linked with arrows
3. Important check points (e.g. temperature and time) are described next to each process
4. Number each step according to the process order

5. Write zoning area

6. Examine the consistency between the diagram and the real process on-site



Example of flow diagram

EVIDENCE OF QUALITY CONTROL

Your customer would like to know how it is guaranteed that check points in flow diagram are appropriately controlled.





INSPECTION

As per request of buyers or by one's own motivate, inspection shall be carried out. Here are common inspection items.

- **Number of *Coliform bacillus***
- **Expiration Date**
- **Water Activity**

Company shall provide inspection result as follows.

Production Inspection

Inspection Method

1. Foreign material: Visual Contact
2. Water Activity: The AquaLab Water Activity Meter 4TE

Lot No.	Foreign material	Water Activity [Aw]	Review
171006-A1	no particular	0.55	Pass
171006-A2	no particular	0.55	Pass
171006-A3	no particular	0.56	Pass
171006-A4	no particular	0.55	Pass
171006-A5	no particular	0.58	Pass
171007-A1	no particular	0.58	Pass
171007-A2	no particular	0.58	Pass
171007-A3	no particular	0.58	Pass
171007-A4	no particular	0.52	Pass
171007-A5	no particular	0.52	Pass
171007-A6	no particular	0.52	Pass

As above, we hereby certify that all products meet the criteria.

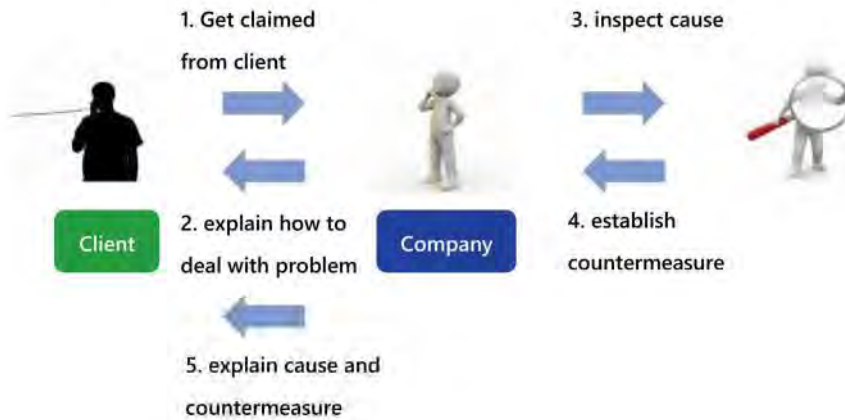
2017/10/30

Sign.

Shinta Nishino
Production Manager
ABC Inc.


EMERGENCY RESPONSE PROCEDURE

Company shall designate a person who deals with claims from clients and food related accidents, and establish emergency response procedure. Following is a sample of emergency response.



Establishing a claim report system is recommended to prevent a recurrence of the same problems and earn client's trust. Here is a sample of the claim report.

Claim Report

Date: 1-Sep-15	Reporter:	Report No. 160901-1
Customer Name: ABC		
Product Name: Dry Apricot	Lot No. 176-1	
Claim (Filled by reporter)		
Detail	Picture	
When customer opened bags she found dry apricots molded. _____ _____ _____ _____		
Main Cause(Filled by reporter and site Rep.)		
1 Apricot were not fully dried. _____ 2 There was oxygen in bags. _____ 3 Sealing was not properly made. _____ _____		
Counter Measures(Filled by site Rep.)		
1 Remove undried apricot at gradeing process _____ Correspondent manual: _____ 2 Revise vacuum pressure set vaccum pressure to -6kg/cm _____ _____ 3 Do double sealing _____ Correspondent manual: 1-1 _____		
	Reporter	Customer Rep.

Sample of claim report

How are these criteria checked?



Great! The quality seems carefully controlled. Let's discuss price.....

Operators monitor and record all check points. If not meet the criteria, they are removed. I check all record books if there are any problems. We also conduct inspection as per client request. In case of claim, we inspect the cause of the problem and establish a countermeasure to prevent recurrence of the same problem.

CASE STUDY – DRIED APRICOT IN PAKISTAN –

SITUATION

Gilgit Baltistan region is located in Northern Pakistan, which is surrounded by mountains and physically isolated from the main markets. Farmers produce dried fruits but **quality was significantly low and so was price.**



Local life



Mountainous area



Traditional production



GB dried apricot sold in main cities



Value chain before intervention

ACTIVITY

JICA team supported to improve the quality and find a new market where producers can sell high quality products. To explore the Japanese market, producers participated Japanese food Expo, FOODEX 2014.



Dried fruit market in Japan

US and Turkey have an overwhelming share in the bulk dried fruit market, hence it is almost impossible to compete the price competition. There are an increasing number of consumers who purchase products which have unique characteristic linked with region and organic products, also the number of retails and wholesales increase. This market was targeted.



"Max Value"



"Muji"



Organic shop

FOODEXJAPAN2014



Booth



Explain to customer



Work with another booth



Introduce products to
buyer



Business negotiation

RESULT

- ✓ Producers made **contract with 4 buyers** and their business continue.
- ✓ Served food tasting to many visitors and received **useful feedback**.
- ✓ Obtained more than **100 business cards for further business**.
- ✓ **understand Japanese market** to construct marketing strategy.

- ✓ Promoted regional brand and recognition, through brochures.
- ✓ The production volume of high quality and high price dried fruits increased and farmers' and producers' livelihood improved.
- ✓ Mindset of farmers and producers in processing and quality have significantly changed, though responding to Japanese buyers who are highly conscious about the quality and hygiene.



N-Harvest



Ambessa



Far East Bazaar

Japanese buyers

LESSONS

- ✓ Producers are not necessarily able to make contract with buyers even if participating in Expo. Some cases show that there are many companies which cannot sell products despite several years of participation.
- ✓ Without having whole strategy on which preparation and follow up of Expo based, producer never success in business.
- ✓ When potential segment and clients are clear, chances to contract with buyers increases with utilizing Expo, by focusing the segment.

TODO LIST

Before Expo

- ✓ Segment research
- ✓ Customers and competitors research
- ✓ Send invitation to make an appointment with potential clients
- ✓ Prepare promotion materials

During Expo

- ✓ Get feedback
- ✓ Collect market information
- ✓ Hold business meeting

After Expo

- ✓ Amend sales strategy
- ✓ Contact and communicate clients to sell products

CHALLENGES FOR THE FUTURE

- ✓ Increasing production of the high quality products is needed for both farmers and processors, as demand exceeds supply.
- ✓ Claim handling and improvement system should be established as client's claim was not informed factory and was left for a long time.

EXPORT TO JAPAN

Upon exportation, legal inspection will be carried out for food products. Exporters are recommended to confirm that the food products meet the criteria of the plant quarantine inspection and the food sanitation act in advance for the smooth export.



PLANT QUARANTINE INSPECTIONS¹



Plant quarantine inspections are required when bringing plants into Japan from abroad. In order to prevent the entry of harmful pests into Japan, regulatory classifications are established based on consideration of both the country of origin and lists of plants known to pose a risk of introducing harmful pests. Regulatory classifications are as follows.

IMPORT-PROHIBITED ITEMS

- Soil
- Plants attached with soil
- Quarantine pests which are injurious to plants and plant products
- Rice straw or rice husks (excluding those from the Korean Peninsula and Taiwan)
- Other prohibited items can be found in the Database for Importing Conditions
<http://www.pps.go.jp/eximlist/Pages/exp/conditionE.xhtml>

Following is a Database sample

¹ Source | <http://www.maff.go.jp/pps/j/introduction/english.html#kinshi>

Database for importing conditions

This page uses JavaScript. It is necessary to have JavaScript enabled in your browser.

Search for importing conditions: Selection of search conditions

Select at least one of originating country or importing plant, and click "Search" button.

Selection of country (Can be left unselected) Clear conditions

1 Select continent
 Europe

2 Select country or region
 Republic of Armenia
Included area: Republic of Armenia

Selection of plant (Can be left unselected) Clear conditions

1 Input name of plant/scientific name/synonyms
 paprika

2 Select part
 dried leaf/stem

Stem or leaf, or plant body with those parts, including dried material such as drier stems, wheat stems, dried potatoes, etc., and processed materials of these plants are included. However, live stem or leaf, and materials processed as distribution using chemicals are excluded.

Search

Database for importing conditions

Search for importing conditions: Search

The result is listed below. Please be sure to read "Explanation of indicated content" for better reference.

[Print this page](#)

PDF Download

Originating country: Republic of Armenia
 Importing plant: Agrimon(Prunus) dried leaf/stem

If you click a new title, you can arrange the search result.

Prohibited: 0 found			
Requiring ordinary inspection: 1 found (Click to see details)			
English name	Arabic	Scientific name	Remarks
Armon	هونجكند	Prunus	
Requiring field inspection in the exporting country: 0 found			
Requiring specific phytosanitary measures in the exporting country: 0 found			
Requiring post-entry quarantine in Japan: 0 found			

Explanation of indicated content

Prohibited

In addition to the listed items, the following are also prohibited to import:

- Vet (including plants with soil)
- Pesticide plants (e.g. Lantana, Cassia sp., Tagetes sp., Citrus sp., Pelargonium sp. and Oenothera)

Requiring ordinary inspection

The listed plants can be imported with ordinary export inspection as far as certain conditions are met. Examples of the conditions are:

- Attachment of the appropriate Phytosanitary Certificate issued by the plant quarantine authority of the country of origin
 - Location of places where the articles are produced and exported
 - Successful results of inspection conducted by the Plant Protection Station
- In general, Phytosanitary Certificate are required for the import of plants (e.g. seedlings, bulbwoods, bulbs and corms), plants for consumption (e.g. Shish, vegetables and cut flowers) and plants for bedding (e.g. dried papyrus). Special arrangements can be made if there is no plant quarantine organization in the country of origin.

ITEMS REQUIRING IMPORT INSPECTIONS

- Items which requires inspection upon importation can be found in the Database for Importing Conditions

ITEMS NOT REQUIRING IMPORT INSPECTIONS

Processed products whose ingredients include plant materials that pose no threat of introducing harmful pests into Japan (attached to plants or still alive) do not require import inspections. In this case, please contact one of the Plant Protection Stations for more details, or raise inquiry from following site

https://www.contactus.maff.go.jp/j/pps/form/qa_e.html

FOOD SANITATION ACT



Food additives and agricultural chemical residual in food shall be met the criterial of the Food and Sanitation Act of Japan. They will be inspected in Japan as a part of import procedure, in order for importers to import product.

JAPAN FOOD ADDITIVE REGULATIION²

Food additives, natural flavoring agents, and ordinary foods that are permitted for use in food in Japan are limited to those listed at the following URLs.

Designated Additives (449 items)

Designated additives are those designated by the Minister of Health, Labour and Welfare.

<http://www.ffcr.or.jp/zaidan/FFCRHOME.nsf/pages/list-desin.add-x>

² Source | <http://www.mhlw.go.jp/english/topics/foodsafety/foodadditives/>

Existing food additives (365 items)

Certain substances are permitted for use and distribution in Japan, that they are widely used in Japan and have a long history of consumption by humans.

<http://www.ffcr.or.jp/zaidan/FFCRHOME.nsf/pages/list-exst.add>

Natural flavoring agents (around 600 items)

These substances are natural products that are obtained from animals and plants and used for flavoring food. e.g., vanilla flavoring and crab flavoring.

<http://www.ffcr.or.jp/zaidan/FFCRHOME.nsf/pages/list-nat.flavors>

Ordinary foods used as food additives (around 100 items)

They are substance that are generally provided for eating or drinking as food and also used as food additives e.g., strawberry juice and agar.

<http://www.ffcr.or.jp/zaidan/FFCRHOME.nsf/pages/list-general.provd.add>

AGRICULTURAL CHEMICAL RESIDUES REGULATION

Agricultural Chemical Residues in Foods is restricted under the Food and Sanitation Act³. Maximum residue limits (MRL) of Agricultural Chemical Residues in Foods can be found in the following database.

<http://www.m5.ws001.squarestart.ne.jp/foundation/search.html>

Following is a sample of database.

³ Introduction of the Positive List System for Agricultural Chemical Residues in Foods
<http://www.mhlw.go.jp/english/topics/foodsafety/positivelist060228/introduction.html>

[\[HOME\]](#)

Positive List System for Agricultural Chemical Residues in Foods

Maximum Residue Limits (MRLs) List of Agricultural Chemicals in Foods

Agricultural Chemicals	Foods
<input checked="" type="radio"/> A <input type="radio"/> K <input type="radio"/> U <input type="radio"/> B <input type="radio"/> L <input type="radio"/> V <input type="radio"/> C <input type="radio"/> M <input type="radio"/> W <input type="radio"/> D <input type="radio"/> N <input type="radio"/> X <input type="radio"/> E <input type="radio"/> O <input type="radio"/> Y <input type="radio"/> F <input type="radio"/> P <input type="radio"/> Z <input type="radio"/> G <input type="radio"/> Q <input type="radio"/> H <input type="radio"/> R <input type="radio"/> I <input type="radio"/> S <input type="radio"/> J <input type="radio"/> T	<input checked="" type="radio"/> Crops <input type="radio"/> Animal and fishery products <input type="radio"/> Processed foods <input type="radio"/> Mineral waters <input type="button" value="Search by Foods"/>
<input type="button" value="Search by Agricultural Chemicals"/>	

List of Agricultural Chemicals

[\[HOME\]](#) [Top page of MRLs Search engine for MRLs](#)

The Japan Food Chemical Research Foundation

Table of MRLs in Foods

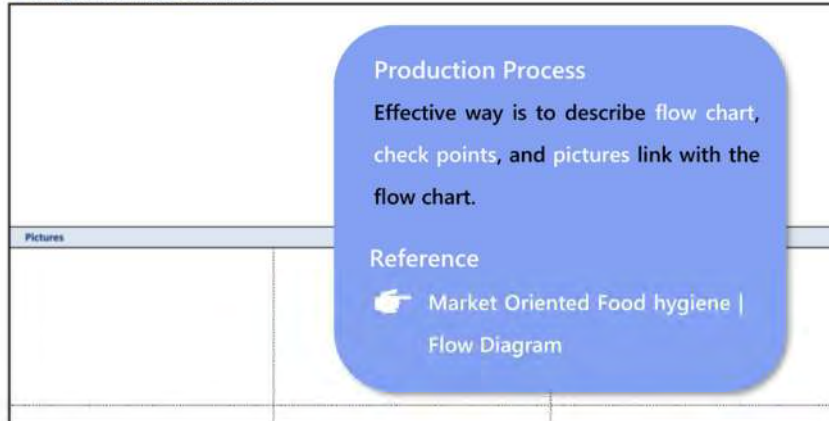
Food : Apricot

Agricultural Chemical	MRLs(ppm)	Note	MRLs(ppm) Time limit for application
ABAMECTIN	0.09		
ACE-TAMIPRID	3		
ACRINATHRIN	2		
ALANYCARB	2		
ALDRIN and DIELDRIN	0.05		
AMINOETHOXYVINYLGLYCINE	0.2		
AMITRAZ	0.9		
AMITROL	0.05		
ATRAZINE	0.02		
AZINPHOS-METHYL	2		
AZOXYSTROBIN	2		
BENALAXYL	0.05		
BENFUACARB	0.5		

APPENDIX

FCP SHEET | SELLING POINTS OF THE PRODUCTION PROCESS

■ Selling Points of the production process



Good Practice



Source | http://www.food-communication-project.jp/pdf/h23_result_01.pdf

FCP SHEET | INFORMATION OF QUALITY ASSURANCE






■ Information of Quality Assurance

Inspection of Products	<input type="checkbox"/> Yes <input type="checkbox"/> No	(If yes, please provide additional information about inspection)				
Hygiene Management	Production Process					
	Employees					
	Facilities and Equipments					
Emergency Response	The Contact Points	The person in charge	Mr/Ms	Phone number	country code	+ XXX
	Documentation					

Quality Control Information

Hygiene Control and Emergency Response are important. As buyers cannot visit your factory, it is important to provide enough information about quality control management to let them feel safe.

Reference

- Inspection of Products  Market Oriented Food hygiene | Inspection
- Hygiene Management  Market Oriented Food hygiene | Evidence of Quality Control
-  Personnel Hygiene
-  Facility, Equipment
- Emergency Response  Market Oriented Food hygiene | Emergency response procedure

Good Practice

Inspection of Products	■Yes/ □No	Visual Contact [Products quality, Packaging defects, Foreign materials]			
Hygiene Management	Production Process	A quality manager is designated to create and manage production record books which monitor the process on raw material receive, processing, packing, storage and delivery. In case of quality problems, causes are investigated and quality is improved.			
	Employees	A person who works as a teacher is designated. Employees are trained on social responsibility, moral, food hygiene, quality control and processing skills.			
	Facilities and Equipment	Facility and equipment are cleaned and maintained regularly.			
Emergency Response	The Contact Points	The person in charge	Mr SME	Phone	XXX
	Documentation	In case of emergency, problems are dealt with in an appropriate manner immediately, through seamless communication with clients. Causes are investigated and counter measures are established, and they are reported clients.			



**Project for Development of Local Production
and Promotion of Local Brands
in the Republic of Armenia Phase 2**

**Guidebook for
Effective Participation
for International Trade Fairs**

Table of Contents

INTRODUCTION	3
CONTENTS OF THIS GUIDEBOOK.....	4
PREREQUISITE	4
CHAPTER I. Learning about potential customers and competitors in the new market.....	5
CHAPTER II. Responding customer requirements in the new market	7
CHAPTER III. Administrative process to participate in an expo.....	9
CHAPTER IV. Preparation of required information	11
CHAPTER V. Preparation of order sheet & survey sheet	22
CHAPTER VI. Communication with potential customers.....	24

INTRODUCTION

As you consider exporting your products, you may consider participating in international trade fairs (Expo) to find potential buyers in the target market. Using this guidebook, you can take necessary steps and conduct analysis to be better prepared to make the opportunity effective for your business.

Expos bring two groups of audiences: 1) visitors who are interested in purchase (your potential wholesale/retail partners), and 2) exhibitors who are interested in selling similar items (your potential competitors).



There are 2 things that you can achieve by participating in an expo, and the detailed process and tools for each objective are explained in this guidebook.

- Learning about your potential customers and competitors in the new market
- Networking with potential wholesale/retail partners in the new market

With these objectives, expo participation can be considered at the following two timings (Steps 2 & 4) as you consider exporting your product.



* 4P: *Product, Price, Place (distribution) and Promotion*

Step 2: When you are deciding which markets to enter, you can connect with buyers in the new market(s), so you get a feel of how your product might or might not be a good fit for the market. (e.g. Participate in an expo in France to get a feel of new potential markets, as you speak with potential buyers from France, Italy, Spain, Switzerland, Germany, Belgium, the Netherlands, etc.)

Step 3: When you already decided to enter a particular market and are designing marketing elements (4Ps) for this target market, you can approach visitors (potential buyers) to find your wholesale/retail partners. You can also collect latest information to optimize your 4Ps for the market. (e.g. Participate in an expo in France to speak with trades, wholesalers, and retailers in France to speak with them to find out about attractive communication message, appropriate price range, expected package quality for their French customers.)

CONTENTS OF THIS GUIDEBOOK

This guide book introduces necessary preparations in the following areas:

- I. Learning about potential customers and competitors in the new market
- II. Administrative process to participate in an expo
- III. Preparation of required information
- IV. Preparation of order sheet
- V. Communication with potential customers

PREREQUISITE

Throughout the course of preparation for an expo, you will be managing tasks around marketing to meet customer requirements in your target country. Therefore, it is critical that you attend a training about international marketing or read through Chapter 3 of “Successful Expansion - Guidebook on Advanced OVOP Methods For Potential Exporters” to understand basic concept of marketing prior to studying this guidebook.

CHAPTER I. Learning about potential customers and competitors in the new market

Who needs this tool?

- Business owners who decided to export, have some ideas which markets to export, but want to learn about the market to decide market(s) they should enter.
- Business owners who decided to export to certain market(s), and want to verify if their products would be well accepted in the new market.

When should you use this tool?

When you are considering how to design 4Ps: product modification/improvement, communication of USP, communication materials, type(s) of distributors/buyers to sell, and pricing point to appeal to a new market.

How does this tool help your business?

This tool will help you prepare your marketing elements to be better accepted by new market(s).



Exercise

Q. If you are trying to get a feel which market is good for you to enter, what information can be verified by going through the above learning process? (= Learning requirements and preference from visitors, and observing what to sell and how to sell from other exhibitors.)

- Answer Examples (by comparing different markets to see which will give you better opportunity):
- Which nationality may be attracted to your product by letting visitors try your products
 - How each nationality may use your product in different ways

- Which nationality may be more profitable by asking how much they are willing to pay for your product
- Any regulations and consumption taxes that you should be aware of

Important tip:

International expos attract different visitors from different countries; therefore, always ask which country the visitor you are talking to is from.

(e.g. Food and Hotel Expo in Singapore attracted trade visitors from 100 countries/regions.)

If you are open to different markets, be open to talk to people from different countries.



(<http://www.foodhotelasia.com/to-exhibit/why-exhibit/>)

Q. If you already decided to enter a particular market, what questions would you ask visitors from that country?

→ Remember that the visitors are not your key target consumers (people who use your product) themselves, but those who sell to those consumers. Question examples you can ask them are as following.

- To what type of people do you think this product would sell well?
(= Potential key target consumers)
- What would they like about it? Why?
(= Your potential USP to that key target consumers)
- What would they not like about it? Why?
(= Product modification ideas to meet their requirements/preference)
- Are there any similar products sold to those people? What are they?
(= Your competitors in the new market. Buy those products and examine them later.)

Q. How would you utilize competitors' pamphlet, leaflet and price list?

→ These materials tell you: USP, credentials and certificates, product benefits, how-to-use instructions, quality level, and prices; therefore, they are a great source of ideas to improve your business in the following four key areas.

- 1) Product quality to be same or better than them.

- 2) Your USP is well differentiated.
 - 3) Your pamphlet is as comprehensive as (or more comprehensive than) theirs.
 - 4) Price your customers pay for your quality should be the same or better deal than theirs.
- When you read good pamphlets and leaflets, they are:
- 1) easy to understand (clear and concise)
 - 2) convincing with credentials and fact—based information (clear)
 - 3) gives you a strong impression about the brand (consistent images).
- If you see good pamphlets and leaflets, examine why they are good and take ideas to improve your communication materials.
- (Note: Details will be covered in Chapter V - Stage 2 - 3. Communication materials.)

CHAPTER II. Responding customer requirements in the new market

As you decide to participate in an expo to find a local partner to export your product, you would like to be prepared to offer what local customers want in the new market for the following reasons:

- Required standard in the new market may be different.
- Only if your product is attractive to local customers, wholesalers/retailers can sell them; otherwise, wholesalers/retailers (= visitors to the expo) would not want your product.

Exercise

Q. How do you think “required standard” may be different in the new market?

→ There are many potential differences: from regulations to hygiene standard, to product design, etc.

Examples:

- 1) Certain food additives may be prohibited in other countries.
- 2) While you sell your dried fruit in a second-hand cardboard box to a food processing company in Armenia, a food processing buyer in Asia may require an air-tight vacuum pack in an aluminum material, due to hot and humid weather prone to mold problem.
- 3) Japanese consumers may find Armenian compote too sweet, as they are used to sugar-free drinks.
- 4) While 2L bottle is common in Armenia, Japanese consumers may prefer smaller package size for smaller family size (2-3 people in a family).
- 5) While Armenians consume herb tea for medicinal purposes, Asian consumers may find it more relevant for relaxation with health care purposes.

- 6) While lace items may be common in Armenia, traditional Armenian lace items may be valued at higher price in Asia, where Armenian laces are rare.

etc.

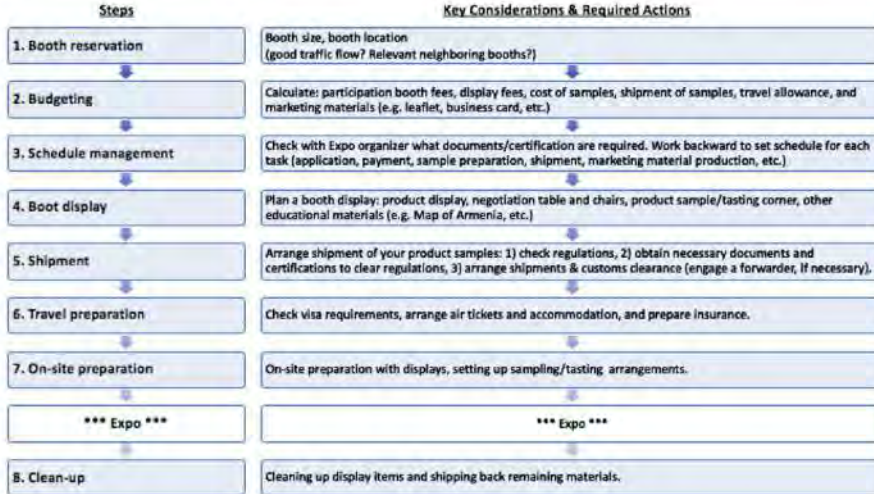
For more detailed understanding, refer to Section 3. 2. 5 of Chapter 3 in “Successful Expansion - Guidebook on Advanced OVOP Methods For Potential Exporters”.

