



Partnering for Customer Value snapshot: Sun Lychee & Exotico

Sun Lychee is a registered not-for-profit company owned by a group of growers who engage a marketer to manage and market their crop under the Sun Lychee brand on their behalf for a set, per-kilo marketing fee.

Exotico is a brand owned by a private trading company (JE Tipper) who consolidates a number of tropical fruit varieties to market them all under the common 'Exotico' brand.



Snapshot

Industry

Horticulture

Location

Brisbane, Queensland, Australia

Timeframe

- Established: ~1994 (Sun Lychee), recently (Exotico)

Transformation

Fragmented, small individual producers producing unbranded product over a 6 week season → branded and promoted product with expanded season and supply

Key investments

- Investment in developing clear quality standards and business structure (Sun Lychee)
- Investment in improving producers' skills and capabilities (Exotico)

Key markets

Australia, Asia

Tools/Models

A value chain partnership between growers and marketer in order to develop a brand, extend the period of reliable supply and reach critical scale for export, all with the aim of maximising the price received in both domestic and export markets.

"We take great pride in the fact that the Sun Lychee model is owned by the growers, but it relies strongly on the successful relationship we have had with our marketing partner for many years."

Sun Lychee Grower

Concepts



Value chain partnerships



Whole product offering



Collaborative advantage of partnering



Hard to replicate advantage

Critical Success Factors

1. Focus on developing long term, strategic partnerships within the value chain, rather than dealing with the traditional transactional and adversarial supply chain.

“When the growers are 100% committed to a supply chain relationship we can trade much more strategically on their behalf. Otherwise, growers are just competing with each other and driving the price down.”

Marketing Partner

2. Appreciation of need to identify value chain partners that bring required skills and capabilities to the collaboration; such as marketers for exporting tropical fruit on behalf of small horticultural businesses.

“I can’t be sitting on the phone all day trying to sell the crop. I need to be out there getting it packed during the season. I rely on the expertise of our marketing partner. It is a professional skill set that I simply don’t have.”

Passionfruit Grower

3. Focus on creating a value chain partnership that delivers value to each participant, with strong mutual dependency in the relationship.

“A beneficial mutual dependence has evolved between the growers and their marketers based on each party understanding their role in the supply chain and their different strengths.”

David McKinna, Author

4. Understanding of the importance of detailed research, planning and formal structure in forming a successful value chain partnership; such as clear quality standards.
5. Focus on delivering a ‘whole product’ to their customers; high quality product, reliable, counter seasonal supply, provenance story including fair trade, clean, green and safe, strong trading relationships, tourism activities.

“While individual growers are only in the market for a few weeks, the marketer is able to offer buyers consistent supply for the full four months. This is a critical advantage in that the marketing partner offers ongoing supply and a single point of contact with buyers for the whole season. This daily contact with buyers over four months, builds strong trading relationships.”

David McKinna, Author

6. Ability to identify, develop and leverage hard to replicate advantages in their whole product offering; such as exclusive counter seasonal supply during Chinese Lunar New Year.

Why you should read the full case study

- Description of the elements of value that Sun Lychee and Exotico brands’ whole product delivers to their customers
- In-depth discussion of the mutual value partners receive from these value chain partnerships

Sun Lychee & Exotico full case study

➔ agric.wa.gov.au/p4cv

Author of the case study

David McKinna and Catherine Wall
McKinna *et al*, Victoria, Australia



Disclaimer: The information contained in this document comprises general information only and is not intended as financial or investment advice. The information is provided in good faith but the Department of Primary Industries and Regional Development makes no representation or warranty as to its completeness or accuracy. You should not act or fail to act on the basis of any information in the document. Persons accessing this document should obtain independent professional advice before making any financial or investment decision based on information contained in it. The Department of Primary Industries and Regional Development accepts no liability whatsoever, including in negligence, for loss or damage caused by use of or reliance on this document and the information contained within it.



Phone: +61 1300 374 731
Email: enquiries@dpird.wa.gov.au

dpird.wa.gov.au