

FRAmelco Thailand

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In today's presentation....

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01 A BRIEF INTRODUCTION

02 OUR/YOUR SITUATION

03 "PROJECT THAILAND"

04 BUILDING A FACTORY

05 LESSONS LEARNED



Our world

A brief introduction...

- ◆ FRA is a family-owned company specialized in the development, manufacturing and marketing of animal feed and drinking water additives worldwide.
- ◆ We provide animal feed producers with additive solutions that allow both agriculture and aquaculture to increase productivity and profitability in a sustainable manner.
- ◆ We are active in more than 40 countries worldwide.



Our situation

Or yours...

- ◆ Already for years, Asia is our fastest growing market. Here our brands/Products are mainly sold through a network of distributors.
- ◆ In order to grow even faster, the following challenges had to be tackled:
 - ◆ Distributor visits and trainings were not frequent enough
 - ◆ Delivering the goods took forever (30 – 45 days by ship)
 - ◆ Credit terms that were (too) long (sometimes >60 days)
 - ◆ Shipping costs, high import duties and the use of distributors were driving up the local market price



“Project Thailand”

Building a regional HQ

In May 2019 the board gave permission for “Project Thailand”.

- ◆ Setting up a facility to manufacture and distribute our products to our customers / distributors in the Asian market
- ◆ Setting up a local team to increase sales and support in the Asian market

MAIN MOTIVATIONS:

- ◆ Proximity to the market
- ◆ Reduce shipping times to 1 – 8 days
- ◆ Improve credit assurance
- ◆ SAVE MONEY ON SHIPPING & IMPORT DUTIES
- ◆ Increase margins by directly selling to the end customer

WHY THAILAND?

- ◆ Kitchen of the world, our most important market in Asia
- ◆ Great infrastructure, interesting incentives, lovely culture



Building a factory

A selection of the tasks involved...

- ◆ Company establishment
- ◆ VAT Registration
- ◆ Opening Bank accounts
- ◆ Location/site orientation
- ◆ Site selection
- ◆ Design production lines
- ◆ Find machinery suppliers
- ◆ Creating construction tender
- ◆ Invite contractors
- ◆ Obtaining factory license
- ◆ Obtaining import license
- ◆ Obtaining production license
- ◆ Obtaining environmental certificate
- ◆ Recruit and train staff
- ◆ Etc. etc. etc.









Current status

And lessons learned

- ◆ Project completed. Factory = operational and first invoices have been sent out exactly one year after my arrival (May 2020)

LESSONS LEARNED

- ◆ Set up a local project team right from the start.
- ◆ Plan a generous timeline for such a project
- ◆ Start early with obtaining the necessary licenses and permits.
- ◆ Keep focused and work hard



Thank you for Your attention

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