Step 1: Research your consumers in the new market
• Understand who would appreciate your product and why, so you can attract them.
Step 2: Research your competitors in the new market.
• Understand against whom you are competing, so you can differentiate yourself.
Step 3: Analyze your product and make necessary changes
• Changes may be necessary, as consumers in the new market may not appreciate your product as is.
Step 4: Verify new ideas with consumers of the new market
• Check with your key target consumers if they really like the changes you decided to make
Step 5: Develop product
• Produce product for your new market
Step 6: Develop communication materials
• Make sure that you communicate your strength to your new consumers effectively
Step 7: International channel strategy
• Understand how to choose a right business partner to enter the new market
Step 8: International pricing strategy
• Understand how to price : Secure your margin, yet make sure consumers buy

CHAPTER III. Administrative process to participate in an expo

After deciding in which expo you participate, the following basic procedure will be required.

It is helpful to develop a calendar by working backwards from the expo date, to make sure that you complete everything in time.



Exercise


- Prepare a rough calendar to participate in an expo in Japan, which starts on March 6, 2018.
- Write down what you need to do / what you need to search in each step.

Action	October				November				December				January				February				March
	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1
1. (book a booth): <i>(book as early as possible to secure a booth at a favorable location. The event organizer normally starts selling towards the end of the previous year.)</i>																					
2. ...																					
3. ...																					
4. ...																					
5. ...																					
6. ...																					
7. ...																					
8. ...																					
9. ...																					
10. ...																					
11. ...																					
...																					

CHAPTER IV. Preparation of required information

Before communicating with your potential customers, a summary document of your company and product should be prepared. This will help you organize necessary information for potential buyers, and facilitates your sales communication with them, as buyers spend average of only 5 minutes and maximum 15 minutes for a meeting.

FCP Format for Exhibition and Business Meeting



■ Product Profile / Terms and Conditions

Name of Product					
JAN Code		Package	Material		
Use by date			Size/Inner Capacity	Length (cm) ³ Width (cm) ³ Height (cm)	Inner Capacity
Minimum Units of Delivery		Packing	Material	Volume	
Lead Time			Size/Inner Weight	Length (cm) ³ Width (cm) ³ Height (cm)	Weight (kg)
Storage Condition	<input type="checkbox"/> Normal Temperature <input type="checkbox"/> Refrigeration <input type="checkbox"/> Frozen		Reference Price	<input type="checkbox"/> FOB <input type="checkbox"/> CIF	Price valid before Price in market
Certifications (Products/Systems)					

Ingredients and Additives	The Place of Origin	Nutritional Facts	Ingredient Amount (Eg. K calories/100g)
Product Characteristics		Use Scenes (Usage + Recipe)	

■ Product Picture

<div style="background-color: black; color: white; text-align: center; padding: 2px;">Allergen (Specific Raw Materials)</div>	
---	--

■ Company's profile

Company's Name			
Annual Sales		Numbers of Employees	
Name of Representative			Picture of company president
Message to Purchasers			
Website URL			
Company's Address			
Factory's Address			
Person in Charge	Mr. / Ms.	E-mail Address	
Phone Number	Country Code + XXX	Fax Number	

■ Selling Points of the production process

Pictures	

■ Information of Quality Assurance

Inspection of Products	<input type="checkbox"/> Yes <input type="checkbox"/> No	(If yes, please provide additional information about inspection)			
Hygiene Management	Production Process				
	Employees				
	Facilities and Equipments				
Emergency Response	The Contact Points	The person in charge	Mr. / Ms.	Phone number	country code + XXX
	Documentation				

Source: <http://www.food-communication-project.jp/result/index.html> (modified)

45% of buyers say that this sheet induces more interest in the product, and another 45% says that it works as a trigger of negotiation/conversation.

Detailed instructions to complete this information sheet will follow in 6 separate sections.

5 Basic Key Points to fill this sheet:

- ① Reasonably large font
- ② NO information is left blank
- ③ Photos are properly pasted
- ④ USP and "Message to buyers" are specific and unique
- ⑤ No mistakes / no typos; otherwise, company's basic capability becomes questionable

Section 1

Product Profile / Terms and Conditions

Name of Product	Basic information required by all potential buyers. It is important to complete this section to: 1) start negotiation with a smooth introduction 2) win confidence from buyers					
JAN Code		Material				
Use by date	Fill in EAN, or leave blank, if you have no EAN.				Height (cm)	Inner Capacity
Minimum Order Quantity	JAN (Japan Article Number) is a name of barcode system in Japan, which is compatible with EAN (European Article Number) or UPC (Universal Product Code). JAN is called EAN when out of Japan.				Volume	
Lead Time		Packing	Size/Gross Weight	Length(cm) x Width(cm) x Height (cm)	Weight (kg)	
Storage Condition	<input type="checkbox"/> Normal Temperature <input type="checkbox"/> Refrigeration <input type="checkbox"/> Frozen	Reference Price	<input type="checkbox"/> FOB <input type="checkbox"/> CIF	Prices valid before		
Certifications (Products/System)						

Minimum Order Quantity:

- Shipping small quantity many times are costly to sellers, but buyers prefer receiving smaller quantity more frequently to reduce their inventory cost.
 → Try to send larger quantity at a time (= minimum order quantity) within reasonable requirement from the buyers' point of view.

- Consider a batch size.
→ If your carton is for 12 pcs, set MOQ 12, or 24, not 20.

Pricing information:

- "Upon negotiation" on FCP to show potential buyers is OK.
→ If you specify your cost on FCP Sheet, you may leave money on the table. (e.g. You write 10USD/kg, when buyer was prepared to pay 15USD/kg.)
- It is important for YOU to have specific pricing ideas as in FCP: what is the minimum price you are willing to sell for (a small margin + costs), reasonable price to sell, optimal price to sell.

Section 2

Ingredients and Additives	The Place of Origin	Nutritional Facts	Ingredient Amount (Eg. X calories/100g)
Some ingredients and additives may be prohibited in the target market.		Most countries require AT LEAST:	
		- Total calories	
		- Protein	
		- Fat	
		- Carbohydrate	
		- Sodium	
		*** Check regulation of the target market. ***	
Product Characteristics		Use Scenes (Usage • Recipes)	
UNIQUE SELLING PROPOSITION of your product - Focus on uniqueness - Focus on benefits to users/consumers - Focus on 3-4 key strength - Do not try to list everything including characteristics that are "good" but not so special		WHEN to use and HOW to use - Best way to use your product - Unique way (unique recipe for food & beverages) to use your product - Traditional way which may be new to the market If your product is new to the target consumers, explain: - How to use it and how much to use - Benefits to users/consumers (NOT what product does)	

e.g.
 - Made from naturally grown pine cones from forests in Armenia
 - Traditional natural remedy from Siberia
 - Pine pollen powder boosts immune system
 - Natural sweet taste: perfect for all family members, including children and the elderly

e.g.
 - 1 tea spoon-full everyday in any drink to prevent from getting sick
 - 2 tea spoon-full mixed with 200ml hot water to sooth sore throat
 - Perfect healthy breakfast or dessert: pour a spoon-full of this syrup over a cup of low fat plain yogurt

Section 3

■ Product Picture

<p>Extremely important to attract potential buyers: Select photos which present your product most attractive!</p> <p>A set of following images</p> <ul style="list-style-type: none"> - Product package presentation - Contents - Example of usage (e.g. placing a vase on top of an Armenian lace placement, a cup of yogurt with pine cone syrup on top, dried fruit served with wine, etc.) 	<p>Basic information included in a product label</p> <ul style="list-style-type: none"> - Product category - Ingredients - Additives - Contents (e.g. xx ml, xx g, xx pieces, etc.) - Expiry date - Storage requirement (e.g. store under 10C) - Manufacturer (company name and registered address)
	<p>Allergen (Specific Raw Materials)</p>
	<p>List of raw materials which could cause allergic reactions. (e.g. prawns, crab, wheat flour, egg, dairy, nuts, etc.)</p>

Photo Tips:



Feature accompanying items to show the usage image.
(e.g. a bottle of Japanese sake with accompanying items - when and how it can be consumed.)



Feature other items to show a sense of scale.
e.g. :
- Another item to compare size
- A measurement tape

Section 4

■ Company's profile

Company's Name	With this section, buyers gauge if your company is trustworthy or not.		
Annual Sales		Number of Employees	
Name of Representative			Picture of company president Important to show "face" of the producer. (It means "accountability" of product quality to the buyers.)
Messages to Purchasers	- Company's or owner's value or goal - What your company or owner emphasizes on. - Your company's or owner's unique policy - Story around the product and owner's passion. *** Be specific and unique. ***		
Website Address			
Company's Address			
Factory's Address			
Person in Charge	Mr./Ms.	E-mail Address	
Phone Number	Country Code + XXX	Fax Number	

Company information:

- When your business is small, buyers may worry that you may go out of business at any time, hence not trustworthy.
 → You cannot lie on FCP Sheet about your business size; however, you can overcome the negative image in 2 ways: 1) show how long you have been in your business (if long enough), and 2) guarantee good customer service because of your small size operation.

■ Selling Points of the production process

With this section, buyers are evaluating if your company's safety standard and hygiene standard are up to their requirements.

Draw a production process chart (3-8 steps), focusing on:

- Safety and hygiene check points
- Inspection points
- Emergency Response System

Example:
 [Measuring] => [Blending (traditional method since 11th century)] => [Roasting (twice)] => [Filling]
 => [Sterilizing] => [Cooling] => [Packing] => [X ray inspection]

Pictures

Present pictures that show process, which is drawn in the process chart.

Example:
 Photo of "Blending" process

Example:
 Photo of "Sterilizing" process

Example:
 Photo of "X ray inspection" process

Process chart tips:

It is also helpful to combine all information so that buyers can comprehend at a glance.



Section 6

■ Information of Quality Assurance

Inspection of Products	<input type="checkbox"/> Yes <input type="checkbox"/> No	(If yes, please provide additional information about inspection)			
Hygiene Management	Production Process	This area is becoming more and more important recently. Buyers will be concerned, if left blank.			
	Employees	Clearly and briefly explain what kind of hygiene management actions are taken and how often.			
	Facilities and Equipments				
Emergency Response	The Contact Points	The person in charge	Mr. / Ms.	Phone number	country code + XXX
	Documentation	In case of emergency, who will be the contact person for the buyers?			

Exercise 1

Develop FCP Information Sheet.

WARNING:

Participants often find USP description is challenging, as it depends on the target market, which you don't know much about. Tips are explained in Advanced OVOP Guidebook. Make sure that you read it through and collect useful information.

Exercise 2

Review your work and discuss:

- Which part(s) were more difficult
- Special attention and considerations for effective writing

CHAPTER V. Preparation of order sheet & survey sheet

Order Sheet

Along with FCP Information Sheet prepared in Section III, you want to be prepared to take orders for successful negotiations.

Bill To					Ship To				
Company Name					Company Name				
Address					Address				
E-mail address					E-mail address				
Contact person					Contact person				
Phone number	(country code)				Phone number	(country code)			
Order Item	Size	Unit Price FOB (USD)	Q'ty	Amount (USD)	Delivery Date				
					Usual Order Lead Time				
					Usual Order Quantity				
					Payment terms				
					Comments / Other requirements				
Total Amount (USD):									
<p>* Set minimum order quantity to make sure that your secure profit after logistical costs. * Be prepared to offer FOB price.</p>									

Survey Sheet

Even if you cannot close a deal, they are valuable source of information to guide you how you can improve for your future business. Expo is a rare opportunity to directly communicate with your potential buyers. Prepare a simple survey sheet to obtain feedback from your potential buyers, who unfortunately may not be interested in your product this time around. (As all buyers are busy, you can also ask these questions in your conversation and note them down later.)

Potential buyer	Respondent's company:
	Industry (retailer, wholesaler, restaurant, hotel, etc.):
	What they sell:
Product & Package related questions	What did you like about our product?
	How do you like our package? (material, sealing, design, function, etc.)
	What improvements would you suggest to make our product more attractive in your market?
Understanding target consumers	Are there any specific target consumers that you may suggest for our product? Why?
Understanding target consumer needs	Are there any other usage suggestions with our product? (different selling point, usage occasions, etc.)
Requirements for exportation	Are there any other requirements we need to meet for your market?

CHAPTER VI. Communication with potential customers

An effective sales process is explained step by step in this section.



Stage 1: Approach



1) Choose a right expo for your purpose

In order to gain access to a right target buyers (= your potential customers), actions must be taken even before choosing which expo to participate in. Collect information about the expo (contact organizer or check the website) and find out about the following consideration points.

Considerations	Information to Collect	What to Watch out
Expo Location	Entry requirements	If your entry visa is required, early preparation and meticulous scheduling are required.
	Regulation of sample shipment	The destination country may require tariffs, registrations, elimination of prohibited ingredients, etc. with your product samples. Early preparation and/or extra fees may be required.
Visitor Type	By registration only with fees	Only serious visitors come for business purposes. If you are looking for an opportunity to find a wholesale partner, this type is better.
	Open to public	General public comes for fun to try exhibited items. If you are seeking information about consumers' taste, culture, etc., you have an opportunity to directly communicate with them. (e.g. Conduct consumer survey with product trial.)
Considerations	Information to Collect	What to Watch out
Visitor's Country	Where visitors are coming from	Just because the expo is held in France, it does not necessarily attract only French visitors, but also those from many other surrounding countries. Check to see if visitors from your new market of interest are coming.
Visitors' Industry	Target profile	If you are participating to close a distribution deal, this information determines your potential to find a wholesaler or a buyer. Check to see if their industries can be your potential buyers.
Participation Costs	Exhibition fees, traveling, accommodation in the vicinity, product costs, and shipment costs	Participation in Expo is not cheap. Be aware of costs you are bearing as an investment for the new market entry.

Important tip:

As you decide to participate, select a booth with the following considerations:

1) Expect a heavy visitor traffic

- Ask the expo organizer which booth is expected to have busier traffic.
- Check the booths map to see the expected traffic flow. (e.g. entrance/exit and connection to adjacent exhibition halls.)
- Close to popular exhibitor who would attract many visitors.
- Apply early to secure a good spot. (near the entrance, at a corner, etc.)

2) Affinity with surrounding booths

- Offering similar products
- From the same region (if international exhibition)



<http://www.prowein.honegger.it/catalogue/prowein-2016.nsf/prowein-2016-italy-exhibitors-floor-plan.pdf>

2) Choose your target visitors

You pay for expo participation, and your time is limited --- You want to maximize opportunities to meet with right visitors.

Before Expo

Approaching registered visitors:

- ① Study the target profile of visitors before the expo
 - Keep in mind visitors from which industry you are interested in talking to.
 - Check their website and see what they are looking for (what products they sell, and to what kind of customers)
- ② Once you find a potential distributors and buyers who might be interested in your product, contact them to set up an appointment during the expo.

Exhibitors total	6,255	Net space total (sqm)	66,550
Exhibitors Germany	979	Net space Germany	19,023
Exhibitors other countries	5,276	Net space other countries	49,527
Number of countries	59	TOP 10 visitor countries	
<i>(Basis: all foreign visitors)</i>			
Visitor data from registry:			
Visitors total	55,729	The Netherlands	13%
From Europe	91%	France	8%
- Germany	51%	Belgium	7%
- Other Europe	40%	Italy	6%
From Non-European countries	9%	Great Britain	5%
- America	5%	USA	5%
- Asia	3%	Spain	4%
- Australia/Oceania	1%	Austria	4%
- Africa	0%	Switzerland	4%
Number of countries	123	Canada	4%

Area of responsibility*	
Business/company/plant management	29%
Sales, distribution	21%
Purchasing/procurement	14%
Marketing, advertising, PR	8%
Manufacture, production, quality control	6%
Research and development, design	3%
Other	10%
Decision-making powers	
Decisively	41%
Contributory	25%
In an advisory capacity	17%
No influence	17%

Industrial sector*	
Specialist retailer for wine, sparkling wine, spirits	20%
Other retail	8%
Import, Export	12%
Wholesaler for wine, sparkling wine, spirits	10%
Other Wholesale	3%
Restaurant, inn, cafe, bar	6%
Hotels	4%
Other gastronomy	2%
Other services	6%
Processing industry (wine yards, production and accessories)	11%
Other	7%

Approaching potential visitors:

- ① Research and find potential buyers (distributors or retailers) in your target market.
 - Through personal network
 - Through Armenian community in the target market
 - Through online research

- ② Approach those potential buyers who may be interested in your product
 - Introduce yourself and your product
 - Ask them key questions:
 - ✧ if they would be interested in your product
 - ✧ how they are sourcing product currently
 - ✧ what their concerns are in importing products from you
 - Suggest an appointment to meet at the expo you are participating in
 - If they still have reservations, offer them samples in advance so that they can examine your product before the meeting at expo.
- ③ Prepare answers to address their concerns

During Expo

- ① As you (or visitors) approach each other randomly for a talk, ask them; 1) what industry they are in, and 2) what they are looking for.
- ② Be prepared to spend more time with those whose industry is relevant to your business, especially during busy peak hours.

Example of visitors' profile provided by organizer

ProWein 2016

Exhibitors total	6,255	Net space total (sqm)	68,550
Exhibitors Germany	979	Net space Germany	19,023
Exhibitors other countries	5,276	Net space other countries	49,527
Number of countries	59	TOP 10 visitor countries	
(Basis: all foreign visitors)			
Visitor data from registry:			
Visitors total	55,729	The Netherlands	13%
From Europe	91%	France	8%
- Germany	51%	Belgium	7%
- Other Europe	40%	Italy	6%
From Non-European countries	9%	Great Britain	5%
- America	5%	USA	5%
- Asia	3%	Spain	4%
- Australia/Oceania	1%	Austria	4%
- Africa	0%	Switzerland	4%
		Canada	4%
Number of countries	123		

International Trade Fair
Wines and Spirits

Düsseldorf, Germany

13. - 15. March 2016

www.prowein.com

Subject to change
(G1-MF/März 2016)

966 accredited journalists from 35 countries

Quality and structure of visitors

Based on the results of 1,046 interviews with visitors during ProWein 2016 conducted by means of the Computer-Interview-System

Area of responsibility*	Occupational position	Further interest in product ranges
Business/company/plant management 29%	Top-Management 62%	(Several answers possible) Spirits 21%
Sales, distribution 21%	Middle-Management 11%	Champagne 21%
Purchasing/procurement 14%	Low-Management 27%	Sparkling wines 17%
Marketing, advertising, PR 8%		Bio-wines 15%
Manufacture, production, quality control 6%		Accessories 10%
Research and development, design 3%		Services 6%
Other 10%		Mineral water 4%
Decision-making powers	Visitor structure features	Reasons for visit
Decisively 41%	Private visitors 6%	(Several answers possible) Innovations/trends 36%
Contributory 25%	Trade visitors 94%	Contact to existing suppliers and business partners 37%
In an advisory capacity 17%		Search for new suppliers and business partners 31%
No influence 17%		Preparation of purchase decision 16%
Industrial sector*	Interest in product ranges	New suppliers were found
Specialist retailer for wine, sparkling wine, spirits 20%	(Several answers possible) German wines 48%	(Basis: Visitors looking for new suppliers and business partners) Yes 68%
Other retail 8%	Italian wines 41%	
Import, Export 12%	French wines 37%	Overall assessment
Wholesaler for wine, sparkling wine, spirits 10%	Spanish wines 30%	Satisfied 96%
Other Wholesale 3%	Austrian wines 25%	Recommendation
Restaurant, inn, cafe, bar 8%	New Zealand wines 17%	Yes 97%
Hotels 4%	Portuguese wines 17%	
Other gastronomy 2%	South African wines 17%	
Other services 6%	Californian wines 15%	
Processing industry (wine yards, production and accessories) 11%	Chilean wines 14%	
Other 7%	Australian wines 14%	
	Argentinian wines 13%	
	Greek wines 5%	
	Canadian wines 6%	
	Hungarian wines 6%	
	Swiss wines 5%	
	Bulgarian wines 4%	
	Slovene wines 4%	
	Romanian wines 4%	
	Brazilian wines 3%	
	Uruguayan wines 3%	
	Chinese wines 3%	
	Other european wines 9%	
	Other non-european wines 6%	

*Difference to 100% = Pupil, student, not gainfully employed (9%)

* Some organizers also share a list of visitors closer to the expo date.

279

3) Optimize traffic

In order to attract traffic, the following techniques can be applied:

① Eye-catching display

Video:

It is good to have; however, there are 2 points to be careful about: 1) the sound can be "noise" to disturb business discussion in the booth, and 2) it is becoming too common and is not so special while preparation of equipment can be costly.

(e.g. As your Armenian lace production technique is traditional and very unique, show it on the video to complement the product information. In order to avoid the noise, use subtitles to explain the technique and mute the sound.)

Posters/Banners:

It is NOT advisable to display whatever is available. Think what you want to communicate and why.

(e.g. Display a map to show where Armenia is, because not many visitors are aware of Armenia in Asia.)

Traditional costume:

Members attending the booth can serve as a display themselves to attract attention and raise interest level.

(e.g. The person in charge of business negotiation will be in a business attire, but a staff to distribute samples will roam around in an Armenian costume to attract attention.)

② Sampling

Sampling serves the purpose for the potential buyers to try your product at their convenience. (Unlike tasting on site, they take away your sample with them.) However, samples are costly. Therefore, consider following points before conducting sampling.

- ✧ *Sampling is effective when; i) your product is new, ii) customers in the new market is unfamiliar with your product, iii) your product is unique in the category and requires a lot of explanations, and iv) it takes time until customers experience the efficacy.*
- ✧ *As they will walk away with your sample, you need to attach i) your product information to explain what the sample is, and ii) your contact information for them to contact you if they like your product.*
- ✧ *Try to distribute to your target customers. (e.g. if your product is for female segment, distribute to women. If your product is for distributors, provide samples only the distributors who showed interest in your product.)*

③ Tasting/Testing

Tasting/Testing serves the purpose for the potential buyers to try your product on site. However, tasting/testing service consumes your product and requires preparations and operational items (cups, spoons, spatulas, etc.). Therefore, consider following points before conducting tasting/testing.

- ◇ *Tasting/Testing is effective when; i) your product is new, ii) customers in the new market is unfamiliar with your product, iii) your product is unique in the category and requires a lot of explanations, and iv) you can receive an immediate feedback from customers.*
- ◇ *Tasting/Testing creates a crowd and contributes to attract more traffic, as people tend to gather where other people are.*
- ◇ *Tasting/Testing contributes to retain customer in your booth, as you can engage them in a conversation while they taste your product.*
- ◇ *Tasting is applied for food and beverage items; however, testing can be applied for items which can demonstrate an immediate effectiveness. (e.g. skin care products, soap, etc.)*

Important tip:

Whichever technique to apply, always think of the objective first: Why are you using the video? Why are you providing samples? Why are you conducting tasting? Is it worth the costs and operational difficulties?

4) Initiate introductions

Initiate introduction after asking what each visitor is interested in.

For example:

- If s/he wants to speak with you, give out your business card.
- If s/he wants to learn about your product, give out your product leaflet
- If s/he wants to try your product, give out tasting samples

Important tip:

- *A crowd invites more crowd. Attract visitors with tasting samples.*
- *Be prepared to hire some part-time promoters for the busy hours: You may need as many as 5 people to attend your booth during the peak hours for a large expo.*
- *If the expo allows end consumers to visit (B2C), take it as an opportunity to interact with them.*
 - ① *Continue sampling – Find which product may or may not sell well.*
 - ② *Talk to them – Find out what they like and what they do not like for improvement.*
 - ③ *Practice sales talk.*

5) Collect their business cards

Not only do you give out your business card, but always collect their business cards to follow up later.

On average, 200 business cards lead to 20 follow-up meetings, which ends up with 5 contracts at FOODEX Japan.

Important tip:

After collecting a business card, mark the following information to help you follow up later:

- 1) their interest level (High/Medium/Low)***
- 2) business (distributor, retailer, etc.)***
- 3) products of their interest and why.***

→ Refer to Step 5: FOLLOW UP

Stage 2: Presentation



Exercise

Q. What do you think you need to do first to present your product?

→ Ask what the visitors are interested in, and what they are looking for.

There are two subconscious tendencies with consumers' behavior.

"Selective attention" --- Recipients of information notice only what they are interested in.

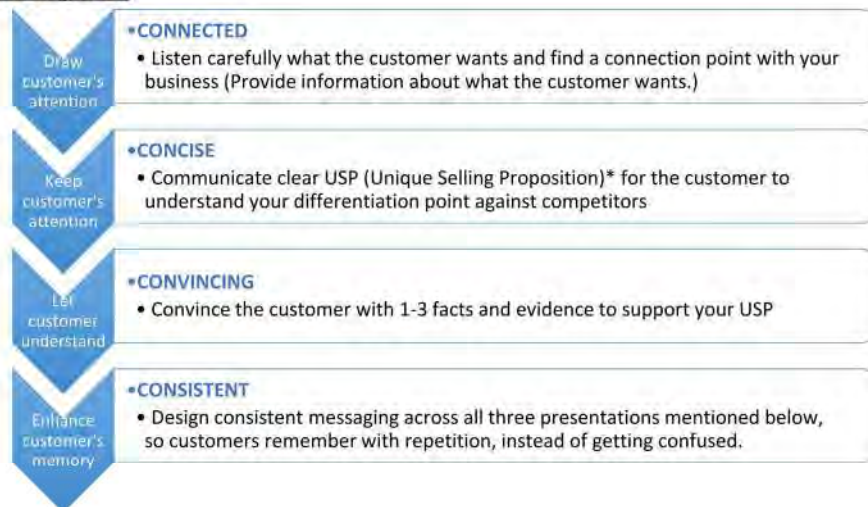
"Selective retention" --- Recipients of information remember only what they think are useful/important to them.

Therefore, feed information that interests the visitors, so they will pay attention and remember.

Q. What do you think you need to do to find out what is important to them?

→ Ask questions rather than focusing only on showering them with your sales talk. When you talk, you should be giving them an answer or solutions which match their interest or concerns.

How to present



Important tip:

** Unique Selling Point: Focus on 3-5 strengths which make your product special. What benefit(s) does your product give: i) to your buyer (High profitability? Complementary product with their current merchandise? etc.), or ii) to the buyer's customers (Unique item they cannot*

find elsewhere? Better than competitive/substitute items?)

Exercise

Q. How can you make the following bad examples better with more conviction?

Bad Example	Your Answer
Hand made natural soap!	
This apricot compote is great taste!	
We work very hard to make this Armenian lace placement pretty!	
This syrup sells very well in Armenia!	

A. Example

Bad Example	Examples
Hand made natural soap!	<p>There are many “hand made” “natural” soaps in the market. How is yours special?</p> <p><i>Carefully made with traditional natural ingredients which recipe has been passed down since 13th century.</i></p>
This apricot compote is great taste!	<p>What exactly do you mean by “great”?</p> <p><i>Natural fruity sweetness from fully ripe apricots from sunny Caucasus mountains.</i></p>
We work very hard to make this Armenian lace placement pretty!	<p>What exactly do you mean by “worked very hard”?</p> <p><i>Delicately designed Armenian lace placement decorates your room with elegance: It takes 5 hours for each piece to carefully hand knit with a traditional method.</i></p>
This syrup sells very well in Armenia!	<p>So? Japanese market may be different. Find a reason why it will apply to your target market, too.</p> <p><i>In cold winter in Armenia, children take this syrup to boost immune system for its natural sweet flavor. This is suitable for cold winter in Japan, too.</i></p>

Q. Is it a bad idea to share your weakness? Why? Why not?

→ It is good to share weaknesses and your concerns.

- You will not disappoint your buyers later.
(If you disappoint them later, you will not receive a repeat order anyways.)
- The buyer may have a solution which is suitable for the target market.
(e.g. Make a smaller package for Japan, change the package material for cheaper shipment, etc.)

What to present

1. Verbal Explanations



The uniqueness of verbal presentation is that you can customize contents according to the audience, while leaflets and pamphlets provide same information to everybody.

Important tip:

Try to explain what they want to know first, not what you want them to know. Once they understand what they wanted to know, you can reinforce with what you want them to know.

2. Product

① Display

Not only visual attraction, but also functionality of the display space must be considered.

Functionality for in-boot activities

Keep in mind that you have to manage at least following actions in a limited space.

Try to organize all necessary materials in a functional manner as well as presentable way.

- Product display
- Verbal explanations – At least two of you are situated together.
- Tasting/sampling – You have to serve food/drinks, and visitors use your disposal utensils and cups to taste, then throw them away. All these items must be made ready for visitors, and actions happen on the spot.
- Information collection – Need space for visitors to write on a sheet of paper.
- Negotiation – Need a space for visitors to comfortably sit to discuss orders.

Examples:

All the following activities must be managed within your booth.



Product Display



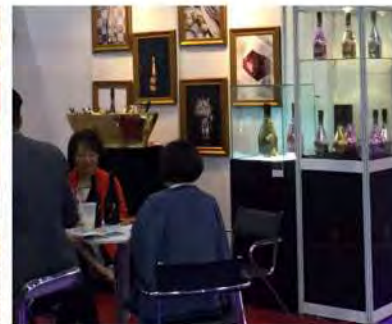
Verbal Explanations



Tasting/Sampling



Space for Writing



Space for Negotiation

Visual Attraction

- Attractive visual: With a triangle formation and appropriate use of colors (Refer to Display Methods in Section 4 of Elementary OVOP Method Training)
- Brand image: With coordination with your brand color, there are two visual effects. 1) it draws attention due to one color sticking out in a crowd, and 2) a unified brand image helps your company with a sophisticated and trustworthy image.
- Local attraction: With the language and color(s) appealing to the visitors, visitors feel more comfortable and assimilated to approach your booth.

Examples:

The red brand color is well coordinated and this booth sticks out in the crowded area with many colors. (YummyFood Expo in Singapore)



English and Chinese are incorporated for the local visitors. In Singapore, English is common language; however, Chinese is the first language for the order generation. This expo was expecting relatively senior visitors; therefore, this booth would not alienate an older group of visitors. (YummyFood Expo, Singapore)



Reference: Display Methods in Section 4 of Elementary OVOP Method Training

Exhibition of the products

Who needs this tool? Those who want to exhibit the products in the event, Expo and the showroom. Those who want to sell more their products at a point of sale
When should you use it? When you display your products in a shop/event/festival.
How does this tool help your business? It will help the displayed products shown well so more visitors are motivated to buy.

It is important to exhibit the articles in a way to **attract the consumers**.

Armenian OVOP participants use these techniques in their point of sale, and this resulted in increase of their sales. These techniques can be used also for exhibiting the products in Expo and/or showroom to attract the international clients. This can help the exportation of the products.

(1) Triangle formation

The articles look attractive, by applying certain formations.



Triangle formation of the objects

It is recommended that the objects be arranged in a **triangular form** both from **the top and the side views** as shown above, so the objects look attractive, from whichever direction consumers approach.

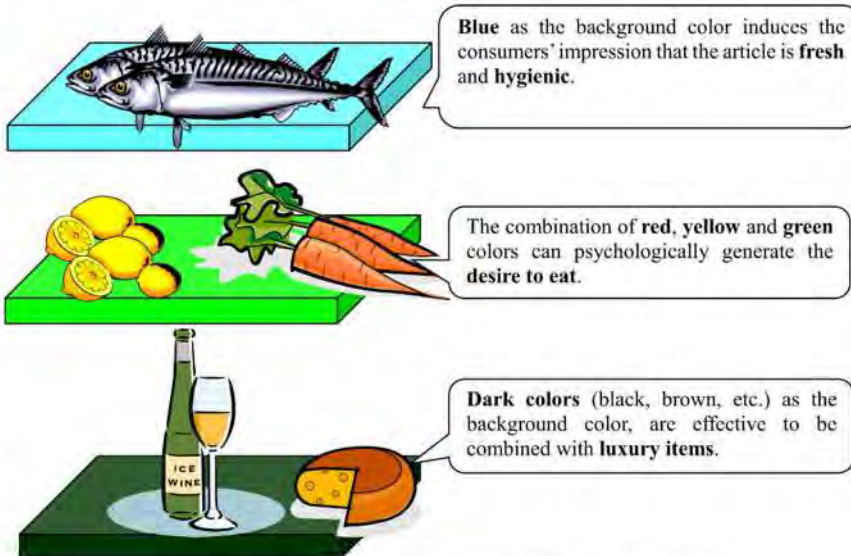
The following pictures present the examples of the triangle formation applied in the Rural Product Festival developed in Yerevan.



Exhibition in the Rural Product Festival in Yerevan

(2) Appropriate use of colors

It is important to utilize the **colors** so that the products look attractive, as illustrated below.



Example of the use of the colors for the product display

The following pictures shows the application of these display techniques in Armenia.



Combination of red, yellow and green (Areni Wine Festival)



Use of the dark background color (Ijevan Art Festival)

Thus, Armenian OVOP methods consist of several marketing and operational tools, in order to ensure the success of business.

Exercise What are the good points in the following exhibition of the products?



② Sampling & Tasting

Visitors would not commit their business without knowing what they are buying.

Sampling or tasting is essential, especially with items which quality you cannot assess from outside.



Important tip: Staple your business card onto your sample or product leaflet, so that they will remember whose sample it was after they walk away.

Exercise 1

Would you buy this cognac?
(90USD)



Would you buy this souvenir box?
(1500AMD)



Would you buy this wine?
(90USD)



→ You probably feel comfortable paying 90USD for Ararat Dvin cognac, because you know the brand and what quality to expect. Due to the brand knowledge, you also know that 90USD is reasonable for this cognac.

→ You probably feel comfortable paying 1500AMD for the souvenir box. Seeing the unique design with wood material. If you physically see it and touch it, you will learn its craftsmanship and would feel even more comfortable with the price.

→ You probably would question the price for a bottle of unknown wine, as you have no idea how it tastes and who made it.

Exercise 2

In order to introduce your product and offer product sampling/tasting, what do you need to prepare?

Answer examples:

→ If you are offering wine for tasting

- Enough bottles of wines for tasting
- Wine glasses (disposable cups, washable plastic cups, or real wine glasses)
 - * *Most wine booths offer tasting with real wine glasses, as aroma and lines need to be checked for wine quality.*
- Dish washing materials: detergent, sponge, kitchen paper to dry
- Table wipes to keep the tasting table clean

→ If you are offering jam for tasting

- Enough jars of jam for tasting
- Disposable spoons
- A plastic bag to dispose used spoons
- Table wipes to keep the tasting table clean

Important tip:

What you can tangibly assess is easier to communicate its quality, but food and beverages are difficult, especially ones from a producer with no significant brand name. Therefore, tasting sample is essential.

In order to communicate quality of intangible items, tangible credentials become important. → Refer to the next section: 3. Communication Materials

3. Communication materials

For business buying behavior, buyers go through the following steps.

(Note: "Supplier" = You, the producer)



Give a specific role for each material to help above steps to lead to Step 4: Purchase Commitment & Contract Issuance. (= Successfully provoke purchase intention in potential customers' mind.)

Step 1:

Visitors already recognized needs to search information or new products to sell; therefore, they are already at the expo.

Step 2:

Your product information and product performance will affect if they would move on from Step 2 to Step 3 with your product.

Examples for Step 2 & 3

Communicates benefit

Required information for potential customers

Item number	Sales unit	Shelf life	Languages on pack
120732	6x6	365 days	English

ПОЛУСЛАДКОЕ

Высококласное шампанское произведено из натуральных виноматериалов сортов Шардоне, Алиготе, Фетяска и др. Обладает чистым, гармоничным вкусом, тонким слаженным ароматом. Имеет светло-соломенный цвет с легким зеленоватым оттенком.

product description

Оранжевая этикетка была разработана специально к празднику 8 Марта. Оригинальное оформление бутылки вызывает у покупателя массу положительных эмоций, а также расширяет ассортимент продукции предприятия.

Story - USP

«Советское шампанское» полусладкое награждено 10 медалями различных достоинств.

Objective fact for conviction

Рекомендуется подавать охлажденным до 8-10 °С.

Спирт 10,5-13,5 %

Номинальный объем 0,75 л.

SEMI-SWEET

High class sparkling wine is made from natural wine varieties of Chardonnay, Aligote, Fetyaska, etc. It has a clean, harmonious taste and subtle, harmonious flavor. It has a light straw color with a slight greenish tint.

Orange label was developed specifically for the March 8 holiday. Original design of the bottle gives the buyer a lot of positive emotions, as well as expanding the range of company products. «Soviet sparkling wine» has been awarded with 10 medals of various values.

It is recommended to serve it chilled to 8-10 °C.

Alcohol 10,5-13,5%

Volume 0,75 l



Step 2 & 3

To facilitate these stages, it is important to be prepared to present market feasibility information (regulatory clearance) for the target market.

- ✓ Your product does not contain prohibited ingredients
- ✓ The component list of ingredients (with total 100%)
- ✓ If coloring is used, EC Number
- ✓ If flavoring is used, an exact name of the flavoring agent
- ✓ Nutrition facts (if F&B)
- ✓ Manufacturing process chart

Distributors and retailers in the target market will first screen products to import with the above criteria. If some ingredients are prohibited, products will have to be altered, otherwise importation to the market is not feasible.

Exercise

Q. What types of communication materials would you prepare to present at your booth, if you are to sell your product in an expo in Japan?

Task 1: Basic background check

1. Do you expect most Japanese visitors to know about Armenia?	Yes / No
2. Do you expect most Japanese visitors to know about your region?	Yes / No
3. Do you expect most Japanese visitors to know about your brand?	Yes / No
4. Do you expect most Japanese visitors to know about your product? (i.e. the same types of product are available in the Japanese market; therefore, your customer would know what your product is for, how it works or taste, how to use it, etc.)	Yes / No

Task 2: Material preparation

Fill the gray columns: Brainstorm what materials to prepare

Which Steps to help			Communication Material	Contents & Purpose
1	2	3		
✓			e.g. Map of Armenia	e.g. Provide information where the product is from

...

(You can list as many ideas as you like.)

Task 3: Prioritize

Fill the above “Priority” column: If you have only limited resources, which materials are more important than the others?

Examples:

Steps			Communication Materials	Contents & Purpose	Priority
1	2	3			
✓			Map of Armenia	Provide information where the product is from	...
✓	✓		Product display	Show how the product looks and feels	1
✓	✓		Product information leaflet	Explain how and where the product is produced, what it is for, and how good it is	2
	✓		Sampling & Tasting	Let them experience to evaluate quality	...
✓	✓		Story panel of your product	Let them understand background of the product (which may involve producer’s story & production method)	3
✓	✓		Explanation of producer’s village, climate, and history		...
✓	✓		Certificate, endorsement, testimonials (especially for intangible products)	Provide objective proof of quality for them to trust the product and the producer	...
✓	✓		Verbal explanation*	<ul style="list-style-type: none"> • Provide any other necessary information for them to evaluate the product • Show your professionalism and knowledge for them to evaluate the producer 	...
✓	✓		Pricing*	Provide quality vs price information for them to evaluate the product and the producer	...
		✓	Photo panels of your farm/factory/employees	Provide visual information about the producer for them to evaluate the source of the product	...

Important tip about pricing information:

If you would like to keep pricing confidential, you can either:

- 1) provide information verbally to potential customers who seem to be serious.***
- 2) provide price range to potential customers who seem to be somewhat serious.***
- 3) tell them to contact you for price information later, if the potential customer does not seem to be very serious.***

Stage 3: Managing Q&A



As you explain your product, you will have to answer visitors' questions.

Here are tips you can keep in mind, as you deal with potential buyers' questions.

- ① **If you didn't understand the question clearly, don't be afraid to ask again.**
Rephrase what was asked, and confirm if that's the question. It is more frustrating for visitors to hear what does not answer their question than confirming their question.
- ② **Silence is good.**
Some people feel uneasy when silence falls in a conversation. In negotiation, silence is OK, as the potential buyer is thinking about what you said or how they might want to proceed. Don't disturb. Let them think.
- ③ **Information is power.**
The more you do your homework before negotiations, the better position you will be in.
 - When you know about your competitors' products and prices, you know how much better/worse your product is and lower/higher your prices are; so you can be confident as you explain your product and justification for pricing.When you know about your new market's preference, you know how you can convince that the key target users in your new market would like your product.
- ④ **Do not anchor.**
When potential buyers try to negotiate for discount, do NOT specify discount price first. Ask them what their expectation might be. If you specify discount first, you may end up giving more discount than what they were expecting.
- ⑤ **Don't be afraid to say no.**
 - When buyers ask for unreasonable discount, don't be afraid to say no. You have to keep in mind your cost and margin to cover.
 - When you don't know the answer, don't be afraid to say "I don't know, but I will get back to you soon.". It is a good opportunity to obtain their contact, and you can always follow up with precise information. (Just make sure that you follow up as soon as possible.)

Stage 4: Closing



Be prepared with the closing step.

- ① Contact sheet for potential buyers and distribution partners, who showed strong interest
- ② Possible negotiation of trade promotion
- ③ Order sheet for direct buyers

In reality...

- Many exhibitors find only a handful of serious potential buyers out of 100 business cards you exchanged.
- Most likely, only the above ① will happen at the expo venue.

Therefore, keep in mind

- You always must be prepared for the next step(s), just in case there is a very serious deal which you can close on the spot.
- Immediate personal follow-up with serious potential buyers is critical.

→ See Step 5: FOLLOW UP

- ① Contact sheet for potential buyers and distribution partners, who showed strong interest



Exercise

What information would you collect for each of the contact sheet for potential buyers and distribution partners?

- Name
- E-mail
- Phone Number
- Address

Name, E-mail, Phone Number,
Address can be replaced with
their business card.

- Products s/he is interested in
- Expected timing of order
- Expected amount of order

Important Tip:

Everybody is busy at an expo. It is advisable to prepare a multiple choice questions which are easier for the visitors to answer, and for the exhibitors to collate data later.

Not easy: Q. Which product are you interested in? _____

Easy: Q. Please circle products you are interested in. Cherry / Apricot / Walnut

② Possible negotiation of trade promotion

Potential distribution partners and buyers may request a special arrangement. Especially when they purchase your product(s) for the first time, they need to convince their customers, who don't know anything about your product.

The following promotions are popular for the initial stage, as the buyer also needs help to sell.

- Inclusion of some free goods --- The buyers can use them for sampling/tasting
- Easier return policy --- The buyer feels less risky to try your product
- Consignment agreement --- The buyer has no risk; but you have to be prepared for the potential risks and loss

Important Tip:

If you provide free goods for sampling purposes, you need to distinguish the goods as "SAMPLE" (e.g. Stamp on wine label, Print "Sample" or "Not For Sale" on the product, etc.); otherwise, the buyer may sell extra free goods and pocket all profits instead.

③ Order sheet for direct buyers

Use the order sheet you developed in Chapter V.

Basic contact information may be replaced by their business card.

Stage 5: Follow up



① “Super Hot” prospects

With those potential customers with whom you had relatively deep and specific discussions, make an appointment to visit them right after the expo for the following reasons.

- ✓ Close a deal before the momentum fades.
- ✓ Discuss face to face more details, directly with the owner (or CEO) if possible.
- ✓ Check their office and facilities to see if they are trustworthy to do business with.

Important Tip

For this purpose, it may be beneficial to consider an extra few days of stay after the expo.

② Other prospect buyers

1. Sort all contact information (business cards) according to interest level and industry.
2. Follow up with thank you e-mail.
 - Send it within the first week after the expo.
 - Focus on prospects with a High/Medium interest-level.
 - Tailor contents according to their industry, and products of interest.
 - Provide relevant information, according to the reason of their interest.

③ Don't be afraid to disregard irrelevant visitors

If you entertain visitors who would not be a good match with your business anyways, it will be a waste of time. Don't be afraid to cut off talks short or not to follow up, should you deem certain visitors not a realistic match for your business.

Example 1: A large supermarket chain may be appealing due to the large scale of business; however, if your production capacity cannot meet their order quantity, or if you cannot afford a required official certificate, this customer is not suitable for your business. Also, keep in mind that large scale businesses are often very price conscious.

Example 2: If nobody speaks English or Russian, it is unrealistic to continue business discussions with you. Unless there is a solution provided (e.g. a translator is appointed), it will be a very inefficient process. It is OK to lower the priority with such a company.

Important Tip

When you participate in the same expo, go back to Step 1 – 2) BEFORE the second expo.

Contact potential buyers you connected in the previous year, and communicate three points:

1) Thank them for their interest in your business in the previous year.

2) You have something new/better to present this year. (You must have some news.)

3) Set up a meeting appointment during the Expo.

④ Reflect results for future improvements

- Study results of the survey you created in Chapter V
 - ✓ What type(s) of visitors gave you more favorable reactions? (= Future potential buyers)
 - ✓ What did your customers like about your product and package?
 - ✓ What areas do you need to improve?
 - ✓ Are you targeting right consumer segment? Are there any other potential target segments?
 - ✓ Do benefits you are communicating match their needs?
 - ✓ Did you prepare well enough to meet exportation requirements?

- Note down results of operations
 - ✓ Did you approach right potential buyers in advance?
 - ✓ Did you contact enough buyers in advance?
 - ✓ Did you have enough sample products for potential buyers to try?
 - ✓ Did you have enough/good communication materials?
 - ✓ Was your USP unique and attractive to your potential buyers?
 - ✓ Was your pricing reasonable compared to other exhibitors?
 - ✓ Was your product competitive among other exhibitors?
 - ✓ Any other areas you could have prepared better?



**Project for Development of Local Production
and Promotion of Local Brands
in the Republic of Armenia Phase 2**

**Guidelines
for
International Exhibition**

TABLE OF CONTENTS

Contents

Purpose and Expected Outcome of International Exhibition	1
Selection of Exhibitors	2
Prerequisite	2
Number of exhibitors	2
Side exhibition	2
Cost sharing	3
Selection process	3
Selection criteria	4
Application	6
Schedule	6
Cost	6
Booth layout	8
Logistics	11
Food export process (Export sample/tasting products)	11
Decide product and amount to ship	12
Find forwarders	12
Necessary documents for customs clearance in the exhibition country	12
Arrival of goods & furniture	15
Logistics cost	16
Promotion	17
Pre-EXPO	17
At-EXPO	29
Post-EXPO	33
Supplemental Equipment	36
Cleaning materials	36

TABLE OF CONTENTS

Operational stationery	36
Support material for tasting activities	36
Execution Tips for an Exhibition Manager	37
Consultants helped SMEs with the following activities:	37
Tips to make each activity efficient:	37
Tips to make each activity effective:	37
Anticipated challenges for each activity	38
Appendix	39
Appendix 1 Site visit monitorin sheet	39
Appendix 2 Branch office questionnaire to SME	41
Appendix 3 Application schedule	43
Appendix 4 Customs clearance and transportation in the destination countries	46
Appendix 5 Press release template	51

PURPOSE AND EXPECTED OUTCOME OF INTERNATIONAL EXHIBITION

Purpose and Expected Outcome of International Exhibition

Expo participation requires substantial financial and human resources. It is important to share the purpose and expected outcome among SMEDNC support staff and participating SMEs from the beginning.

Purpose for SMEDNC: Enhance Armenian SMEs' capabilities to promote international exports to help them; 1) grow business beyond the local market, 2) diversify markets for exports, and 3) enhance their local business as a consequential effect with improved international-standard products.

Purpose for participating producers: Grow business by learning customer-centric business orientation and proper hygiene management to; 1) gain competitiveness in the international markets and 2) start exports.

In order to actualize the above stated purposes, the following activities are expected.

SMEDNC Support Activities	Commitment from SMEs
Logical and strict selection of participating companies	Financial and mental commitment to improve business
Preparation trainings (international marketing, hygiene management, expo participation)	Participation in all required trainings
Consultation for business improvement	Proactive work with ownership on improvement areas
Support for expo participation	Physical participation in expo
Conduct internal and external dissemination of success stories & learning points from expo scheme	Share learning points with other SMEs

Expected Outcome for SMEDNC: As a result of expo support scheme, SMEDNC would expect accumulated success cases among SMEs in; 1) improved production and operations, 2) emergence of internationally competitive products, and 3) increase in exports in a long term. In addition, SMEDNC is expected to accumulate effective support skills and knowledge through the training and consulting process.

Expected Outcome for SMEs: As a result of expo participation, SMEs would expect to grow business by learning proper hygiene management and customer-centric business orientation, both internationally (in a long term) and locally (with higher standard products).

SELECTION OF EXHIBITORS

Selection of Exhibitors

PREREQUISITE

The candidates to participate in international expos should have taken the International Marketing module of Advanced OVOP Training. Without this training, two important issues are anticipated: 1) candidates may not have a clear objective in exports/expo participation, and 2) candidates would not be prepared with sufficient knowledge or skills of marketing communication.

NUMBER OF EXHIBITORS

The number of exhibitors depends on the size of a booth. Approximately one exhibitor per 3 square-meter is recommended, otherwise it is difficult to display products, manage visitors traffic, and conduct in-booth activities within the space.

SIDE EXHIBITION

Side exhibition is a way which a producer exhibits products in a booth without physically participating; there is no accountable person who can negotiate with potential buyers on behalf of the producer. Side exhibition is not recommended for the following reasons.

- The meaning of participation is not merely “to display products” but “to transform the exhibitors” by exposing them to different perspectives and lead to a long-term positive impact.
- The exhibitors’ selection process should be respected: It has been observed that only those that had been legitimately selected as main exhibitors were capable of handling all required tasks with commitment and brought tangible positive results.
- The two factors, i) actual presence of exhibitors and ii) good preparations, together contribute to improve producers with both their business mentality and business skills.
- Available space should be allocated to the committed main exhibitors, whose potential to transform themselves has been qualified through the selection process.

SELECTION OF EXHIBITORS

Only in the extreme case of inevitable circumstances, the following solutions may be considered as an exemption: 1) utilize a side exhibitor as a traffic generator, and 2) utilize a side exhibitor for a display effect to present more uniquely “Armenian” products. However, the following strict restrictions must be applied.

- Limit to maximum 2 side exhibitors in order not to dilute effectiveness of support resources at the booth.
- Products must be carefully selected to serve the purpose: 1) popular enough to generate traffic, and/or 2) pleasantly presentable with Armenian characteristics.
- Non-competing products must be selected in order to secure the key attention to the main exhibitors.

COST SHARING

It is important to impose cost-sharing on participating SMEs for the following reasons: 1) to reinforce serious work ethics in improving business by securing commitment, and 2) to avoid over-reliance with emphasis on financial support.

The suggested cost-sharing requirements are in the following areas:

- Expo booth fees
- Booth design including rental furniture
- Promotional activities
- Transportation
- Accommodation
- Product shipment.

Note: Cost-sharing schemes can be determined by SMEDNC according to participating SMEs' conditions: a set amount of grant, loans, a grant after completion of required actions, etc.

SELECTION PROCESS

The following process is required to select eligible producers to participate in expo. In order to avoid potential discrepancies, steps 3 and 4 must be reinforced.

1. Site visit

SMEDNC staff visits each candidate and check hygiene level, production standard, and marketing capabilities.

Tool: Site Visit Monitoring Sheet (Appendix 1)

SELECTION OF EXHIBITORS

2. Interview

SMEDNC staff interviews each candidate to check experiences, commitment level and production capacity.

Tool: Branch Office Questionnaire to SME (Appendix 2)

3. Confirmation of “excess capacity”

SMEDNC staff must confirm the specific figures of excess production capacity and assess if the producer can manage additional orders.

4. Verification of hard evidence of all self-claimed “certificates”

SMEDNC requires candidate companies to submit hard evidence of all “certificates” that they claim to possess. (e.g. ISO, HACCP, Halal, Organic, etc.)

SELECTION CRITERIA

In order to maximize return on investment through expo participation, exhibitors shall be strictly selected through a set of logical criteria in a fair manner.

Selection criteria

PRIORITY	EVALUATION ITEM	EVALUATION TOOLS	CRITERIA
1	Marketing power in the exhibition country	Site Visit Monitoring Sheet	80% \leq
2	Food hygiene		60% \leq
3	Production volume	Branch office Questionnaire to SME	Enough to produce expected volume of order
4	Economic stability		Stable for next 5 years
5	Language		Can speak English
6	Cooperation with SMEDNC		<ul style="list-style-type: none"> • Good cooperation with preparation • Participation of an exhibition

SELECTION OF EXHIBITORS

PRIORITY	EVALUATION ITEM	EVALUATION TOOLS	CRITERIA
			<ul style="list-style-type: none">• Commit to disseminate experience after an exhibition

APPLICATION

Application

First come first served!

In most cases, the earlier you apply, the better position of a booth you can choose. Do not wait until the deadline, and apply as early as you can.

Note: Many expo organizers start selling booths for the following year at the end of the expo period.

SCHEDULE

There are several milestones to complete all preparations for an exhibition; such as booth application, seminar application, shipment logistics, etc. In order to hit all milestones, scheduling is essential. In most case, exhibition organizer informs deadlines of each submission (or information is available on website). SMEDNC makes a schedule to meet deadlines.

Example: There are following deadlines for FOODEX2018

Booth, Exhibitor, Booth equipment, New product, Invitation, Press release, Sample shipment etc.

Refer to an example schedule of FOODEX2018 (Appendix 3)

COST

The costs of exhibition can be itemized as "Booth", "Booth design", "Promotion" and "Logistics". Whereas the booth price is fixed, the volume of other costs can vary depending on exhibitor's willingness and capacity. The minimum requirement of booth equipment is shown in the next section and detailed logistic costs are introduced in the section "Logistics cost".

Example: The total cost of FOODEX2018

ITEM	DETAIL	COST
Booth	3m * 6m (space only)	8,000USD
Booth design [equipment etc.]	6 wall boards, meeting set, 2 display counters, 2 sign boards, double sink, refrigerator, storage, floor carpet, 3 spotlights	6,000USD
Promotion	1 set (800) of brochure (text replacement, print)	400USD

APPLICATION

ITEM	DETAIL	COST
Logistics in Armenian	One freight, 45kg, air cargo, from Armenia to Japan	200USD
Logistics in Japanese	One freight, 45kg, customs clearance, local transport etc.	700USD

Minimum requirement of booth equipment

Booth equipment is determined considering both booth concept (next section) and budget. In order to function as an exhibition booth, at least a "sign board", a "display counter" and a "meeting table set" are required. Also, to comply with the regulations, certain equipment, such as sink and refrigerator, may be required in some countries.

Minimum equipment for booth

EQUIPMENT	PURPOSE
Sign board	To introduce exhibitors
Display counter	To display products
Meeting table set (table and chairs)	To have a business meeting with buyers



Example: FOODEX2018

APPLICATION

BOOTH LAYOUT

Design concept

It is recommended to promote not only products but also the country, especially when exhibition is held in a country where awareness of and knowledge about Armenia are limited. Exhibitors shall discuss concept and image of the booth to incorporate introduction of Armenia.

How to decide design

- Display country's iconic/unique objects which relates to your booth theme/exhibited items.
- Consider visitors' traffic flow and visual line.



Example: ARMENIA can be seen from the main traffic, as visitors pass by

- Conduct online research and refer to previous display examples of similar products.
- Decide how many pieces of which furniture to order by examining the following points.
 - Secure the space for in-booth activities, such as tasting and/or negotiations.
 - Equip with at least 4 chairs, as the potential buyers to negotiate may visit with multiple members.Expo activities are physically exhausting. 4 chairs will allow ample space for excess staff to sit, as long as no negotiation is in action. It is strongly advised that all participants take turns to take a break.

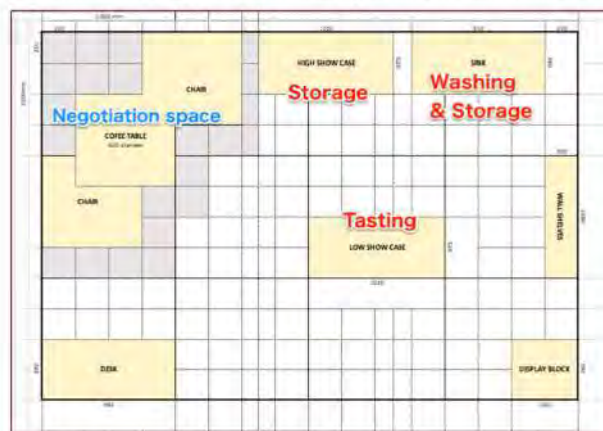
APPLICATION

- Simulate a booth situation with exact dimensions and expected in-booth activities.
Measure the booth size and furniture size, and use actual product packages to arrange display.



Example: Simulation to arrange 3 exhibiting products with the size of the table provided at Foodex

- Consider storage space for items necessary for the activities (utensils, trash bin, pamphlets, etc.)
- Using an Excel sheet, develop options of furniture layout and see what seems to work well.



Example: Excel chart to assess furniture size & to plan booth layout

APPLICATION

- Plan eye catching factors to induce a natural approach from visitors.

Examples:

- “ARMENIA” signage → Induce visitors to ask “Where is Armenia?”
- Uniquely Armenian traditional items, which we cannot find elsewhere → Induce visitors to ask “Which country is this booth from?”
- Unique product presentation, like sliced walnuts and purple basil tea → Induce visitors to ask “What is this product?”
- Simple and clear POP (Point-of-Purchase) displays to describe product uniqueness → Induce visitors to approach to examine details of the products.



- a. **Exhibiting a short description of USP.**

“Our salt is a bit different from others”... my father always said. Our salt production...

- b. **Highlighting product description.**

“Our 6-piece set includes ...”

- c. **Communicating free trial.**

“Feel free to taste our different types of salt to find your favorite.”

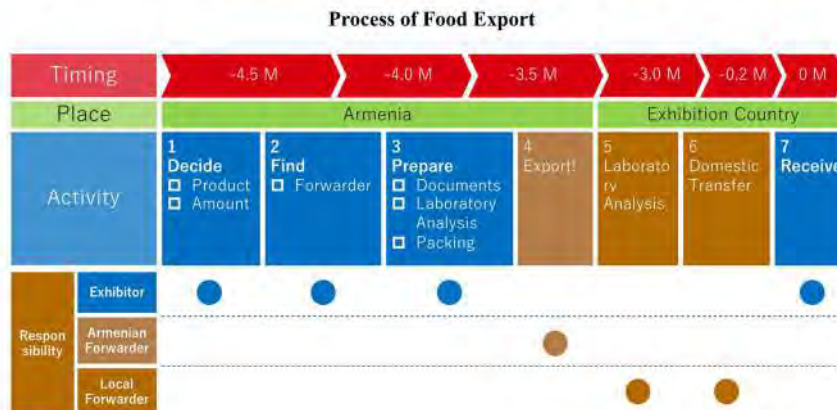
Example: POP display to highlight uniqueness to catch attention and facilitate sales communication

LOGISTICS

Logistics

FOOD EXPORT PROCESS (EXPORT SAMPLE/TASTING PRODUCTS)

It can take around 5 months to export food products. The common process is shown below.



Activity:

1. An exhibitor decides exhibition products and amount to export (see section “DECIDE PRODUCT AND AMOUNT TO SHIP”).
2. The exhibitor finds a forwarder in Armenia and one in the exhibition country (see section “FIND FORWARDERS”).
3. The exhibitor first consults with both forwarders about required documents, conducts laboratory analysis and produce required documents according to the requirements, and finally packs products (see section “NECESSARY DOCUMENTS FOR FOOD EXPORT”). As procurement of packing materials also takes a long time, an exhibitor should explore materials in advance.
4. The exhibitor requests the Armenian forwarder to export and the forwarder exports a freight (products).
5. Once the freight arrives in the exhibition country, the forwarder in the exhibition country conducts customs clearance which includes laboratory analysis for food security. This process can take up to 3 months!
6. The forwarder keeps the freight in their warehouse and transfers it to the exhibition booth.
7. The exhibitor receives the freight (see section “ARRIVAL OF GOODS & FURNITURE”).

LOGISTICS

DECIDE PRODUCT AND AMOUNT TO SHIP

The sample products to be displayed should have been already decided at this point. If not, please refer to Expo Guidebook. The total amount of samples for food tasting at exhibition can be calculated around 7 to 10 kg (net weight) per exhibitor per day.

Example: If it is a 4-day exhibition, following amount would be enough for display, tasting and sampling: approximately 36 bottles of wines, 45 kg of dried fruits (including package weight), or 45 kg of compote (including bottle weight).

FIND FORWARDERS

There are several types of forwarders. Here, forwarders mean all relevant companies, including shipping companies, flight companies, custom agents and local transporters etc.

Forwarders in Armenia:

- Recommended company: Big agencies such as Aeroflot, Lufthansa, Air Arabia etc. are recommended in order to avoid low quality service, which results in amendments in documentation process.
- Wings and Wheels LLC
- Depending on air carrier, the shipping costs vary. It is advisable that better rates be checked by comparing multiple shipping companies.

Local forwarders in the destination country:

- Recommended companies are usually designated by the Expo organizer. Check with the Expo website and/or the Expo organizer.
- The expo-related designated forwarders usually deliver your shipment to your booth. Be prepared to provide your booth number.

NECESSARY DOCUMENTS FOR CUSTOMS CLEARANCE IN THE EXHIBITION COUNTRY

Required documents for customs clearance in the exhibition country are different according to products and destination countries. An exporter (exhibitor) needs to consult a forwarder in the destination country about required documents at least 4 months before the exhibition, as preparation of documents can take at least 1 month. There are mainly 3 issuing organizations/companies: Exhibitor, Armenian government and an Armenian forwarder.

LOGISTICS

It is an exhibitor's responsibility to request documents to be issued in time. The diagram below shows an example of the necessary documents for the customs clearance in Japan and the preparation steps.



Necessary documents for customs clearance in Japan and preparation steps

Once obtaining documents, the exhibitor sends scanned copies of the documents to the forwarder in the destination country. Accordingly, the forwarder checks if documents fulfill the regulatory requirements in the destination country.

The following 2 tables show necessary documents for the main Armenian food products and their issuing organizations.

Required documents for main Armenian products

LOGISTICS

	A			B			C		
	Ingredient list	Additive list	Process diagram	Certificate of Analysis	Phytosanitary certificate	Certificate of Origin	Invoice	Packing list	Airway Bill
Dried Fruit	✓	✓	✓		✓	✓	✓	✓	✓
Herb	✓	✓	✓		✓	✓	✓	✓	✓
Canned vegetable	✓	✓	✓	✓		✓	✓	✓	✓
Honey	✓	✓	✓		✓	✓	✓	✓	✓

Issuing Organization in Armenia

	A			B			C		
	Ingredient list	Additive list	Process diagram	Certificate of Analysis	Phytosanitary certificate	Certificate of Origin	Invoice	Packing list	Airway Bill
Exporter	✓	✓	✓				✓	✓	
Authorized Laboratory*				✓					
Govt (Plant Protection Division)					✓				
Chamber of Commerce						✓			
Forwarder(Customs Broker)							(✓)	(✓)	✓

*The laboratory should be authorized by the Ministry of Health, Labour and Welfare in Japan


Remarks:

It is important to obtain a certificate of analysis from a laboratory which is authorized by the Ministry of Health, Labour and Welfare in Japan. As of 2018, there is no authorized laboratory in Armenia. The nearest authorized

LOGISTICS

laboratories¹ near Armenia are in Turkey. Also, all products' names must be described identical on all documents. An example of common problems is shown below.


Laboratory analysis



Laboratory
This is not issued by authorized laboratory

Description
The name of wine on the analysis is not same as the one on the Invoice

Invoice



Example of common problems of documentation

ARRIVAL OF GOODS & FURNITURE

Anticipate damaged goods, damaged/dirty furniture, or wrong items to be found at the booth.

Be prepared to manage the situation quickly. Some tips are shared as following.

- Ship extra goods, packages and labels to recover damaged goods and packages.
- Arrive early on the preparation day, as extra administrative works may be required to rearrange furniture.
- Arrive with cleaning materials on the preparation day. Refer to the section "SUPPLEMENTAL EQUIPMENT AT EXHIBITION".

¹ List of Foreign Official Laboratories: <http://www.mhlw.go.jp/english/topics/importedfoods/1-10.html>

LOGISTICS

LOGISTICS COST

Logistics costs are the sum of shipping cost in Armenia and customs clearance and local transportation cost in the destination country.

Shipping cost in Armenia

Example: The table below shows quotations of shipping cost in Armenia.

Shipping cost from Armenia to a destination country (as of Feb 2018)

ARMENIAN FORWARDER	METHOD	DESTINATION COUNTRY	PRICE	DAYS
Mira trans	Air	Japan/ Singapore	4.5-5 USD/kg	4-6 days
VRN Group	Air	Japan	3.2 USD/kg + 15 USD/air freight document	4-6 days

Customs clearance and local transportation cost in the destination country

Example: The table below shows actual costs of customs clearance and transportation in the destination countries for FOODEX2018 in Japan and Food and Hotel Asia 2018 in Singapore.

Customs clearance and local transportation in the destination country

COUNTRY	FORWARDER	PRODUCT	PRICE
Japan	Nippon express	Wine [47kg]	623 USD
		Dried fruits [44kg]	1,003 USD
		Compote [47kg]	617 USD
		Herb tea [12kg]	300 USD
Singapore	Transit air Cargo Singapore Pte Ltd	Canned product [54kg]	300 USD
		Pine cone jam [23kg]	300 USD

*Details are shown in Appendix 4

PROMOTION

Promotion

PRE-EXPO

Business matching platform

- Expo organizer

Some expo organizers coordinate business matching activities to promote negotiation opportunities. Take this platform seriously, and submit required information by the specified deadline.

- Government agency / public organizations

Research online if such a platform may be available in the target market.

e.g. JETRO in Japan has their own business matching platform.

Upon submitting the business profile to these platforms, the following points are strongly advised.

- Use updated attractive photos

Visual attractiveness can catch attention among many other companies listed for matching.

- Develop concise and effective profile

The profile description must be easy to digest, as buyers quickly skim through many profiles.

Reference:

- 1) Chapter 3 Section 3.2.5 of "Successful Expansion - Guidebook on Advanced OVOP Methods for Potential Exporters"
- 2) FCP Sheet in Expo Participation Guidebook

PROMOTION

Collaboration with local Armenian embassy and commercial chambers

Armenian embassy

The local Armenian embassy could welcome a collaboration to enrich exhibition effects. Supports could be provided from application to promotion, as building good relationship between the two countries is one of their main duties. However, not all Armenian embassies have enough capacity or resources to support the entire exhibition activities; therefore activities which require local supports should be prioritized.

Chambers of commerce

It is recommended to find a local chamber of commerce, which can support promotion. They can be helpful particularly in the countries where embassy or consulate of Armenia does not exist, such as in Singapore. Local commercial institutions have their own channels to promote the exhibition.

Press release

Press release gives you an opportunity to expose your news free of charge.

What happens:

Exhibitors provide information about their products. If the media find it newsworthy, they will write an article about interesting exhibitors.

What is good:

- If the media find your booth newsworthy, a professional writer will write a story about your booth and make it public.
- As it is not a paid advertisement, you don't have to pay the publisher.

What is not so good:

- As it is up to each publisher to decide what is interesting to their readership, your story may not be featured.
- As it is up to each publisher's writer to write a story, you have no control over the contents.

What needs to be done:

- If the expo organizer initiates PR activities, make sure to submit required information in time.
- If the expo organizer provides a template, use the template.

PROMOTION

- If there is no template, refer to the Appendix 5, which is an example from FHA in 2018.

How to write a press release:

The purpose of the press release is for media to find exciting news; therefore, the contents of your press release must be something exciting. Make it concise and focus on unique exciting stories.

- Do not simply copy-paste your Company Information Sheet (“FCP Sheet”)
- Extract only what is unique about your product: “Good” is not good enough, as everybody presents something “good”. The news must be something “unique” and “special” to the audience.
- Be aware that what is unique to the audience in the destination market may not be unique to you. (e.g. Armenian home recipe may not be unique to you, but it can be very special in Asia.)
- Emphasize if it is the first time to introduce your product in the country, or in the region.
- Describe a short story to elaborate your uniqueness.

Invitation

“Invitation” system is for the expo organizer to allocate a certain number of “free invitation tickets” to each booth to allow exhibitors to invite their potential buyers. If the expo organizer has such a system, the following activities are strongly recommended.

1. Check how many invitations are allocated for your booth (e.g. for FHA, 300 free invitations were allowed for a 12-square meter booth) to maximize the number of invitations.
2. Follow the following principles to fill the potential buyer invitation data sheet.
(Invitation Data Sheet example at the end of this section.)
 - 1) Invite only industry/business related companies
 - Invitations are not for friends or consumers.
 - Invitees are allowed to visit Expo free of charge, usually during a specified period (e.g. entire expo period, only designated B2B dates, etc.)
 - 2) Approach Exhibitors’ existing contacts first

If there are existing buyers or potential buyers from sales activities in the past, they stand for a higher priority to invite.
 - 3) Search potential buyers online

Before searching online, specify industries, size of company, and compatibility with products to target.

PROMOTION

Example for Foodex (food and beverage expo):

Industry: Importer, Wholesaler, Retailer, Restaurant, Hotels

A company which would be interested in relatively small-scaled purchase (e.g. not 100 tons a year)

A company which is interested in new types of products and/or foreign products.

SMEDNC can develop and provide “online search guide” to facilitate the search for Exhibitors.

(Online Search Guide example is at the end of this section.)

4) Follow up

After sending invitation, exhibitors can contact them with an attempt to set up a business meeting.

PROMOTION

Set up appointment

It is advised that Exhibitors set up a meeting appointment before the expo. It is also a great opportunity to follow up with potential buyers from the previous expo, especially in case of repeating participation.

- Expo organizer
Expo organizer may set up an appointment for exhibitors through their business matching platform.
- Direct contact
Exhibitors may set up an appointment directly through cold calling, invitations, or previous contacts.

Upon setting up an appointment, the following tips can be applied for effective communication.

- Target companies identified as “high priority” in the Invitation Data Sheet.
- Study each potential buyer and personalize the message:

Example:

“I recall that you were interested in my Dill Seed and Basil teas last year.”

“As I see on your website, your shop is specialized in natural and organic food; therefore, I thought that my organic dried fruit may be of your interest.”

- Inform what you are presenting at the expo.
- Provide the booth number.

Note: Exhibitors should expect that some potential buyers may not show up at the appointment time, as visitors may get caught up at another booth, change their visiting schedule, etc. In such case, it would be helpful to guide the affected Exhibitor not to take it personally but to focus on other incoming visitors.

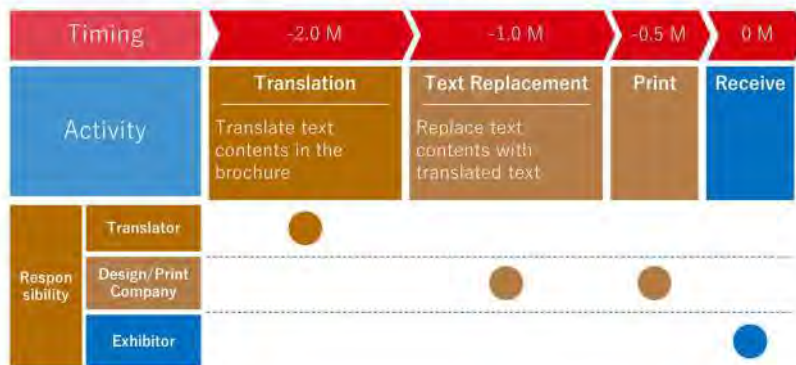
PROMOTION

Prepare communication materials

The following communication materials must be prepared in advance.

1. Brochures

It is recommended to develop brochures in exhibition country's local language. Suppose you already have a brochure in Armenian and plan to translate it into another language, it is important to use "ai" or "esp" file format when communicate with a design company. An exhibitor should check with the design company their preferable file format at the beginning. An example of process of translation of a brochure is shown below.



Translation process of a brochure

2. Business card

- Design business card in line with product package or brand image.
Visitors can visually associate your business card with the product image they have seen.
- Focus on collecting business cards only from potential buyers, who showed strong interest in your product.
If business cards were collected from irrelevant visitors who are not necessarily interested in your product, it only makes your follow up activities more troublesome, as it becomes more difficult to sort and prioritize who is really "hot" and who is not.

3. Company information sheet ("FCP Sheet")

- Third party usage of exhibitors' information

PROMOTION

When a third party uses Exhibitors' information, be aware of the sensitivity of confidential information; such as sales figures, prices, costs, proprietary production process, etc.

When an external member associated with the expo activity, like SMEDNC staff and consultants, receives a request to share Exhibitors' information, the following rules should be reinforced:

- ✧ Only publicly available information can be released.
- ✧ If more details than publicly available information are requested, 1) a permission from the exhibitor is required before releasing the information, or 2) the exhibitor himself/herself directly handles the inquiry.
- Price information

It is highly possible that information on Company Information Sheet ("FCP Sheet") be made public. It means that it may be exposed even to the competitors. Therefore, discretion is advised for critically sensitive strategic information (e.g. proprietary production process, exact costs, price, etc.) to be shared on this sheet.

4. Exhibitors notebook

- Preparation

Exhibitors Notebook must be printed and bound in a booklet before the expo, and each exhibitor should bring at least 2 booklets (50 pages per book/ one contact per page) with them for Foodex and FHA scale. To facilitate the on-site operation and note taking, it is recommended to bind with a spiral wire. (See below examples.)

PROMOTION



Example: Exhibitors Notebook

- Usage purpose

Exhibitors Notebook plays a critical role in sales negotiations and follow up.

An exhibitor records important information of potential buyers on “Exhibitors Notebook”. This record is essential especially when the exhibitor follows up business negotiation after an exhibition. When an exhibitor communicates with a potential buyer, s/he obtains a business card and records information on the notebook as soon as possible while memory is fresh.

PROMOTION

Հանդիպումների նշումներ

Անուն	Պաշտոն
Ընկերություն	Երկիր
Պաշտոն	Բնակավայր
Էլ. հասցե	Նալա

Օնլայն կայքի տեսակ
 Լուսանկար Արտադրանք Մատակարար
 Մանրամասն վաճառք Անձնական վաճառք Դիստրիբյուտոր
 Գնորդորդ
 Անունը և ազգանունը
 Ուսանող Բնակիչ Բնակիչ (հարկային կոդով)

Կոնտակտներ
 1. **Ms** NGUYEN
 2. **To send catalogue and Price**
 3. **Kair yarfo**
 4. **FOB for Bulk & Pack**

- 1 Mark Ms or Mr**, when you cannot identify the gender with a foreign name. This will help you when you write an attention in the follow-up email.
- 2 Note country** to remind yourself where the buyer is selling his/her products. This will help you research the market to understand the buyer's needs better.
- 3 Note buyer's business** to understand his/her interest and requirements. For example, if it is a retailer, the buyer may want a packaged goods. If the buyer is a manufacturer, he/she may want bulk packaging.
- 4 Note what information was requested** to remind yourself what information to follow up with. In this example, the buyer requested FOB price for both bulk and for packaged.

Example: Exhibitors Notebook Usage

- Questionnaire (visitor survey)
 - Questionnaire is a very helpful activity for the following reasons.
 - Gives exhibitors ideas for further improvement in marketing (e.g. products, package design, package size, pricing, communication, target market, etc.)
 - Gives potential buyers' information which exhibitors can review and use in the follow up message. (e.g. What is important to the buyer can be mentioned in the message as personalization.)
 - One dedicated SMEDNC staff for each producer needs to be assigned to support booth operations.
 - The questionnaire management, together with sales talk, tasting, and packing samples, can be too much for one representative to handle.
 - The sales talk and a small talk over the questionnaire can be handled more effectively by a designated staff with thorough understanding of the producer and the product.

PROMOTION

6. Order sheet

Exhibitors should print order sheets and bring to the booth. It is important to be prepared for a buyer with a strong interest.

7. Tasting products

Finished goods in the final packaging with proper labeling are required for a display; however, products in bulk package can be shipped to serve for tasting purposes. It helps reduce production and shipping costs.

Example:

- Wine can be bottled in larger bottles without labeling.
- Pinecone syrup can be bottled in bare 3L PET bottles, while finished goods are in heavier and more expensive glass bottles.

8. Sampling products

Some potential buyers require finished goods for their sampling purposes; therefore, finished goods in the final packaging with proper labeling must be also prepared.

In order to avoid potential buyers to sell your sample products, "NOT FOR SALE" should be indicated on the package label.

Conduct preparatory training

As the common weakness is sales approach and communication, a short communication workshop is recommended right before the exhibition. The following training materials are available: 1) 3-minute video on sales communication, and 2) PPT slides.

PROMOTION

AT-EXPO

Seminar

If an exhibitor holds a seminar during the exhibition, it is highly recommended to notify visitors about the seminar through all communication opportunities: invitation, press release, booth display, flyers and conversation.

Sample request

When samples are requested, be aware that they are “costs” (product COGS + shipment) for the exhibitors.

If a buyer is seriously considering the business and assessing that the product to be successful, he/she would be willing to split the costs. (Unfortunately, some visitors ask for “samples” just for their self-consumption.)

The following ideas can be applied to avoid wastage of sampling.

- Ask the purpose of sample usage.
 - Serious buyers use samples to assess the business; therefore, they request samples for strategic reasons. Typical sample usage would be: consumer tasting test, test market, package durability check, and verification of product deterioration over time or in certain climate conditions.
 - If the buyer mentions about testing, request to share the results.
 - ◇ It will increase the sense of “partnership” with the potential buyer.
 - ◇ The producer can offer to contribute to solve issues, in case any problems are detected.
 - ◇ Even if this deal does not close, the producer obtains ideas for future improvement.
- Provide maximum two pieces: one for tasting sample, and another for a finished good package sample.
- Request to split the costs, if a large amount of sample is requested.

For a partnership, a producer and a buyer can seek sales opportunities together and take risks together.

 - Provide expected costs (COGS + shipment) and propose a split.
 - If the buyer is hesitant, the producer can propose a refund of the sampling costs, once a business deal closes in the future as a result of successful sampling and market assessment.

Business manner

Business manner varies over countries. Therefore, an exhibitor needs to understand how to behave.

Example:

Avoid the following mannerisms during communication in Japan

PROMOTION

- Keep a hand in a pocket
- Cross arms
- Cross legs on a chair
- Give a business card with one hand => use both hands

Verbal communication

- Exhibitors should avoid entering into conversations between buyers and other participants to avoid leaving buyers confuse, or to force selling multiple products at a time.
- Take notes of personal points (e.g. where s/he is from, what s/he is interested in, taste preference, etc.) in Exhibitors Notebook so that follow-up emails can be personalized.
- Be prepared for the market needs: Halal

Example: Halal requirement was anticipated for the Southeast Asian markets.

It is advisable to prepare answers for the expected questions: "Although we have no certificate, we only produce vegetable items without chemicals or animal substances", "we are in process of application and expecting a certificate in 3 months", etc.

- Pay attention to visitors' advice, even if it may sound like a casual conversation

Example:

- One visitor at F&B expo in Singapore casually mentioned: "Oh, Indians love these walnut jam..."
=>The walnut jam exhibitor can approach, targeting Indian visitors.
- One Malay visitor casually mentioned: "Oh, this is not spicy..."
=>Exhibitor can add "we can customize spiciness", whenever Malay visitors come by.
- One Indonesian visitor asked: "Is this vegan?"
=>If the product is indeed appropriate for vegan, the exhibitor can add "Good for VEGAN" as a USP.

- Monitor buyers' race and nationality to identify which product attracts which race/nationality; and lure visitors to the product which they would be easily attracted to.

Examples: Expo in Singapore attracts different nationalities across Asia, and the following differences were detected.

- Indian and Pakistani interested in the walnut jam as they use walnuts in their cooking.
- Indonesians tend to be drawn to the eggplant puree among the products exhibited at FHA.

PROMOTION

- Singaporean Chinese are more conservative, so they found herbal tea or pine cone syrup attractive due to similarity to Chinese herbal medicine. Introduction of these products brought their mental barrier down.
- Singaporean Malays are drawn to the eggplant and vegetable puree due to its relatively strong spices, however many of them found it not spicy enough

Follow up e-mail

It is strongly advised that Exhibitors send out a follow up e-mail on the same evening to “hot” potential buyers, who requested more information such as a price list, samples, an ingredients list, etc.

This is important as potential buyers with strong interest may visit your booth again during the expo period for further discussions, which will result in a strong lead.

- Thank them for their visit and their interest in your product.

Specify the product the potential buyer was interested in to show that you recognize that buyer’s needs.

- Personalize by mentioning something you discussed with each potential buyer.

A feel of “personal care” is extremely important to stand out among many other exhibitors.

In order to make the e-mail task efficient, you may create a template; however, the attention (Dear xxx.), one sentence of personal contents, a product of his/her interest, and request from him/her, must be described with customization for each recipient.

- State next step action clearly with an expected deadline.

(e.g. you will send samples by ____, you need their confirmation by ____, etc.)

In order to show your commitment to this potential buyer, be clear about actions and deadlines. Once committed, the deadline must be respected.

- Keep the message short.

All visitors are busy and tired after visiting many booths during an expo. They will skip lengthy e-mails.

Refer to the following e-mail script to see how you can craft an attractive message.

PROMOTION

Subject: **Pine cone syrup / FHA 2018 Singapore**

Dear **Ms. Rachel Paek**

Thank you for your time visiting our **Armenian** booth at FHA Singapore and your interest in **pine cone syrup**.

Per your request, please find attached soft copy of the catalogue and product description sheet for more detailed information.

The **estimated FOB price is USD 7 for 90 milliliters in jar** and I hope we can work on this further and create win-win situation for both our companies.

If you would require any customizations, we are open to discuss.

I am looking forward to hearing from you soon.

Best regards,

Samvel Grigoryan (Mr.)
ECOVEC LLC

[Signature, contact information, address, logo, product photo, etc.]

- Clear title with your product name
- If you know the gender of the attention, use Mr. or Ms. (Avoid Mrs. or Miss)
- Remind her/him where s/he met you = Mention "Armenian" booth.
- Mention your product (e.g. pine cone syrup), not "our product".
- "Per your request" implies that you are responding to his/her specific request. = personalized reply
- Most people don't know "FCP Sheet", so describe as "product description sheet" or "company information sheet".
- Price information
 - ❖ If no clear answer is ready, "estimated" is better than no information.
 - ❖ Be specific with currency (\$ can be USD, SGD, TWD, HKD, ...)
 - ❖ Be specific for price per quantity
- Create win-win situation" implies you are willing to be a partner.
- Taste (sweetness spiciness, etc.) can be different in a new market. Be open to customize, if feasible. Shows respect to the buyer's market.
- Conclude with a positive note.
- Add (Mr) or (Ms) at the end, not in front, to indicate your gender.
- A photo is a good reminder, but be careful not to explode the file size.

PROMOTION

POST-EXPO

Following up of the potential buyers is extremely important to contract them in the future to continue with business discussions.

Potential buyers database

After the exhibition, an exhibitor should create a database of potential buyers by referring to Exhibitors notebook (refer to the Promotion Pre-EXPO 4. Exhibitors notebook) to follow up with them comprehensively. A database example is shown in the next page.

PROMOTION

EXHIBITION SITE
FOOD EX JAPAN 2018

NO.	EXHIBITOR COMPANY	DATE	CONTACT PERSON NAME	CONTACT ADDRESS	TEL/FAX	EMAIL	POSITION	INDUSTRY	PRODUCT	STATUS	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS
1	EXHIBITOR	DATE	CONTACT PERSON NAME	CONTACT ADDRESS	TEL/FAX	EMAIL	POSITION	INDUSTRY	PRODUCT	STATUS	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS
2	EXHIBITOR	DATE	CONTACT PERSON NAME	CONTACT ADDRESS	TEL/FAX	EMAIL	POSITION	INDUSTRY	PRODUCT	STATUS	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS
3	EXHIBITOR	DATE	CONTACT PERSON NAME	CONTACT ADDRESS	TEL/FAX	EMAIL	POSITION	INDUSTRY	PRODUCT	STATUS	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS
4	EXHIBITOR	DATE	CONTACT PERSON NAME	CONTACT ADDRESS	TEL/FAX	EMAIL	POSITION	INDUSTRY	PRODUCT	STATUS	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS
5	EXHIBITOR	DATE	CONTACT PERSON NAME	CONTACT ADDRESS	TEL/FAX	EMAIL	POSITION	INDUSTRY	PRODUCT	STATUS	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS
6	EXHIBITOR	DATE	CONTACT PERSON NAME	CONTACT ADDRESS	TEL/FAX	EMAIL	POSITION	INDUSTRY	PRODUCT	STATUS	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS
7	EXHIBITOR	DATE	CONTACT PERSON NAME	CONTACT ADDRESS	TEL/FAX	EMAIL	POSITION	INDUSTRY	PRODUCT	STATUS	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS
8	EXHIBITOR	DATE	CONTACT PERSON NAME	CONTACT ADDRESS	TEL/FAX	EMAIL	POSITION	INDUSTRY	PRODUCT	STATUS	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS	DATE OF ACTION	REMARKS

Example: database of potential buyers

Contents:

- Exhibiting company
- Date
- Company (potential buyer)
- Representative
- Position
- Address
- Country
- Tel/Mobile
- Email
- Business type
- Needs
- Specific requirement (if any)
- Priority (SA: Demand, Act immediately, A: Demand, B: Potential demand, C: Their friends/customers may have demand, D: Potential collaborator)
- Next Action
- Action record (date action)
- Note

PROMOTION

Follow up

By utilizing the database, potential buyers can be classified by the importance order and the exhibitor can take action to follow up each group.



"Immediate" group

The exhibitor negotiates with or closes a contact with potential buyers in the most effective ways immediately after an exhibition.

"Soon" group

The exhibitor should send sales email to potential buyers.

"Someday" group

The exhibitor keeps potential buyers updated to "grow" them until they become willing to purchase exhibitor's products, by sharing Facebook or website update continuously.

According to a marketing research, 80% of potential buyers with whom an exhibitor stopped following up eventually signed a contract with another competitive exhibitor within 2 years. Therefore, it is important not to stop following up potential buyers and grow them by providing the latest information.

SUPPLEMENTAL EQUIPMENT

Supplemental Equipment

In addition to the strategic promotional materials explained in the previous section, supplemental equipment also needs to be prepared to facilitate the in-booth operations.

CLEANING MATERIALS

Dish wash detergent, dish wash sponges, cleaning wipes, towels, trash bags

OPERATIONAL STATIONERY

Scissors, packing tapes, staplers, pens, electric outlet extension cord

SUPPORT MATERIAL FOR TASTING ACTIVITIES

Wet wipes, tissue boxes, disposable plates, disposable utensils (spoons and forks), tooth picks, trash boxes

EXECUTION TIPS FOR AN EXHIBITION MANAGER

Execution Tips for an Exhibition Manager

This section features execution tips for the Exhibition Manager, who provides producers with hands-on improvement consultation and monitoring.

CONSULTANTS HELPED SMES WITH THE FOLLOWING ACTIVITIES:

- Reviewing the exhibition requirements and procedures for participation
- Reviewing the target country requirements for products/ingredients/labels/documents/shipments
- Identification of shipment deadlines and options,
- Filling in the invoice and packing list
- Get quality analysis from a food laboratory, Phyto sanitary certificates and certificates of origin
- Searching potential buyers through local websites and associations, make a list of potential buyers to send invitations
- Preparation of company press release for the exhibition
- Registration in exhibition website and B2B meetings
- Preparation of questionnaire for exhibition visitors
- Preparation for products/company/country presentation in English
- Follow up communication with potential buyers.

TIPS TO MAKE EACH ACTIVITY EFFICIENT:

- **Process Management:** Plan in advance (GANTT chart) and keep the planned deadlines and milestones.
- **Required Documents:** Getting laboratory analyses and certificates takes time, for example in case of wine the test for sorbic acid was not available in Yerevan, and making it in Tbilisi was both time and money consuming.
- **Efficient Communication Modes:** Email/written communication works better than phone conversations and discussions, especially when it contains exact steps and deadlines to be done by SMEs (reminders are still required!).
- **Avoid Redundant Work:** Review the information in the Airway Bill to make sure all information is correct

TIPS TO MAKE EACH ACTIVITY EFFECTIVE:

- **Timing of Hygiene Check:** Start the SME selection from visiting the company and conducting hygiene check, it is preferable to do it during operational season.

EXECUTION TIPS FOR AN EXHIBITION MANAGER

- **Commitment from Producer:** It is better to include main decision-makers in the company, but the person should demonstrate his/her willingness and ability to change and improve, if no progress is noticeable, it's better to replace the candidate.
- **Training Requirements:** Participation in training is very important, starting from export marketing to food safety and hygiene. The follow up assignments are also important and should be scored for the purpose of selection.
- **English Requirement:** Knowledge of basic English is important; our experience shows that couple of months are not enough for significant improvement, considering the busy schedule of clients.

ANTICIPATED CHALLENGES FOR EACH ACTIVITY

- **Best timing to perform hygiene improvement:** Hygiene improvement motivation is high when the participation is on the stake, as well as right after the site visits.
- **Level of engagement:** Do not over-consult the clients, as it makes them excessively dependent on someone else.
- **Independent activities:** Main challenge is to make them do all the preparation activities by themselves. For example, searching and contacting potential buyers – in that way it is accepted as own achievement and is accepted as more important.

APPENDIX

Appendix

APPENDIX 1 SITE VISIT MONITORIN SHEET

Name of SME:
Product:

Methods / Learning	Criteria	Assessment	Scoring			Score		Weightage	
			Best practice (improvement) 0	Average (some improvement) 1	Good (industry best standard) 2			FAB	Non-FAB
Product	F&B Only	Product tests (for F&B)	0	1	2			40	0
	All	Product presentation/display (for F&B and non-F&B)	0	1	2			15	40
		Product function (for F&B and non-F&B)	0	1	2			5	20
Packaging	B2C	Package design	0	1	2			0	8
		Package function	0	1	2			0	0
		Package size in accordance with consumer requirements (appropriate size, variety of sizes)	0	1	2			0	0
	B2B	Package size in accordance with customer requirements	0	1	2			10	10
		Clear-USB	0	1	2			1	1
Communication concept	Claim, Message	Clear benefit message	0	1	2			0	0
		Content description	0	1	2			1	1
	Material (Baptist, Perspex, etc.)	Visual quality	0	1	2			1	1
		Available in English	Yes = 0	No = 1			1	1	
Prize	40	Weightage prize	Higher than average = 0	Average = 1	Lower than average = 2			0	0

APPENDIX

Category	Sub Category	Criteria	Scoring				Score	Weightage
			0	1	2	3		
Package & Label	Package	Packing material is selected with consideration for protecting products from physical risk (e.g. break), chemical risk (e.g. oxidation) and biological risk (e.g. fungus).	■ No consideration	■ Packing material is selected with consideration for protecting products from physical risk, chemical risk and biological risk.	■ Packing material is selected with consideration for protecting products from physical risk, chemical risk and biological risk. ■ Quality of packing validated.	■ Packing material is selected with consideration for protecting products from physical risk, chemical risk and biological risk. ■ Quality of packing is validated. ■ Manual and check list on packing is available.	15	
	Label	Labeling contents are in accordance with the law.	■ Labeling contents are not in accordance with the law. Or do not show the law.		■ Labeling contents are in accordance with the law.	■ Labeling contents are in accordance with the law. ■ Check validity and labeling (expiry date etc.) etc.	15	
Production	Manual	Production manual is available and training is conducted.	■ Production manual is not available.		■ Production manual is available.	■ Production manual is available. ■ Training is planned and conducted.	15	
	Flow diagram	Flow diagram is available.	■ Flow diagram is not available.			■ Flow diagram is available.	15	
Inspection	Monitor	Important process that affects quality is determined, monitored (checked), and recorded, and corrective action is taken in case of abnormality of criteria.	■ Important process is not determined.	■ Important process is determined and monitored.	■ Important process is determined and monitored. ■ Process is recorded.	■ Important process is determined and monitored. ■ Process is recorded. ■ Corrective action is taken in case of abnormality of criteria.	15	
	Inspection	Laboratory inspection on quality is conducted.	■ Laboratory inspection is not conducted.		■ Laboratory inspection is conducted.	■ Laboratory inspection is conducted. ■ Corrective action is taken in case of abnormality of criteria.	10	

APPENDIX

				January	February	March	April	May	June	July	August	September	October	November	December
				1	2	3	4	5	6	7	8	9	10	11	12
<ul style="list-style-type: none"> Work Plan Actual Work Completion Plan Missed Work 				<div style="display: flex; justify-content: space-between;"> 2017 2018 2019 </div>											
53	Prepare document	By 15 January													
54	Collect Progress Report		0%												
55	Collect Progress Report		0%												
56	Collect Progress Report		0%												
57	Collect Progress Report		0%												
58	Collect Progress Report		0%												
59	Collect Progress Report		0%												
60	Collect Progress Report		0%												
61	Collect Progress Report		0%												
62	Collect Progress Report		0%												
63	Collect Progress Report		0%												
64	Collect Progress Report		0%												
65	Collect Progress Report		0%												
66	Collect Progress Report		0%												
67	Collect Progress Report		0%												
68	Collect Progress Report		0%												
69	Collect Progress Report		0%												
70	Collect Progress Report		0%												
71	Collect Progress Report		0%												
72	Collect Progress Report		0%												
73	Collect Progress Report		0%												
74	Collect Progress Report		0%												
75	Collect Progress Report		0%												
76	Collect Progress Report		0%												
77	Collect Progress Report		0%												
78	Collect Progress Report		0%												
79	Collect Progress Report		0%												
80	Collect Progress Report		0%												
81	Collect Progress Report		0%												
82	Collect Progress Report		0%												
83	Collect Progress Report		0%												
84	Collect Progress Report		0%												
85	Collect Progress Report		0%												
86	Collect Progress Report		0%												
87	Collect Progress Report		0%												
88	Collect Progress Report		0%												
89	Collect Progress Report		0%												
90	Collect Progress Report		0%												
91	Collect Progress Report		0%												
92	Collect Progress Report		0%												
93	Collect Progress Report		0%												
94	Collect Progress Report		0%												
95	Collect Progress Report		0%												
96	Collect Progress Report		0%												
97	Collect Progress Report		0%												
98	Collect Progress Report		0%												
99	Collect Progress Report		0%												
100	Collect Progress Report		0%												

APPENDIX

APPENDIX 4 CUSTOMS CLEARANCE AND TRANSPORTATION IN THE DESTINATION COUNTRIES

Customs agent in Singapore

Transit Air Cargo Singapore Pte Ltd						TAX INVOICE	
BILL TO						DATE: 01/04/2018	
INVOICE #						INVOICE #	
TAX NO.						TAX NO.	
Invoice	Date	Invoice No.	Description/Description	Unit	Quantity	Rate	Amount
Invoice No. 0118 Bill To: 01/04/2018 Invoice # Tax No.							
Invoice Description: 1. Handling Charges + GST (1) x 100kg 2. Commodity handling charge 3. Pallet Custom Documentation 4. Airport Service Fee 5. Terminal Handling Charges + GST 6. TPA GST (paid on your behalf for your import shipment) Form No. H4021 (GST)							
Subtotal						100	100.00
GST						10	10.00
Total						110	110.00

Transit Air Cargo Singapore Pte Ltd						TAX INVOICE	
BILL TO						DATE: 01/04/2018	
INVOICE #						INVOICE #	
TAX NO.						TAX NO.	
Invoice	Date	Invoice No.	Description/Description	Unit	Quantity	Rate	Amount
Invoice No. 0118 Bill To: 01/04/2018 Invoice # Tax No.							
Invoice Description: 10. Terminal handling charges + GST 11. Import Service Fee 12. TPA GST (paid on your behalf for your import shipment) Form No. H4021 (GST)							
Subtotal						100	100.00
GST						10	10.00
Total						110	110.00

APPENDIX



Thank you for your usual patronage.
Please be informed of your shipping charges as follows:
26 items in Total amount by Feb.2015. Ref. No. 074-0178-0000-AR-001001

EXPORT DETAILS		IMPORT DETAILS	
DATE:	AM	DATE:	BT
ENTRY:	PERMANENT	ENTRY:	BT
OFF. No.:	020-0001-0000	OFF. No.:	00-00-0000
ORIGIN:	CHINA	ORIGIN:	CHINA
DESTINATION:	MY	DESTINATION:	MY
C/S:	17.0	C/S:	17.0
C/W:	17.0	C/W:	17.0
TOTAL:		TOTAL:	

INBOUND CHARGE	Item	Price	Remarks
Customs clearance charge		\$11,800	PERMANENT
Insured value storage		\$10,000	
Storage / Bond warehouse		\$10,000	AMBI/AMW
Inspection & assessment fee		\$0	
IFT charge for operation		\$10,000	AMBI/AMW
Import tax		\$0	
Stamp duty		\$100	
Handing charge *		\$10,000	(\$1000/box x 10 boxes) (10000)
Delivery charge *		\$0	
Terminal charge at North NIPPON WAREHOUSE *		\$0	
Consumption tax 8%		\$11,800	AMBI/AMW
Sub total		\$48,530	
Grand Total		\$48,530	



Thank you for your usual patronage.
Please be informed of your shipping charges as follows:
26 items in Total amount by Feb.2015. Ref. No. 074-0178-0000-AR-001001

Invoice Details

EXPORT DETAILS		IMPORT DETAILS	
DATE:	AM	DATE:	BT
ENTRY:	PERMANENT	ENTRY:	BT
OFF. No.:	020-0001-0001	OFF. No.:	00-00-0000
ORIGIN:	CHINA	ORIGIN:	CHINA
DESTINATION:	MY	DESTINATION:	MY
C/S:	17.0	C/S:	17.0
C/W:	17.0	C/W:	17.0
TOTAL:		TOTAL:	

INBOUND CHARGE	Item	Price	Remarks
Customs clearance charge		\$11,800	PERMANENT
Insured value storage		\$10,000	
Storage / Bond warehouse		\$10,000	AMBI/AMW
Inspection & assessment fee		\$0	
IFT charge for operation		\$10,000	AMBI/AMW
Import tax		\$0	
Stamp duty		\$100	
Handing charge *		\$10,000	(\$1000/box x 10 boxes) (10000)
Delivery charge *		\$0	
Terminal charge at North NIPPON WAREHOUSE *		\$0	
Consumption tax 8%		\$11,800	AMBI/AMW
Sub total		\$110,574	
Grand Total		\$110,574	

APPENDIX



Invoice Details

Thank you for your recent purchase.
Please be informed of your shipping charges as follows:
The total invoice amount is 167,971.

Customer name: **PERUMALU T.S. ANANDAN** Tel. No. 011-2212 1200 AZ 02164

EXPORT DETAILS		IMPORT DETAILS	
BT	AS	BT	AS
COUNTRY	PERUMALU	COUNTRY	INDIA
ORIGIN	INDIA	ORIGIN	INDIA
DESTINATION	INDIA	DESTINATION	INDIA
TYPE	AS	TYPE	AS
DATE	27/3/2012	DATE	27/3/2012
TIME	09:00	TIME	09:00

Item	Price	Remarks
Customs clearance charge	111,000	PERUMALU
General cargo charges	4,000	PERUMALU
Insurance / War risk charges	1,000	PERUMALU
Inspection & quarantine fee	1,000	PERUMALU
Port charges for destination	1,000	PERUMALU
Export duty	1,000	PERUMALU
Export tax	1,000	PERUMALU
Food supplies *	1,000	PERUMALU
Handling charges *	1,000	PERUMALU
Terminal charges at India (NIPPON WAREHOUSE) *	1,000	PERUMALU
Consumption tax IN	1,000	PERUMALU
Sub total	167,971	

Grand Total 167,971

Invoice Details

Thank you for your recent purchase.
Please be informed of your shipping charges as follows:
The total invoice amount is 148,505.

Customer name: **ANUSHTI AMBODIA STANIS** Tel. No. 011-2212 1200 AZ 02164


EXPORT DETAILS		IMPORT DETAILS	
BT	AS	BT	AS
COUNTRY	PERUMALU	COUNTRY	INDIA
ORIGIN	INDIA	ORIGIN	INDIA
DESTINATION	INDIA	DESTINATION	INDIA
TYPE	AS	TYPE	AS
DATE	27/3/2012	DATE	27/3/2012
TIME	09:00	TIME	09:00

Item	Price	Remarks
Customs clearance charge	111,000	PERUMALU
General cargo charges	4,000	PERUMALU
Insurance / War risk charges	1,000	PERUMALU
Inspection & quarantine fee	1,000	PERUMALU
Port charges for destination	1,000	PERUMALU
Export duty	1,000	PERUMALU
Export tax	1,000	PERUMALU
Food supplies *	1,000	PERUMALU
Handling charges *	1,000	PERUMALU
Terminal charges at India (NIPPON WAREHOUSE) *	1,000	PERUMALU
Consumption tax IN	1,000	PERUMALU
Sub total	148,505	

Grand Total 148,505

PREPARATION FOR THE INTERNATIONAL EXHIBITIONS

APPENDIX 5 PRESS RELEASE TEMPLATE



24 – 27 APRIL 2018

The 21st International Food & Drinks, Hotel, Restaurant, Bakery & Footservice Equipment, Supplies & Services Exhibition and Conference with FHA Culinary Challenge

#SingaporeEdge
 Food&Aa • Hospitality&Style&Aa
 Bakery&Pastry • SpecialtyCoffees&Tea
 HospitalityTechnology

@GardenSingapore
 Hotel&Aa

Storytelling Tips: Making it news-worthy

Consumers are getting their news from various sources – newspapers, online and social media sites (like Facebook, Twitter). To grab audience's attention, the following are some tips and considerations as you craft your story to interest media:

What makes a good story – and why would media care?

Some general guide lines on what would interest media:

- **Change, new-ness:** Is it the first (in the world/Singapore), biggest, the most, highest?
- **Nationalism:** How does it impact Singapore's businesses and people?
- **Characters:** Are there interesting characters/spokespersons that media can get insights from? Profiles can include: Customers, C-suite level executives, subject matter experts.

No one cares about your brand or products... But they might if you contextualise its importance in the market. Here's a simple formula to help contextualise and map back to what matters to the media (and audience).

Formula for a great story:

STORY IDEA

Current/ recent stories

Action in other areas (E.g. Financial markets, regulation, legislation, political/social trends)

Timeline or Context (E.g. Commemorative/Broadcast A&S)

For TV broadcast:

Visuals are great assets to accompany the storytelling! For all TV or video broadcast media engagements, consider sharing b-rolls with the media. B-rolls are supplementary video footage that helps tell the stories can include real-life technology in action.

Traits of a Good Storyteller:

Be prepared

- Knows the audience and how to focus on their "hot buttons"
- Doesn't "wing it" and it shows

Projects energy, confidence and enthusiasm for the subject


- Engages the audience and draws them in

Able to thread messages into trends and themes that resonate

- Goes beyond company speak to industry messages and ideas

1

PREPARATION FOR THE INTERNATIONAL EXHIBITIONS



24 – 27 APRIL 2018

The 21st International Food & Drink, Hotel, Restaurant, Bakery & Foodservice Equipment, Supplies & Services Exhibition and Conference with FMA Culinary Challenge

Singapore Expo

Food&Bakery - Hospitality&Hotel&Bakery
Bakery&Pastry - SpecialityCoffee&Tea
HospitalityTechnology

Singapore Convention & Exhibition Centre

Food&Bakery

We want to know more about you!


Thank you for joining Food&HotelAsia2018. As part of the publicity efforts for the events, the team at UBM SES is looking for information about your products that might be of interest to the media. Kindly fill up the table below and send it to june.s.ah@ubm.com / juliet.tseng@ubm.com before 1 March 2018.

For information that cannot be shared with media, please indicate in RED.

Company name:	Key liaison/ corporate communications/ PR contact details:
Company website:	Name:
	Job Title:
	Email:
	Tel:
Tell us more about your company (how long has it been established, why, how, who etc.):	
What are you showcasing/ introducing at the event:	
What is the name of the product/s that you are exhibiting at Food&HotelAsia? Please list if there are a number or name the best-selling product/s.	
Has the product/s been launched yet in the market? If yes, when and where? If no, when and where will it be officially launched? Please indicate if the product is first / largest / most in the world / Asia / Singapore.	
What is unique about the product that is different from what is available in the market? E.g. unique ingredient source, how ingredients are sourced, specially formulated, specially designed etc. Please only indicate specific breakthrough attributes that are new to the market.	
Where is/are the product/s manufactured? Please indicate state, country if overseas.	
How is/are the product/s manufactured? What is the level of technological use in the manufacturing process? Is it a unique manufacturing process? Please describe or provide additional information.	

1

PREPARATION FOR THE INTERNATIONAL EXHIBITIONS



24 – 27 APRIL 2018

The 21st International Food & Drinks, Hotel, Restaurant, Bakery & Foodservice Equipment, Supplies & Services Exhibition and Conference with FHM Culinary Challenge

Singapore Expo

FoodAsia · HospitalityDigiAsia
Bakery&Bstry · SpecialityCoffee&Tea
HospitalityTechnology

Booth: Singapore

HotelKuala

PRESS RELEASE TEMPLATE

[COMPANY LOGO]

FOR IMMEDIATE RELEASE

[INSERT RELEASE TITLE HERE]

[EXAMPLE: Company] showcases latest innovations at [Food&HotelAsia2018]

[LOCATION], [DATE] – *(The first paragraph should lead with what you are announcing, where, and its relevance to your industry.)*

For greater timeliness of your announcement, include a mention of the event. – EXAMPLE: [Company], [brief company description], today announced [the news, highlighting the main draw – first / largest / biggest in the market] at Food&HotelAsia2018.

(Second paragraph is the best place to elaborate on the key information presented in the first paragraph such as the unique attributes of the new product.)

(Third paragraph should include a quote from an executive. Note that the quote should build the importance of your story but also to shape your core messages) - EXAMPLE: "[Mark at landscape, key trends] and how [the news is relevant]. Bringing the latest solutions from [Company], we are showcasing our innovations at [Food&HotelAsia2018]." said [Spokesperson's full name, designation, company name].

(Fourth paragraph should provide additional relevant information such as market trends or market demands that bolster the quote from your executive.)

(Fifth paragraph can include a quote from a customer or partner that elaborates on the importance of your announcement.)

(Final paragraph should be a summary of the information provided above or can include any other information that you need to include in your release.)

Other notes:

- Include product/solution images to give media a better idea of how/what it looks like (if appropriate)

Boiler Plate: This final paragraph should include 4-5 lines about your company as well as the URL link to your company website

4

PREPARATION FOR THE INTERNATIONAL EXHIBITIONS



24 – 27 APRIL 2018

The 21st International Food & Drinks, Hotel, Restaurant, Bakery & Foodservice Equipment, Supplies & Services Exhibition and Conference with FHA Culinary Challenge

Singapore Expo

FoodAsia · HospitalityStyleAsia
Bakery&Pastry · SpecialtyCoffee&Tea
HospitalityTechnology

Sonder Singapore

HotelsAsia

Media Do's & Don'ts

DO:

- ✓ Stay within your own area of competence
- ✓ Take control and tell your story
- ✓ Stick to your message - do not be side-tracked
- ✓ Be sure of your key message - get that in first
- ✓ Use clear examples to illustrate your point
- ✓ Smile, relax and enjoy the meeting. Be yourself
- ✓ Vary the tone of your voice
- ✓ Consider your body language
- ✓ Speak clearly - avoid words like "ah" and "umm"
- ✓ Follow-up with any additional information that you offer during the interview
- ✓ Be sensitive to language and culture
- ✓ Ask questions of the journalist if you don't understand what you're being asked
- ✓ Pause and allow the journalist time to finish writing down information you share, before starting your next point. This helps prevent mistakes and misquotes

DO NOT:

- ✗ Speak off the record - you'll see it in print
- ✗ Speak for others or the industry
- ✗ Speculate
- ✗ Give out sales figures, revenue projections or any other numbers unless already public domain
- ✗ Use the phrase "no comment"
- ✗ Assume that the journalist knows as much about the subject as you
- ✗ Underestimate the journalist's ability to research the background
- ✗ Be too technical or use jargon
- ✗ Ask to review a story before it's printed. Do suggest that the journalist check back if he or she has any questions

5

Successful Expansion
HACCP Technical Guidelines
For Potential Exporters



March 2017

INTRODUCTION

This guidebook presents different methods being applied in the Armenian One Village One Product (OVOP) movement, supported by the international cooperation Project named “Development of local production and promotion of local brands in Armenia (Second Phase)”. The project, including its first phase, has been implemented since March 2013 by SMEDNC (Small and Medium Entrepreneurship Development National Center) with the technical assistance of JICA (Japan International Cooperation Agency). The Project aims at the business competitiveness improvement of Armenian local and regional SMEs (Small and Medium-sized Enterprises) in domestic and international markets, by utilizing the OVOP concept adopted in Armenia. The OVOP concept had been developed originally in Japan, and today different countries apply this concept for local economic development. In Armenia, it can be defined as an integral effort to develop local economy, businesses and products in a coordinated manner with local uniqueness and culture.

The Project develops different activities based on this OVOP concept. These activities include: promoting the exportation of Armenian products to the foreign markets, tourism development, reinforcing marketing platforms which is system where businesses can collect the information of consumers’ needs, etc.

This guidebook presents mainly the methods for reinforcing the business competitiveness in international market, so that more enterprises can be successful in terms of the exportation of their products. It is expected that many people would apply the methods presented in this material for the business success.

Table of Contents

Introductory components of HACCP (Hazard Analysis and Critical Control Point).....	2
1. Why HACCP is needed?.....	2
2. What is HACCP?.....	3
3. What and how to monitor in HACCP?.....	6
4. Requirements and Application for HACCP.....	18

Quality Management

Quality management is one of the important contents of OVOP methods for potential exporters, because international standard quality is required to export their products.



Introductory components of HACCP (Hazard Analysis and Critical Control Point)






<p>Who needs this tool?</p> <ul style="list-style-type: none"> ● Food processing SMEs which want to export their products. ● Food processing SMEs which want to improve the product safety
<p>When should you use it?</p> <p>When you think of product safety to be improved,</p>
<p>How does this tool help your business?</p> <p>The product safety will be improved.</p>

1. Why HACCP is needed?

Demands for the high quality and safe food is increasing around the world, especially in developed countries, accordingly food hygiene certificates such as HACCP (Hazard Analysis Critical Control Point) and ISO (International Organization for Standardization) play an important role in food trade. Some countries' regulations for HACCP are shown in the table below. HACCP is one of the widely-recognized certificate and many countries, EU, US, Canada and Singapore etc. have made HACCP as a part of food import regulation on certain type of food products. Furthermore, more and more countries like Japan and Indonesia etc. are also planning to include HACCP as a food import regulation in the future. Thus, HACCP is a well-known food hygiene certificate over the world and obtaining HACCP is becoming essential to food trade.

Table 1. HACCP in Food Quality Regulation in foreign countries

Country	Regulation
EU 	<p><u>All food production, processing and distribution agents, except for primary production, for fishery products, meat and meat product, milk, and egg and egg product</u>, have been obligated to have a quality management system which is equivalent to HACCP since 2004.</p>
US 	<p><u>Fishery products, meat and poultry, their processed product, juice and vegetable beverage</u> have been obliged to be controlled by HACCP since 1997.</p>
Japan	<p>Currently there is not mandatory food quality regulation that is compliant with HACCP. The government intends to restructure the food regulation system based on HACCP by 2020.</p>

Country	Regulation
	
Canada 	<u>Fishery products, meat and meat product</u> have been obliged to be controlled by HACCP since 1992.
Korea 	<u>Processed fish food, frozen fishery products, frozen food, ice, non-heated beverage, retort food, kimchi</u> have been obliged to be controlled by HACCP since 2012.
Australia 	<u>Fishery products, meat and meat product, milk and dairy products for export</u> have been obliged to be controlled by HACCP since 1992.
Taipei 	<u>Fishery products, meat and meat product and processed dairy products</u> have been obliged to be controlled by HACCP since 2003.

2. What is HACCP?

Back ground

HACCP was invented for producing space food for which high level of food safety is required in US in 1960s, to overcome faults of the quality assurance system based on sampling test of the final products. In general, it is hard to produce same quality food products because of lack of uniformity in quality of ingredients and relatively high risks of improper control of processes (causing rotten or contamination etc.). Furthermore, it is hard to predict bacteria contamination. Therefore, assuring quality with a high level of confidence by sampling test of final products needs a lot of samples to be tested. This sampling test method was not efficient in terms of cost and time. Thus, alternative system, HACCP which assures quality by controlling process was developed.

HACCP as a quality assurance system

HACCP is a quality assurance system based on controlling of process. Here is the comparison of the conventional quality assurance system and HACCP. The conventional method guaranteed the quality of the final product by sample checking, therefore there was a risk that low-quality products were distributed. In contrast, HACCP guarantees the quality of the final products through the process control, in other words it guarantees the quality of all products.

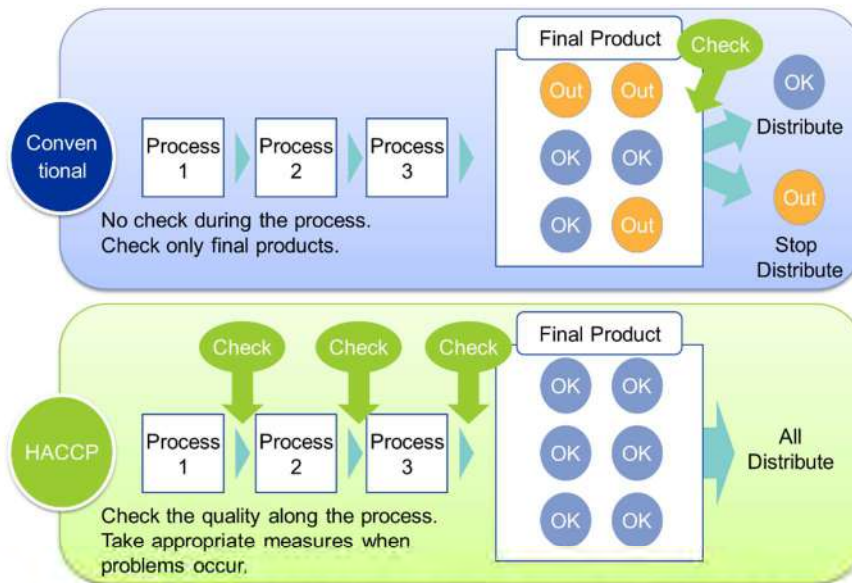


Figure 1. Comparison of Conventional quality assurance system and HACCP

Under the HACCP system, hazards along the process are analyzed, critical points that affect the quality of the products are determined, then control measures of those critical points are established.

Structure of HACCP

HACCP consists of two components; **1. General Principle of Food Hygiene** and **2. HACCP procedure**.



Figure 2. Structure of HACCP

1) General Principle of Food Hygiene

General Principle of Food Hygiene is prerequisite for the HACCP procedure and therefore it

should be fulfilled before implementing HACCP procedure. General Principle of Food Hygiene is defined in an international food safety guideline, Codex Alimentarius¹, and it stipulates fundamental guidelines to ensure safety and suitability of food for consumption. Some guidelines are shown below.

Table 2. Sample of General Principle of Food Hygiene

Component	Detail
Facilities.	The establishment should be located, constructed and maintained according to sanitary design principles. There should be linear product flow and traffic control to minimize cross-contamination from raw to cooked materials.
Cleaning and Sanitation.	All procedures for cleaning and sanitation of the equipment and the facility should be written and followed. A master sanitation schedule should be in place.
Personal Hygiene.	All employees and other persons who enter the manufacturing plant should follow the requirements for personal hygiene.
Training. (SS)	All employees should receive documented training in personal hygiene, cleaning and sanitation procedures, personal safety, and their role in the HACCP program.
Pest Control.	Effective pest control programs should be in place.

2) HACCP

HACCP procedure is built on top of General Principle of Food Hygiene. During HACCP procedure, food safety Hazards are Analyzed and Critical Control Point (CCP) is determined. CCP is a specific point, procedure, or step in food manufacturing at which control can be exercised to reduce, eliminate, or prevent the possibility of a food safety hazard.

For example, for a dairy company, pasteurization process of milk would be CCP as it is essential process that critically affects food quality if it is improperly controlled. A simple flow diagram of milk production is shown below.

¹Codex Alimentarius was established by Food and Agriculture Organization and the World Health Organization in 1963 to develop harmonised international food standards, which protect consumer health and promote fair practices in food trade (<http://www.fao.org/fao-who-codexalimentarius/en/>).



Figure 3. Flow of Milk Production

In the case of milk production, firstly the temperature and the duration time under the pasteurizing temperature are determined and then they are monitored and recorded during the process.

3. What and how to monitor in HACCP?

The previous section mentioned HACCP is a quality assurance system based on monitoring and recording process. This section highlights benefits of recording the process and introduces procedure of making monitoring and recording documents.

Benefits of recording the process

- Recording the process makes management of quality control easy. Responsible persons can easily monitor the appropriateness of the process by referring the records. Those records are the clear evidence that the processes are appropriately controlled.
- Recorded data can be analyzed in the cause investigation tools, such as Q7. For example, when we analyze the cause of molded cheese with using the cause-and-effect diagram, temperature data and pH data of the process would be important evidences to prove if the process was appropriate or not.
- Recorded documents help to create and maintain trust between producers and business partners. It is easier for our business partners to check our management appropriateness by looking at recorded documents than by hearing over the phone. Our business partners always worry about our quality management.

General Principle of Food Hygiene

For monitoring General Principle of Food Hygiene, following are some samples for monitoring sheets.

Table 3. Monitoring sheets of General Principle of Food Hygiene

Component	Sample monitoring sheet																																																																																																																														
Cleaning and Sanitation.	<table border="1" style="width: 100%;"> <thead> <tr> <th colspan="6">Cleaning Equipment Record</th> </tr> <tr> <td colspan="4"></td> <td>Responsible person 1</td> <td>Responsible person 2</td> </tr> </thead> <tbody> <tr> <td colspan="4"></td> <td></td> <td></td> </tr> <tr> <th>Date</th> <th>Tank 1</th> <th>Tank 2</th> <th>Bucket</th> <th colspan="2">Stirring Machine</th> </tr> <tr> <td>1-Apr</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2-Apr</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3-Apr</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>4-Apr</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>5-Apr</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Cleaning Equipment Record										Responsible person 1	Responsible person 2							Date	Tank 1	Tank 2	Bucket	Stirring Machine		1-Apr						2-Apr						3-Apr						4-Apr						5-Apr																																																																													
Cleaning Equipment Record																																																																																																																															
				Responsible person 1	Responsible person 2																																																																																																																										
Date	Tank 1	Tank 2	Bucket	Stirring Machine																																																																																																																											
1-Apr																																																																																																																															
2-Apr																																																																																																																															
3-Apr																																																																																																																															
4-Apr																																																																																																																															
5-Apr																																																																																																																															
Personal Hygiene.	<table border="1" style="width: 100%;"> <thead> <tr> <th colspan="8">Personal Hygiene Control</th> </tr> <tr> <td colspan="6"></td> <td>Responsible person 1</td> <td>Responsible person 2</td> </tr> </thead> <tbody> <tr> <td colspan="6"></td> <td></td> <td></td> </tr> <tr> <td colspan="8">Date: April 1</td> </tr> <tr> <th>Name</th> <th>Disease</th> <th>Scars</th> <th>Uniform</th> <th>Hat</th> <th>Mask</th> <th>Shose</th> <th>Wash hands</th> </tr> <tr> <td>person A</td> <td>No disease</td> <td>No scars</td> <td>Clean</td> <td>Clean</td> <td>Clean</td> <td>Clean</td> <td>use soap</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Personal Hygiene Control														Responsible person 1	Responsible person 2									Date: April 1								Name	Disease	Scars	Uniform	Hat	Mask	Shose	Wash hands	person A	No disease	No scars	Clean	Clean	Clean	Clean	use soap																																																																														
Personal Hygiene Control																																																																																																																															
						Responsible person 1	Responsible person 2																																																																																																																								
Date: April 1																																																																																																																															
Name	Disease	Scars	Uniform	Hat	Mask	Shose	Wash hands																																																																																																																								
person A	No disease	No scars	Clean	Clean	Clean	Clean	use soap																																																																																																																								
Training	<table border="1" style="width: 100%;"> <thead> <tr> <th colspan="7">Training Schedule</th> </tr> <tr> <td colspan="5"></td> <td>Responsible person 1</td> <td>Responsible person 2</td> </tr> </thead> <tbody> <tr> <td colspan="5"></td> <td></td> <td></td> </tr> <tr> <th>Name</th> <th>plan/actual performance</th> <th>April</th> <th>May</th> <th>June</th> <th>July</th> <th>August</th> </tr> <tr> <td colspan="7">Cleaning Equipment</td> </tr> <tr> <td>person A</td> <td>Plan</td> <td></td> <td>→</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Actual performance</td> <td></td> <td>→</td> <td></td> <td></td> <td></td> </tr> <tr> <td>person B</td> <td>Plan</td> <td></td> <td></td> <td>→</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Actual performance</td> <td></td> <td></td> <td>→</td> <td></td> <td></td> </tr> <tr> <td>person C</td> <td>Plan</td> <td></td> <td></td> <td></td> <td>→</td> <td></td> </tr> <tr> <td></td> <td>Actual performance</td> <td></td> <td></td> <td></td> <td>→</td> <td></td> </tr> <tr> <td colspan="7">Personal Hygiene Control</td> </tr> <tr> <td>person A</td> <td>Plan</td> <td></td> <td>→</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Actual performance</td> <td></td> <td>→</td> <td></td> <td></td> <td></td> </tr> <tr> <td>person B</td> <td>Plan</td> <td></td> <td></td> <td>→</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Actual performance</td> <td></td> <td></td> <td>→</td> <td></td> <td></td> </tr> <tr> <td>person C</td> <td>Plan</td> <td></td> <td></td> <td></td> <td>→</td> <td></td> </tr> <tr> <td></td> <td>Actual performance</td> <td></td> <td></td> <td></td> <td>→</td> <td></td> </tr> </tbody> </table>	Training Schedule												Responsible person 1	Responsible person 2								Name	plan/actual performance	April	May	June	July	August	Cleaning Equipment							person A	Plan		→					Actual performance		→				person B	Plan			→				Actual performance			→			person C	Plan				→			Actual performance				→		Personal Hygiene Control							person A	Plan		→					Actual performance		→				person B	Plan			→				Actual performance			→			person C	Plan				→			Actual performance				→	
Training Schedule																																																																																																																															
					Responsible person 1	Responsible person 2																																																																																																																									
Name	plan/actual performance	April	May	June	July	August																																																																																																																									
Cleaning Equipment																																																																																																																															
person A	Plan		→																																																																																																																												
	Actual performance		→																																																																																																																												
person B	Plan			→																																																																																																																											
	Actual performance			→																																																																																																																											
person C	Plan				→																																																																																																																										
	Actual performance				→																																																																																																																										
Personal Hygiene Control																																																																																																																															
person A	Plan		→																																																																																																																												
	Actual performance		→																																																																																																																												
person B	Plan			→																																																																																																																											
	Actual performance			→																																																																																																																											
person C	Plan				→																																																																																																																										
	Actual performance				→																																																																																																																										

Exercise I:

Make following monitoring and management sheets; Cleaning and sanitizing, Personal hygiene and training.

HACCP

This section will explain how to decide CCP through HACCP procedure. Codex Alimentarius recommends to start HACCP application following the procedure below.

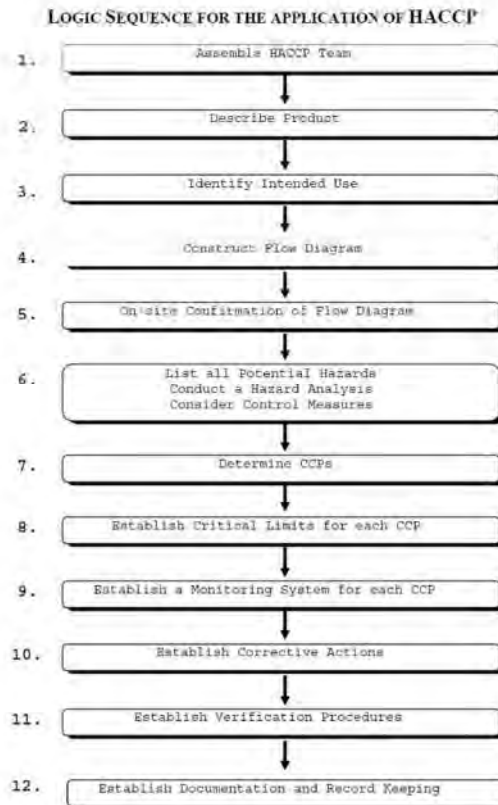


Figure 4. Application for the implementation of HACCP

Source: FAO

Website: http://ftp.fao.org/codex/Publications/Booklets/Hygiene/FoodHygiene_2009e.pdf

From the 12 steps of the whole procedure, this section focuses on step 6 to 9. Here is the detailed list of each step.

Table 4. Detailed step of HACCP from 4 to 9

Step	Contents	What to do?
4 & 5	Construct flow diagram. On-site confirmation of flow diagram	Draw flow diagram and check on site.
6	List all potential hazards. Conduct a Hazard Analysis. Consider Control Measures.	Find hazards which lies with food production.
7	Determine CCPs	From the list of hazards identified in step 6, determine which hazard affect the quality of food.
8	Establish Critical Limit for each CCP	Establish measurable limit for each CCP. Criteria often include temperature, time, moisture level, pH, Aw, available chlorine, and sensory parameters such as visual appearance and texture.
9	Establish a Monitoring System for each CCP	Establish monitoring method that is the scheduled measurement or observation of a CCP relative to its critical limits.

From here, each step is explained with using an example of cheese production.

● **Step 4 & 5**

By drawing flow diagram, we identify the process steps involved in the production of a product. Typical cheese production follows diagram below.

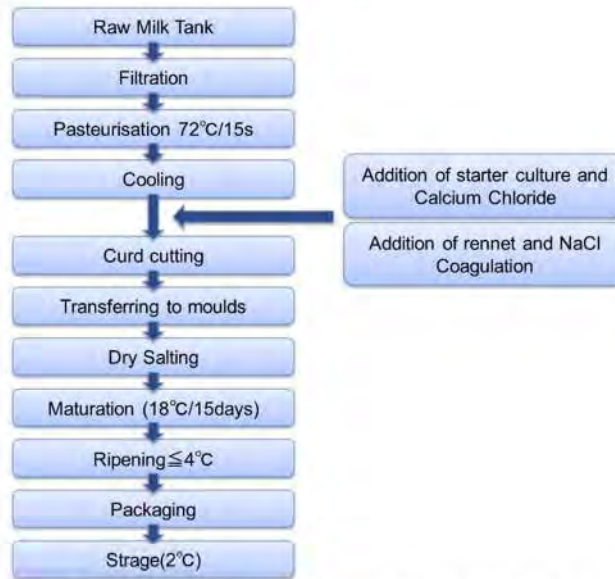


Figure 5. Flow diagram of ordinal cheese production

Exercise2:

Draw a flow diagram for your food production.

● **Step 6**

Potential hazards and control measures for each process steps are identified. There are three (3) minor steps to identify hazards as shown below. Each step is explained accordingly.

- 1) Copy the processing steps from the flow diagram to the format.
- 2) Analyze hazard from three (3) perspectives (mentioned later) for each processing step.
- 3) Consider control measures for each hazard.

1) Copy the processing steps from the flow diagram to the format.

Prepare the format as shown below and copy the process steps from flow diagram to the format.

No	Process steps (See flow chart)	Hazards (Biological, Physical and Chemical)	Control measures (How do you remove/reduce the hazard?)	Critical control point (y/n) (Is this check crucial to the safety of the end product?)	Critical limits (What are the acceptable levels?)	Monitorin procedures (what Checks do you carry out and how are they Recorded?)
1	Raw Milk Tanks					
2	Filtration					
3	Pasteurisation at 72°C for 15 Sec					
4	Cooling at 37°C					
5	Addition of starter culture					
6	Addition of rennet and NaCl					
7	Curd Cutting					
8	Transferring to moulds					
9	Dry Salting					
10	Maturation at 16°C/15days, RH=85%					
11	Storage <4°C					

Exercise3:

From the flow diagram, write process steps in the format.

2) Analyze hazard from three (3) perspectives for each processing step.

At the next column in the format, hazards are analyzed. Food hazard can be defined as A) Biological, B) Chemical and C) Physical agent in, or condition of, food with the potential to cause an adverse health effect.

A) Biological - harmful organisms / toxins

Example: O157, Salmonella, Campylobacter, Bacillus cereus

Analysis points

- Naturally present – raw meat - e.g. Salmonella in raw meat
- Cross contamination – preparation – e.g. raw with cooked meat
- Growth – during refrigeration / hot holding/cooling
- Survival – cooking – e.g. Campylobacter in undercooked meat Bacillus cereus spores in rice

C) Physical - foreign objects

Analysis points

- Hair – human / pet
- Insects and pests
- Drawing pins
- Soil
- Nuts and bolts

B) Chemical – contaminants

Analysis points

- Cleaning surfaces and spillages
- Detergent stores
- Pest control chemicals
- Pesticides sprayed on fruit and vegetables

No	Process steps (See flow chart)	Hazards (Biological, Physical and Chemical)	Control measures (How do you remove/reduce the hazard?)	Critical control point (y/n) (Is this check crucial to the safety of the end product?)	Critical limits (What are the acceptable levels?)	Monitorin procedures (what Checks do you carry out and how are they Recorded?)
1	Raw Milk Tanks	B C				
2	Filtration	P				
3	Pasteurisation at 72°C for 15 Sec	B				
4	Cooling at 37°C	B				
5	Addition of starter culture	B				
6	Addition of rennet and NaCl					
7	Curd Cutting					
8	Transferring to moulds					
9	Dry Salting	P				
10	Maturation at 16°C/15days, RH=85%	B				
11	Storage -4°C	B				

B: Biological
P: Physical
C: Chemical

Exercise4:

Analyze hazards along the process steps.

3) Consider control measures for each hazard.

Next step is to consider control measures for the analyzed hazards. Control measures are factors that can be used to reduce or eliminate the hazards. Examples of some control measures are shown below.

Table 5. Example of Control Measures

Process/ Facility	Control measure samples
Storage	<ul style="list-style-type: none"> ➤ Stock rotation system ➤ Covering/wrapping of foods ➤ Separating raw and cooked foods ➤ Correct storage temperatures and times ➤ Storage conditions and regular cleaning of storage areas ➤ Dating of food if not in original packaging ➤ Day dot system to ensure food is used within a set time
Hot Holding	<ul style="list-style-type: none"> ➤ Ensuring a minimum temperature of 63°C ➤ Use of clean equipment and utensils ➤ Food covered away from raw food

Control measures in the format are shown below.

No	Process steps (See flow chart)	Hazards (Biological, Physical and Chemical)	Control measures (How do you remove/reduce the hazard?)	Critical control point (y/n) (Is this check crucial to the safety of the end product?)	Critical limits (What are the acceptable levels?)	Monitorin procedures (what Checks do you carry out and how are they Recorded?)
1	Raw Milk Tanks	B, C	Sampling according to a program established for a certain collection area.			
2	Filtration	P	Inspection and cleaning.			
3	Pasteurisation at 72°C for 15 Sec	B	Control cleaning process. Check pasteurisation diagram. Apply phosphate test. The control laboratory applies a sampling program of the cooperative farms based on risk assessment.			
4	Cooling at 37°C	B	Frequent use of swap test.			
5	Addition of starter culture	B	Ensure continuous activity (avoid contamination from bacteriophages).			
6	Addition of rennet and NaCl		Avoid cross contamination.			
7	Curd Cutting					
8	Transferring to moulds		Apply GMP and GHP.			
9	Dry Salting	P	Visual inspection.			
10	Maturation at 16°C/15days, RH=85%	B	Retain RH at max 85%, higher values of RH may favour the growth of moulds which produce mycotoxins and continuous temperature control.			
11	Storage -4°C	B	Organoleptic control. Microbial control.			

Exercise5:

Write the process steps, analyze hazards and write control measures for each hazard.

- **Step 7**

Each hazard is analyzed following decision tree and determined if it is CCP or not.

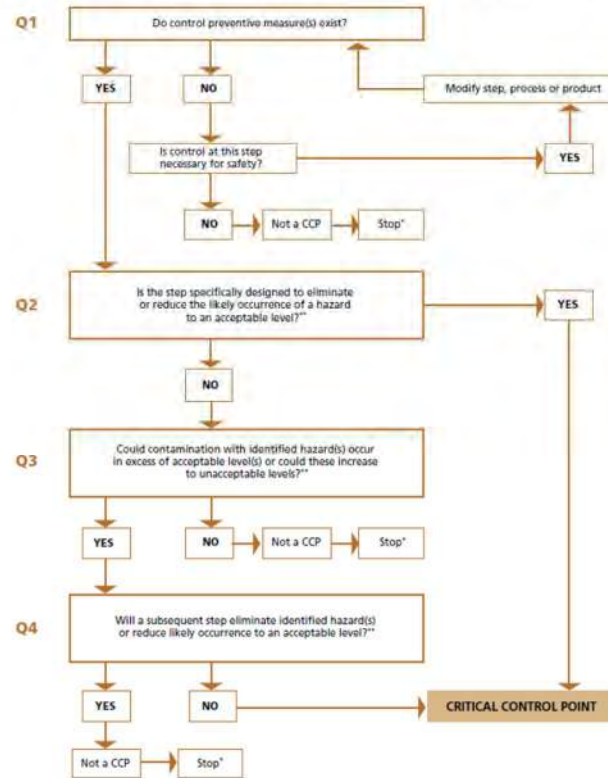


Figure 6. Decision tree for identifying CCPs

Source: FAO

Website: ftp://ftp.fao.org/codex/Publications/Booklets/Hygiene/FoodHygiene_2009e.pdf

Hazards are analyzed to determine CCP as follows.

No	Process steps (See flow chart)	Hazards (Biological, Physical and Chemical)	Control measures (How do you remove/reduce the hazard?)	Critical control point (y/n) (Is this check crucial to the safety of the end product?)	Critical limits (What are the acceptable levels?)	Monitorin procedures (what Checks do you carry out and how are they Recorded?)
1	Raw Milk Tanks	B, C	Sampling according to a program established for a certain collection area.	Y		
2	Filtration	P	Inspection and cleaning.	Y		
3	Pasteurisation at 72°C for 15 Sec	B	Control cleaning process. Check pasteurisation diagram. Apply phosphate test. The control laboratory applies a sampling program of the cooperative farms based on risk assessment.	Y		
4	Cooling at 37°C	B	Frequent use of swap test.	N		
5	Addition of starter culture	B	Ensure continuous activity (avoid contamination from bacteriophages).	Y		
6	Addition of rennet and NaCl		Avoid cross contamination.	N		
7	Card Cutting			N		
8	Transferring to moulds		Apply GMP and GHP.	N		
9	Dry Salting	P	Visual inspection.	N		
10	Maturation at 16°C/15days, RH=85%	B	Retain RH at max 85%, higher values of RH may favour the growth of moulds which produce mycotoxins and continuous temperature control.	Y		
11	Storage <4°C	B	Organoleptic control. Microbial control.	Y		

Exercise6:

Analyze the hazards following the decision tree and determine CCPs.

● **Step 8**

This step decides acceptable criteria of control measure for each CCP. Many of the controls at critical points are measurable in terms of time, temperature or dimensions (e.g. absence of foreign objects). Such controls should be expressed as parameters for each critical control point. For each CCP a value should be set which guarantees to eliminate or reduce the hazard to safe level.

No	Process steps (See flow chart)	Hazards (Biological, Physical and Chemical)	Control measures (How do you remove/reduce the hazard?)	Critical control point (y/n) (Is this check crucial to the safety of the end product?)	Critical limits (What are the acceptable levels?)	Monitorin procedures (what Checks do you carry out and how are they Recorded?)
1	Raw Milk Tanks	B C	Sampling according to a program established for a certain collection area.	Y	Temperature: < 10°C	
2	Filtration	P	Inspection and cleaning.	Y	Absence of foreign objects	
3	Pasteurisation at 72°C for 15 Sec	B	Control cleaning process. Check pasteurisation diagram. Apply phosphate test. The control laboratory applies a sampling program of the cooperative farms based on risk assessment.	Y	Temperature: 71 ~74°C Time: 15 ~17 sec	
4	Cooling at 37°C	B	Frequent use of swap test.	N	Not applicable.	
5	Addition of starter culture	B	Ensure continuous activity (avoid contamination from bacteriophages).	Y	Compliance with the manual	
6	Addition of rennet and NaCl		Avoid cross contamination.	N	Not applicable	
7	Curd Cutting			N	Not applicable	
8	Transferring to moulds		Apply GMP and GHP.	N	Not applicable	
9	Dry Salting	P	Visual inspection.	N	Not applicable	
10	Maturation at 16°C/15days, RH=85%	B	Retain RH at max 85%, higher values of RH may favour the growth of moulds which produce mycotoxins and continuous temperature control.	Y	RH: 83~87% Temperature: 15~18°C	
11	Storage <4°C	B	Organoleptic control. Microbial control.	Y	Temperature: <4°C	

Exercise7:

Write down the Critical limits for your CCPs.

● **Step 9**

We write what to check and where to record for each CCP. Monitoring is a way of checking that the critical control points are being controlled. These checks should be carried out in a planned and organized way as part of the food production procedures.

No	Process steps (See flow chart)	Hazards (Biological, Physical and Chemical)	Control measures (How do you remove/reduce the hazard?)	Critical control point (y/n) (Is this check crucial to the safety of the end product?)	Critical limits (What are the acceptable levels?)	Monitorin procedures (what Checks do you carry out and how are they Recorded?)
1	Raw Milk Tanks	B C	Sampling according to a program established for a certain collection area.	Y	Temperature: < 10°C	C: Check temperature of tanks on a daily basis R: Tank temperature record book
2	Filtration	B	Inspection and cleaning.	Y	Absence of foreign objects	C: Visual inspection of filter before and after filtration R: Daily production record book
3	Pasteurisation at 72°C for 15 Sec	B	Control cleaning process. Check pasteurisation diagram. Apply phosphate test. The control laboratory applies a sampling program of the cooperative farms based on risk assessment.	Y	Temperature: 71-74°C Time: 15-17 sec	C: Check temperature and time on a production basis R: Daily production record book
4	Cooling at 37°C	B	Frequent use of swap test.	N	Not applicable	
5	Addition of starter culture	B	Ensure continuous activity (avoid contamination from bacteriophages).	Y	Compliance with the manual	C: Check if following manual on a production basis R: Daily production record book
6	Addition of rennet and NaCl		Avoid cross contamination.	N	Not applicable	
7	Curd Cutting			N	Not applicable	
8	Transferring to moulds		Apply GMP and GHP.	N	Not applicable	
9	Dry Salting	P	Visual inspection.	N	Not applicable	
10	Maturation at 16°C/15days; RH=85%	B	Retain RH at max 85%, higher values of RH may favour the growth of moulds which produce mycotoxins and continuous temperature control.	Y	RH: 83-87% Temperature: 15-18°C	C: RH and temperature on a production basis R: Daily production record book
11	Storage 4°C	B	Organoleptic control. Microbial control.	Y	Temperature: 4°C	C: Check temperature on a daily basis R: Storage Temperature record book

B: Biological
P: Physical
C: Chemical

C: Checks
R: Record

Based on monitoring procedures in the format, each recording document is developed.
Here is a sample of tank temperature record book.

Tank temperature record book				
	Responsible person 1		Responsible person 2	
Date	Tank 1	Tank 2	Tank 3	Tank 4
1-Apr	°C	°C	°C	°C
2-Apr	°C	°C	°C	°C
3-Apr	°C	°C	°C	°C
4-Apr	°C	°C	°C	°C
5-Apr	°C	°C	°C	°C
6-Apr	°C	°C	°C	°C
7-Apr	°C	°C	°C	°C
8-Apr	°C	°C	°C	°C
9-Apr	°C	°C	°C	°C
10-Apr	°C	°C	°C	°C
11-Apr	°C	°C	°C	°C
12-Apr	°C	°C	°C	°C
13-Apr	°C	°C	°C	°C
14-Apr	°C	°C	°C	°C
15-Apr	°C	°C	°C	°C

Exercise8:

Write down what monitoring you intend to carry out and how you are going to record. Make one record book considering monitoring procedure you made.

4. Requirements and Application for HACCP

This section introduces typical requirements for HACCP application and typical application procedure. As requirements and application process vary over countries and certification bodies, food producers should contact a certificate body for detailed information. Typical requirements and application procedure are shown below.

Compliance to Ordinal Regulation	Company should be compliance with the ordinal regulation of the country.
General Principle of Food Hygiene	Pre-requisite programs (General Principle of Food Hygiene) shall be in place and documented.
HACCP Manual	The HACCP Manual shall be available with the minimum contents; Company & Food Safety Policy, HACCP Team & Responsibilities, Scope of HACCP Plan & Food Safety Objective, Product Description & Intended Consumer, Process Flow Chart, Hazard Analysis Worksheet, HACCP Summary Plan, Overall Verification Activities & Schedule, Summary of Pre-requisite Programs, Supportive Documents to HACCP Manual
Authorization	The Manual shall be duly signed and dated by the company management with executive responsibility.
Compliance to other regulation	The HACCP system shall be developed based on relevant regulation and any other requirements imposed by the importing country/countries.
In advance Implementation	The HACCP system should have been implemented for a minimum of three (3) months prior to application.

Figure 7. Typical requirement for HACCP application

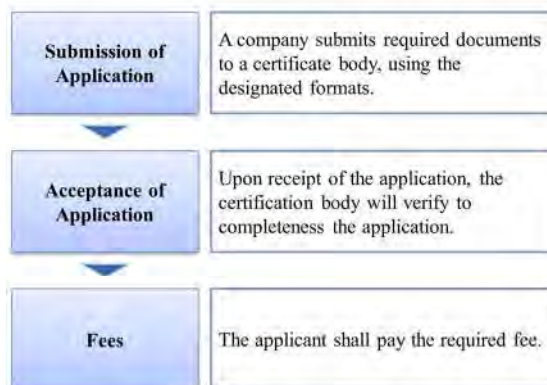


Figure 8. Typical Application of HACCP

付属資料 5 : 一村一品手法活用企業成功事例集 (英語版)



Executive Director
Mr. Arshak Grigoryan

Participation in international expos is an incredible opportunity to establish successful business connections. In fact, Foodex Japan and FHA Singapore have proven to be a great platform for our local SME's to develop important networks and to establish a foundation of cooperation on an international stage. A wide range of unique Armenian producers attracted strong interests from Asian buyers, and this phenomenon motivates us and SME's to take part in similar international expos in the future.



Head of International Cooperation Division
Ms. Lilit Apujanyan

I see the experience of participation in expos not only as a vital skill in international marketing for success of small businesses, but more importantly, as a vehicle to inspire them to have a clear vision in three simple things towards success: know your product's selling point better, know your customers better, and become more aware of international market requirements. I hope that the success stories introduced in this booklet will inspire other small businesses to strive for their future success in the international markets.



Head of Product Promotion and Internationalization

Ms. Mary Karapetyan

As this was our first foray into Asian markets, we were unsure what outcome to expect from participation in Foodex Japan and FHA Singapore. I am delighted to say that we have been blown away with the responses before, during and after these expos. There was a constant stream of interest in our booth, and we were following up with many visitors after the exhibition every evening. Participating SMEs made some great contacts and increased awareness of our local brands across Asian markets. Excitement continued after the expos with continuous quality work implemented by all parties engaged in this process and willingness of SME's to improve their production points to reflect Asian markets' requirements. Without experiencing firsthand challenges as an exhibitor, it would be difficult to understand reactions from the target market to anticipate further actions; therefore, I strongly encourage each SME to take a chance and participate in exhibitions in order to make a great cooperation with international buyers.

Rozfrud LLC Lori Region

Mr. Zohrab Keshisyan



Products



Feijoa Drink

Feijoa drink is extremely nutritious. Feijoa is believed to help prevent thyroid diseases, improve memory, and support the nervous system. It is a unique and rare product in Asian markets.



Quince and Pomegranate Drink

Quince and Pomegranate drink has a pleasant fruity honey-like taste and tonic effect and also helps to strengthen the immune system. In Japan, pomegranate has been in trend for anti-aging effect, too.

Challenges Before Training

The company's main problems in the framework of quality assurance were in the areas of production regulations and selling points. The company also had not formulated the product characteristics and product usage scenes for strong marketing communication.

Issues & Improvements

Marketing

The company developed products specifically for Asian markets: smaller bottles, less sweetness, usage of honey instead of sugar.

Before

After



Design was obsolete



Modern design with communication of product uniqueness

Food Hygiene

Before



The production area and dirty area were not separated



After



A new facility has been built to clearly separate clean, semi-clean, and dirty areas

Experience of International Expo

Lessons Learned

Rozfrud LLC representative learned from the expo training importance of pre-event market research to find potential business partners and pre-schedule appointments with them.

After Expo

- The company received some enquiries from Japanese distributors and importers and sent samples for market potential assessment.
- They are now in negotiation with a Japanese company with fruit jam product arrangements.

Producer's Voice**Personal/Company Development**

After the expo, I initiated construction activities of a new factory, based on the food security standards which comply with the requirements of ISO 22000:2005 –HACCP system. I realized the importance of hygiene management to get to a negotiation table with international level of standards. HACCP is becoming an international requirement.

Also, this expo experience in Japan gave me new product ideas. I am now preparing to participate in SIAL Paris (another food expo) in October.

**Advice For Future Training Participants**

Conduct preliminary market research of the target country to learn about the main target consumers of your product. This will help you understand interest and requirements of potential buyers; therefore, you can search potential buyers before the event to make contacts.

Arkadya Khachikyan PE/Satenie

“SATENIE”Arkadya Khachikyan Armavir Region

Mr. Arkadya Khachikyan



Products



Dried Peach, pitted

A rich treasure of Vitamin C and A, iron and other minerals, boosts immune system, promotes healing and helps prevent heart disease, does not contain sugar. The perfect moisture level and tenderness give full flavor of Armenian peach and its sweetness.



Dried Pear

A delicious source of dietary fiber and Vitamins C, E and B, does not contain sugar. Promote healthy skin and eyes, also serves as powerful antioxidants in the body. The perfect moisture level and tenderness give full flavor of Armenian pear.

Challenges Before Training

The company did not have clear unique selling proposition or main communication materials. Labels were neither informative nor comprehensive, hence not appealing to the target market.

Issues & Improvements

Marketing

Before



The tag was in Russian only and did not contain necessary information

After



The tag and the box label were developed in English with required information. The unique selling points are also printed.

Food Hygiene

Before



The facility was cluttered

After



The facility has been cleaned to meet the basic hygiene standard

Experience of the International Expo

Lessons Learned

The SATINIE representative learned from the expo training to define FOB (Free On Board) price, MOQ (minimum order quantity) and other required information in advance to facilitate negotiation and logistical arrangements and secure profits.

After Expo

- The company is in process of producing the requested amount of dried fruit apricot to ship to Japan, which is their first order ever to sell in Asia.
- As the pear season started, they are receiving further inquiries about their dried pear exports from Japan. (Dried pear and peach captured attention in Japan, as they are rare and perceived as premium fruit.)

Producer's Voice

Personal/Company Development

Through the expo, I gained practical experience on searching and communicating with potential buyers. I also identified professional tools in the training guidebook to make necessary improvements with my business. For example, I already used potential buyers search tool to improve my business meetings conduction level and new market research tool to improve performance of my production in different markets.



Advice For Future Training Participants

Before taking part in any food related exhibitions, it is most advisable that participants study the food safety requirements of the target country and comply with their standards. It is a rare and expensive opportunity to participate in an international expo, so you want to make sure that the product you are introducing is acceptable in the market; otherwise, you lose before you compete against other producers in the market.

Old Bridge LLC Vayots Dzor Region

Ms. Ashkhen Sardaryan



Products



Dry red reserved wine "Old Bridge" 2013 & 2015

Premium red dry reserved wine made of Areni Noir, the signature red grape of Armenia with 6000 year history.

Challenges Before Training

The company did not have a clear unique selling proposition, and the leaflet did not communicate wine information and uniqueness well enough.

Issues & Improvements

Marketing

Before



The design was not attractive, and the leaflet contained only limited information



After



Modern design in their brand color, including required wine descriptions and interesting stories which communicates unique selling point.

Food Hygiene

Before



No hygiene management check lists in facility



After



Hygiene management check lists added

Experience of the International Expo

Lessons Learned

The Old Bridge LLC representative learned from the expo training about all the promotional tools such as MPP (*my product presentation sheet*), potential buyer search mechanism, Thank-You e-mail, etc. She still utilizes these tools for effective communication in her further sales activities.

After Expo

- As a result of effective communication and tasting, the company has been promoted in several Japanese blog sites, and a Japanese wine journalist decided to visit Areni Wine Festival. Articles about the company's production also have been published in several

Japanese newspapers.

- Following Foodex, the company participated also in ProWein in Germany, where they successfully closed new contracts with a buyer in Switzerland and two distributors in the U.S.
- They also raised the price by 20%, through proper brand positioning and better marketing communication learned in our expo training.
- A Japanese distributor is now testing their sample for market assessment.

Producer's Voice

Personal/Company Development

As described above in Lessons Learned, I gained new tools to improve on product marketing performance. Although we were hesitant to explore export opportunities at the beginning, I now highly appreciate the training course and am glad that I participated. I would like to stress that we could close the new sales contracts for Europe and U.S., thanks to the new knowledge and experience gained from JICA expo training. It really was a great practical training.



Advice For Future Training Participants

Cooperate closely and seriously with the SMEDNC staff and expo organizers during the preparation process and meet the deadlines for each activity, as all of them are necessary steps for your successful participation. Preparations are very important. Starting from the pre-expo training, I tried to complete all homework well and in time and asked questions to trainers when necessary. The trainers and consultants guided me well, and these activities are serving me well for better communication with potential customers even after the training.

Ecovek LLC Lori Region

Ms. Samvel Grigoryan



Product



Pine Cones Syrup

This sweet syrup is a good source of calcium and is rich in vitamin C and A, which will help to strengthen the immune system and may prevent illnesses. Sweet remedy for everybody in a family.

Challenges Before Training

The company didn't have a clear unique selling proposition or any main communication materials. In addition, the label on the bottle was not informative, comprehensive or appealing to the target market.

Issues & Improvements

Marketing

Before



The design was old-fashioned, the description was only in Russian, and

After



The new design carries a modern logo on a unique

the size was very big for a trial usage for consumers who are not familiar with the product.

shape of a smaller bottle. The description is written in English.

Food Hygiene

Before



The production area was not separated from clean and semi-clean areas



After



The production area is clearly separated into a clean and semi-clean areas

Experience of the International Expo

Lessons Learned

Ecovec LLC representative learned from the expo training to negotiate in a right and professional manner. His English drastically improved during the course of preparation with much effort.

After Expo

- Company's product was sold in one of healthy products specialty store in Singapore.

Producer's Voice

Personal/Company Development

The improvement of production packaging and labeling, including the change of bottles have been conducted in the framework of Expo preparation activities. As a result, our product became more attractive not only in the international but also in the local market! I didn't know what to expect, but I was amazed at a big crowd approaching my product at FHA in Singapore. I'm glad that I practiced English seriously before the expo. This experience gave me more confidence and motivation, and I have more interest in export opportunities now.



Advice For Future Training Participants

Work harder on elaborating the USP (Unique Selling Points) of your product, taking into consideration the features and uniqueness required in the target country. Choose to introduce what is unique in the target market. My product appeared very unique and attracted attention, because there was no pine cones syrup in Singapore.

Ar Phyto Pharm LLC Tavush Region

Ms. Armine Asiryan



Products



Thyme tea

Thyme is one of the most fragrant plant in the mountainous and foothill regions and has been used since ancient times for medicinal and culinary purposes



Dill seeds tea

This herb is well-known not only in the kitchen but also due to its healing properties for improving digestion.

Challenges Before Training

The company had no unique selling proposition as hear tea or no communication materials. The design was outdated and labels were not informative, comprehensive or appealing to the target market. It was an old traditional packaging from the late 90's.

Issues & Improvements

Marketing

Before

After



The design was old-fashioned and only in Armenian and Russian. The box communicated a more traditional medicinal image.



The design has been updated to portray more fun image of tea consumption, appealing to younger female segment. ArTea also employed re-sealable bag.

Food Hygiene

Before



The entry pathway for raw materials was not clean



After



The pathway is now cleaned regularly

Experience of the International Expo

Lessons Learned

Ar Phyto Pharm LLC representative learned from the expo training importance of establishing valuable contacts at the venue and be flexible in terms of business meeting discussions. There are different requirements by different buyers with packaging, bulk size, preference in certain types of tea, etc.

After Expo

- Company's representative sent product samples to a retailer in Singapore and is currently in negotiation for the first bulk batch.

- Samples have been sent to a distributor in Japan for their market assessment.
- Hand washing and hygiene guidelines were installed on the facility walls.
- Company started utilize checklists in a daily working time.

Producer's Voice

Personal/Company Development

Thanks to the project, I was motivated to improve my English language skills as well as the product packaging. English really helped, as I could directly speak with potential buyers in Singapore. I also understand how attractive packaging and tasting introduction are important to international audience.



Advice For Future Training Participants

During the entire preparation process, the person taking part in exhibition should be confident about his/her actions. Moreover, he/she should concentrate on elaborating attractive unique selling points that can distinguish his/her products from others already existing in the market. In mature markets, there are always competitors, so it is important to know what your product's uniqueness and strength. The pre-expo training really helps you to crystalize your strength in business, so work hard on all homework.

付属資料 6：一村一品を紹介された企業および開業支援研修参加者一覧

(1) 一村一品手法を紹介された企業一覧

N	Name of business	Business type	
		1. Food&Beverages (factory, restaurant), 2. B&B, 3. Other tourism company, 4. Other company	Region
1	PE Anna Baghdasaryan	2	Vayots Dzor
2	PE Irina Ohanyan	1	Vayots Dzor
3	PE Ani Gasparyan	2	Syunik
4	PE Armine Alexanyan	1	Vayots Dzor
5	RESPECT ECO LLC	1	Syunik
6	VP LLC	1	Kotayk
7	PE Anush Maralikyanyan	4 souvenirs from wood	Tavush
8	PE Hrayr G. Avetisyan	1	Gegharkunik
9	PE Plavchyan Poghos	1	Kotayk
10	LORE LLC	3	Lori
11	PE Stepan Aleksanyan	4 shoes	Yerevan
12	PE Hovik Papikyan	1	Kotayk
13	PE Astghik Kurghinyan	4 cloth atelier	Shirak
14	PE Gor Amiryan	1	Shirak
15	PE Vahe Terteryan	4 car service/repair	Shirak
16	MINATECH LLC	4 bio fuel production	Lori
17	MAST LLC	4 computer games	Tavush
18	PE Varsenik Harutyunyan	4 childrengarten	Ararat
19	PE Levon Hambardzumyan	1	Armavir
20	NAVASARDYAN LLC	4 production of concrete blocks	Lori
21	PE Seyran Asulyan	4 production of woodware	Lori
22	PE Vigen Mnatsakanyan	4 treatment with bee sound	Lori
23	CHILI FOOD LLC	1	Tavush
24	PE Michael Mirimanyan	1	Gegharkunik
25	PE Shiramag Sakanyan	2	Tavush
26	PE Susanna Grigoryan	2	Tavush
27	PE Aram Gasparyan	4 souvenirs	Syunik

N	Name of business	Business type 1. Food&Beverages (factory, restaurant), 2. B&B, 3. Other tourism company, 4. Other company	Region
28	PE Velerik Manucharyan	1	Syunik
29	PE David Ghazaryan	4 anticafe	Lori
30	PE Gregory Meliksetyan	3	Tavush
31	PE Robert Sargsyan	4 fitness gym	Shirak
32	GRIGTON LLC	1	Armavir
33	TECHNO LLC	4 waste recylcing	Aragatsotn
34	PE Hunan Avakian	1	Aragatsotn
35	PE Haykuhi Ghevondyan	1	Aragatsotn
36	PE Anush Sarkisian	1	Aragatsotn
37	PE Georgi Amiraghyan	1	Tavush
38	PE Siren Simon Hambarzumyan	3	Kotayk
39	GEVORG-ARSHAK LLC	1	Shirak
40	PE Samvel Sandroyan	1	Aragatsotn
41	PE Anahit Asatryan	1	Vayots Dzor
42	PE Ellada Arustamyan	2	Syunik
43	PE Abraham Ghazarian	4 greenhouse	Ararat
44	PE Sergey Abrahamyan	1	Syunik
45	PE Artak Khachatryan	1	Gegharkunik
46	PE Ashot Nazaryan	2	Tavush
47	PE Artak Petrosyan	4 souvenirs from wood	Armavir
48	PE David Sekhleyan	1	Shirak
49	PE Rafik Gasparyan	1	Shirak
50	PE Hovik Ghukasyan	2	Gegharkunik
51	PE Aramays Baghinyan	2	Tavush
52	PE Astghik Ghukasyan	2	Gegharkunik
53	PE Hranush Yesayan	2	Gegharkunik
54	PE Ara Hakobyan	4 feed production	Ararat

N	Name of business	Business type 1. Food&Beverages (factory, restaurant), 2. B&B, 3. Other tourism company, 4. Other company	Region
55	PE Azat Hovhannisyan	1	Aragatsotn
56	PE Levon Hovhannisyan	1	Gegharkunik
57	PE Anahit Manukyan	1	Armavir
58	FRUT CORT LLC	1	Armavir
59	PE Hasmik Margaryan	2	Gegharkunik
60	PE Sahak Davtyan	1	Gegharkunik
61	TAQ TONIR LLC	1	Gegharkunik
62	PE Taron Yeritsyan	1	Armavir
63	PE Levik Shakhmuradyan	1	Armavir
64	PE Artak Sargsyan	1	Armavir
65	PE Vasil Aslanyan	1	Vayots Dzor
66	PE VRAM Hayrapetyan	2	Syunik
67	PE Garik Harutyunyan	3	Syunik
68	PE David Hambarzumyan	4 Armenian toys and souvenirs	Syunik
69	PE Garik Aleksanyan	4 flowers greenhouse	Armavir
70	LER LLC	1	Shirak
71	AROGHJ MSAMTERK LLC	1	Syunik
72	Rozfrud LLC	1	Lori
73	Agrar Armavir LLC	1	Armavir
74	ArPhyto Pharm LLC	1	Tavush
75	Vayk group	1	Vayots Dzor
76	Ecovec LLC	1	Lori
77	PE Arkadya Khachikyan	1	Armavir
78	Harutyun Zakaryan PE	1	Lori
79	Areni wine factory LLC	1	Vayots Dzor
80	Old Bridge LLC	1	Vayots Dzor
81	Vilfood LLC	1	Kotayk

N	Name of business	Business type	
		1. Food&Beverages (factory, restaurant), 2. B&B, 3. Other tourism company, 4. Other company	Region
82	PE Arman Hakhverdyan	1	Vayots Dzor
83	PE Nver Ghazaryan	1	Vayots Dzor
84	PE Narine Mkrtchyan	4	Vayots Dzor
85	PE Sevak Avetisyan	1	Vayots Dzor
86	Yeghegni Dried Fruits LLC	1	Vayots Dzor
87	PE Lilit Khalatyan	2	Vayots Dzor
88	PE Nelly Aslanyan	4 shop and bakery	Kotayk
89	MESTEQS LLC	4 textile	Kotayk
90	PE Narine Serpoyan	4	Kotayk
91	PE Arman Hovhannisyan	4 toys production	Kotayk
92	PE Kristine Ghazaryan	4 textile	Kotayk
93	LUCKY TRIS LLC	4 textile	Kotayk
94	PE Gayane Martirosyan	1	Armavir
95	PE Hapet Poghosyan	1	Armavir
96	PE Iskuhi Harutyunyan	1	Armavir
97	JRASHEN-1 ACC Agriculture,	1	Armavir
98	PE Gagik Atoyan	1	Armavir
99	Tsiatsan Ani LLC	1	Armavir
100	PE Shirak Ayvazyan	1	Armavir
101	PE Arayik Mirzoyan	1	Armavir
102	PE Lusine Khamisyan	1	Armavir
103	PE Lusine Stepanyan	4 pharmacy	Ararat
104	PE Naira Avetisyan	1	Ararat
105	PE Sisak Harutyunyan	1	Ararat
106	PE Vahe Davtyan	3	Lori

(2) 開業支援研修参加者一覧

N	Participants name	Business Plan	Region
1	Sargis Marikyan	Rest Zone, Tourism	Lori
2	Vahe Davtyan	Active recreation, tourism	Lori
3	Armine Yeritsyan	Guesthouse	Lori
4	Armine Aydinyan	Guesthouse	Lori
5	Roland Tmoyan	Tour Center	Lori
6	Armen Hakobyan	Tours	Lori
7	Yelena Gharajyan	Guesthouse, agribusiness	Lori
8	Silvard Vardumyan	Guesthouse	Lori
9	Anahit Qeryan	Guesthouse	Lori
10	Grisha Manukyan	Guesthouse	Lori
11	Aghvan Serobyan	Guesthouse	Lori
12	Sirun Shahverdyan	Café for kids	Lori
13	Andranik Balayan	Guesthouse	Lori
14	Nune Torosyan	Guesthouse	Lori
15	Artashes Avetisyan	Guesthouse	Lori
16	Arthur Sargsyan	Guesthouse	Lori
17	Christine Yeritsyan	Guesthouse	Lori
18	Arthur Patvakanyan	Tea production	Syunik
19	Arsen Mkrtychyan	Guesthouse	Syunik
20	Satik Harutyunyan	Handmade, souvenir	Syunik
21	Arayik Stepanyan	Guesthouse	Syunik
22	Tina Hovhannisyan	Sewing unit	Syunik
23	Varsine Poghosyan	Dry fruit production	Syunik
24	Nane Sargsyan	Production of fruit candy	Syunik
25	Vanik Hovhannisyan	Souvenirs	Syunik
26	Ashot Qalashyan	Dry fruit production	Syunik
27	Lusine Poghosyan	Tea production	Syunik
28	Ruzanna Sargsyan	Dry fruit production	Syunik
29	Edgar Martirosyan	Dry fruit production	Syunik
30	Argishti Mkrtyumyan	Dry fruit production	Syunik
31	Harut Hovhannisyan	Dry fruit production	Syunik
32	Zoya Stepanyan	Dry fruit production	Syunik
33	Meri Khachatryan	Dry fruit production	Syunik
34	Hasmik Barseghyan	B&B	Vayot-Dzor
35	Narine Babayan	B&B	Vayot-Dzor
36	Haik Stepanyan	Wine testing	Vayot-Dzor
37	Tigran Margaryan	Café	Vayot-Dzor
38	Armine Khachatryan	B&B	Vayot-Dzor

N	Participants name	Business Plan	Region
39	Nelly Harutyunyan	B&B	Vayot-Dzor
40	Heghine Asatryan	Catering	Vayot-Dzor
41	Artur Markosyan	Adventure tourism	Vayot-Dzor
42	David Manukyan	Sauna	Vayot-Dzor
43	Gevorg Simonyan	Wine testing	Vayot-Dzor
44	Anna Ghazaryan	B&B	Vayot-Dzor
45	Susanna Abrahamyan	B&B	Vayot-Dzor
46	Luisa Voskanyan	Wine testing	Vayot-Dzor
47	Varduhi Ghukasyan	Tours	Vayot-Dzor
48	Gayane Khachatryan	B&B	Vayot-Dzor
49	Knarik Ghazaryan	B&B	Vayot-Dzor
50	Hermine Harutyunyan	B&B	Tavush
51	Lusine Harutyunyan	B&B	Tavush
52	Narine Asatryan	Guided tours, souvenirs, herbal teas	Tavush
53	Susanna Yeghiazaryan	B&B	Tavush
54	Shushanik Sahakyan	B&B	Tavush
55	Tatevik Hovhannisyan	B&B	Tavush
56	Anush Maralchyan	Wooden products, souvenirs	Tavush
57	Vahe Mailyan	Wooden products, souvenirs	Tavush
58	Anna Nalbandyan	B&B	Tavush
59	Margarita Markosyan	B&B	Tavush
60	Vahagn Tananyan	Adventure tourism	Tavush
61	Gevorg Margaryan	ArtGuesthouse Dilijan	Tavush
62	Karen Aghajanyan	Glamping site and B&B	Tavush
63	Arshak Khemchyan	B&B	Tavush
64	Hovik Abroyan	B&B	Tavush
65	Greta Tamrazyan	B&B	Tavush
66	Armen Alikhanyan	B&B	Tavush
67	Hamlet Durgaryan	ArtGuesthouse Tsaghkadzor	Tavush
68	David Saghatelyan	B&B	Tavush
69	Zaven Danielyan	B&B	Tavush
70	Pargev Stepanyan	Meat processing	Ararat
71	Hayk Ayvazyan	Meat processing	Lori
72	Avetik Harutyunyan	Meat processing	Gegharkunik
73	Vahe Kharatyan	Meat processing	Tavush
74	Samvel Karapetyan	Meat processing	Armavir
75	Suren Safyan	Meat processing	Syunik
76	Samvel Sargsyan	Meat processing	Armavir
77	Georgi Tadevosyan	Meat processing	Armavir

N	Participants name	Business Plan	Region
78	Edgar Sehleyan	Meat processing	Shirak
79	Aghasi Geghamyan	Meat processing	Shirak
80	Ashot Ghularyan	Meat processing	Syunik
81	Armen Gevorgyan	Meat processing	Agarak
82	IE Gayane Martirosyan	Dairy production	Armavir
83	Hapet Poghosyan	Dairy production	Armavir
84	IE Iskuhi Harutyunyan	Dry fruit production	Armavir
85	JRASHEN-1" ACC Agriculture	Dry fruit production	Armavir
86	Tadevos Martirosyan	Dry fruit production	Armavir
87	Gagik Atoyan	Dry fruits production	Armavir
88	“Ani” LLC, director Gagik Sirekanyan	Dry fruits production	Armavir
89	IE Shirak Ayvazyan	Dry fruits production	Armavir
90	IE Hamlet Arshakyan	Dry fruits production	Armavir
91	IE Arayik Mirzoyan	Dry fruits production	Armavir
92	IE Lusine Khamisyan	Dry fruits production	Armavir
93	Anush Khachatryan	Dry fruits production	Ararat
94	Artur Muradyan Farming	Agriculture	Ararat
95	Mikayel Malkhasyan	Dry fruit production	Ararat
96	Khachik Baresghyan	Greenhouse	Ararat
97	Rustam Bakoyan	Dry fruit production	Ararat
98	Lusine Stepanyan	Dry fruits production	Ararat
99	Benik Davtyan Farming-	Dry fruits production	Ararat
100	Naira Avetisyan Farming	Dry fruits production	Ararat
101	Ruzan Margaryan Farming	Dry fruits production	Ararat
102	Ani Gabrielyan Logistic	Logistics	Ararat
103	Sisak Harutyunyan	Dry fruits production	Ararat
104	Lusine Stepanyan	Hand made weaving production	Vayots Dzor
105	Khoren Hovhannisyan	B&B and rest area	Vayots Dzor
106	Vahik Harutyunyan	Construction block production	Vayots Dzor
107	Naira Tovmasyan	Hairdressing services	Vayots Dzor
108	Yenok Safaryan	B&B	Vayots Dzor
109	Lilit Melikyan	B&B	Vayots Dzor
110	Emin Karapetyan	Ekotourism	Vayots Dzor
111	Levon Hovsepyan	Rabbit breeding	Vayots Dzor
112	Artur Hayrapetyan	Sewing production	Vayots Dzor
113	Gohar Karapetyan	Hairdressing services	Vayots Dzor
114	Lilya Avetyan	Bread production	Vayots Dzor
115	Vahram Nazaryan	Shinshila breeding	Vayots Dzor

N	Participants name	Business Plan	Region
116	Araksya Matevosyan	B&B	Vayots Dzor
117	Vardine Hovhannisyan	Wooden décor production	Vayots Dzor
118	Edvard Hovsepyan	Bee-keeping, honey testing hall	Vayots Dzor
119	Mkrtchyan Andranik:	Woodworking	Shirak
120	Naira Hambarcumyan	training	Shirak
121	Ani Kocharyan:	Media School	Shirak
122	Gasparyan Suren	concrete production	Shirak
123	Arman Avetisyan	intermediary organization	Shirak
124	Gevorg Adanalyan:	3d Barelef	Shirak
125	Avetisyan Edgar	pasta production	Shirak
126	Hasmik Simonyan	fast food	Shirak
127	Yervand Zakaryan	guest house	Shirak
128	Shushanik Sargsyan	fast food	Shirak
129	Levon Galoyan	Bio toy	Shirak
130	Andranik Ghrdzhian	Semi-finished products	Shirak
131	Ashot Hovhannisyan:	guest house	Shirak
132	Asatryan Hambardzum:	knitwear production	Shirak
133	Samvel Hovhannisyan	Spell production	Aragatsotn
134	Hranush Makaryan	Pastry production	Aragatsotn
135	Karen Geghamyan	Production of natural juices	Aragatsotn
136	Arkadi Movsisyan	Production of semi-finished meat products	Aragatsotn
137	Shushan Mirzoyan	Establishment of the Training Center	Aragatsotn
138	Zarzand Shahinyan	Establishment of the B&B	Aragatsotn
139	Hovhannes Hovhannisyan	Manufacture of agricultural trailers	Aragatsotn
140	Hamlet Hakobyan	Linen production	Aragatsotn
141	Levon Martirosyan	production of briquettes	Aragatsotn
142	Hayk Hovhannisyan	Manufacture of multifunctional tools	Aragatsotn
143	Gurgen Qalashyan	Establishment of the B&B	Aragatsotn
144	Davit Petrosyan	Establishment of the B&B	Aragatsotn
145	Arpine Petrosyan	Establishment of beauty salon	Kotayk
146	Hakob Avagyan	Establishment of moshroom production	Kotayk
147	Meline Melkumyan	Establishment of non formal educational center	Kotayk
148	Artyom Vardanyan	Establishment of pumice block production	Kotayk
149	Davit Manukyan	Expension of antique furniture	Kotayk
150	Araksya Balbalyan	Expension of Puppet theater	Kotayk
151	Sargis Avetyan	Web and Mobile programming company establishment	Kotayk
152	Armen Hakobyan	Lavash production establishment	Kotayk
153	Tigran Khachatryan	B&B establishment	Kotayk
154	Samvel Sargsyan	B&B establishment	Kotayk

N	Participants name	Business Plan	Region
155	Davit Hakobyan	Resort establishment	Kotayk
156	Razmik Nersisyan	Expension of green house	Kotayk
157	Sahak Baghdasaryan	Expension of cake production	Kotayk
158	Astgik Avetisyan	B&B establishment	Kotayk
159	Sevak Saroyan	Expention of tombstones production	Kotayk
160	Tigran Manukyan	Web and Mobile programming company establishment	Kotayk