



CONFEX LTD

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Tom Gittins
Foodservice Business Development Director of Confex

The unique UK wholesale buying group

Tom Gittins, Foodservice Business Development Director, explains why Confex is the unique UK wholesale buying group

Confex is a unique UK wholesale buying group that negotiates in a wider range of product categories than any other buying group and offers over 40 years of trading experience in both retail and foodservice.

Tom Gittins, Foodservice Business Development Director of Confex, spoke to Wholesale Manager.

Wholesale Manager - First of all, Tom, what does your role as Foodservice Business Development Director involve?

Along with David Lunt, we deal with over 200 official Confex suppliers. I look after foodservice, alcohol, tobacco, non-food and grocery while David focuses on soft drinks, snacks and confectionery. We negotiate group terms, pricing and promotions with our suppliers along with implementing joint business plans for both the head office and for our member businesses. During 2017 David and I held over 400 suppliers' meetings and, with the help of our Sales Development Manager Kish Ramasamy, we also attended 300 member site visits. It is as important to get out in the field as negotiating back at head office.

WM - Where is Confex based? Do you cover the whole UK?

Confex is based in Moreton in Marsh in Gloucestershire. Head office is only an hour's drive from Birmingham and Bristol and 90 minutes from London. Our membership covers the whole of the British Isles, with VWT on Guernsey and Grill Burger in Stornoway on the Isle of Lewis! We also currently have 14 members in Northern Ireland.

WM - Can you talk us through how Confex works?

Confex is made up of regional delivered wholesalers who stock a wide range of products and deliver within a 30-mile radius of their warehouses. We have about 20 cash & carries within our membership, but the focus is on small bespoke deliveries to local businesses with excellent service. Confex head office is about helping our member businesses in the background, in turn allowing them to focus on servicing their customers. As part of Confex our member is able to leverage their buying power to be as competitive as national wholesalers such as Booker and Bidvest. To achieve these aims Confex head office negotiates terms, rebates, pricing

cash & carry and export. This diversity provides its own unique challenges but we believe this conversely leads to greater opportunities. Our members are independent and local, meaning they are willing to service their customers to the best of their abilities. Service is the Confex members' USP, which leads to Confex as a Group over-indexing on NPD and ranging to the delight of our suppliers. With the support of our Central Distribution facility, our members are able to trail new products or buy 'service lines' at supplier direct pricing without any prohibitive minimum drops.

WM - How 'independent' are your independent wholesaler members? Are they free to buy stock from elsewhere?

By all means. If Confex are not able to offer pricing and promotions at the same level as our competitors, then we are simply not doing our job! We gain constant feedback from our members of pricing out in the marketplace and we pass this on to our suppliers so they can react and ensure sales are not lost. We are different to other buying Groups in that we actually sell to members via our Central Distribution facility, so we have a pretty reliable gauge on how the top brands are being traded at any given time. With the help of our suppliers we can react to market fluctuations and help our members remain competitive, should our competitors wish to 'muddy the waters' with any given brand.

WM - Are you looking to take on more members, and if so, in which sectors?

We are always open to new members. Confex has fewer barriers to entry than other buying groups as we do not operate any joining or membership fees. We do not have a minimum requirement in terms of turnover, only asking that a wholesaler is dealing or willing to deal directly with six of our official suppliers. Implementing these rules has shown to aid Group turnover growth while encouraging loyalty, as Group growth leads on to preferential trading terms for our members.

WM - What are the benefits to wholesalers of being part of Confex?

Simply better Buying Power. As we see massive consolidation within the UK wholesale sector, the smaller operators will find it harder to remain competitive against the inevitable economies of scale of which their competitors will be able to take advantage. By standing together, Confex can offer the regional wholesaler the tools to remain competitive, while allowing them to devote their focus on customer service.



▲ The Confex team.

WM - Where is your central distribution centre? When was it set up and how does it work?

The Confex Distribution Centre was established in November 2006. This facility is strategically situated in the Midlands and allows members to purchase individual cases of products at supplier direct pricing, with a £1,500 minimum spend. Our specialist Logistics Department skilfully handles onward transmission of orders, picking and mixing products to members' requirements. Confex Central Distribution is purely a member service providing members with the ability to order in smaller quantities that would not reach supplier MOQ. This helps their cash flow, stock planning and drives growth within their business.

WM - Now the big question! What makes you unique among buying groups?

We are the only buying group not to have any joining or membership fees. We have an industry-leading central distribution facility and a focus on continual development of our member services. Confex has doubled in turnover over the last decade and continues to grow ahead of the market and we have a young and driven management which helps to futureproof the business.

WM - Do you have a programme of roadshows and trade events?

We offer a full range of Confex events with no cost to our members. In 2018 we kick off with a Scottish Business event in February, followed by our Charity Golf Day and Annual Trade Show at the end of April. We will be holding our Member Incentive in Italy in September while we end the year with our London Business

session in November. Our simple aim is to provide events which bring suppliers and members together to develop the business both on a regional and national level.

WM - With the internet and phone apps for ordering stock, do local cash & carries and delivered wholesalers have a future?

It is true that online and apps will be the future of how the consumer purchases goods and services. However the opportunity for the local wholesaler is to embrace this technology and implement it into their business. Confex head office has provided help and advice for members on their marketing and online strategies and will continue to give this focus, having this year relaunched the Confex website; Central Distribution online ordering and the online resource area for both our members and suppliers.

WM - We've just seen Palmer & Harvey going into administration, having left their debt to suppliers get out of control. What effect will P&H's collapse have on the wholesale sector? What do you see as the lessons to be learnt from this?

It has been a busy time for Confex since P&H went into administration and our thoughts go out to those 2,500 employees who have lost their jobs overnight. Our members have already picked up a great deal of business with end user customers frantically trying to source products previously supplied by P&H. I believe that any wholesaler who drives growth through winning large national contracts needs to take warning from the demise of P&H as it would appear that most of the contracts were ultimately unserviceable and/or unprofitable. At Confex we believe that growth comes via innovation, diversification and service and we will continue to help provide our members with these tools going forward.

WM - Where do you see Confex going from here?

Confex is growing rapidly ahead of the market. Our Group turnover has increased from 1.7bn to 2.65bn in the last three years and we are well on the way to hit 3bn by 2020. Our growth is driven by new members (21 during 2017) and our members continuing to diversify into new product categories in response to their customer demands.

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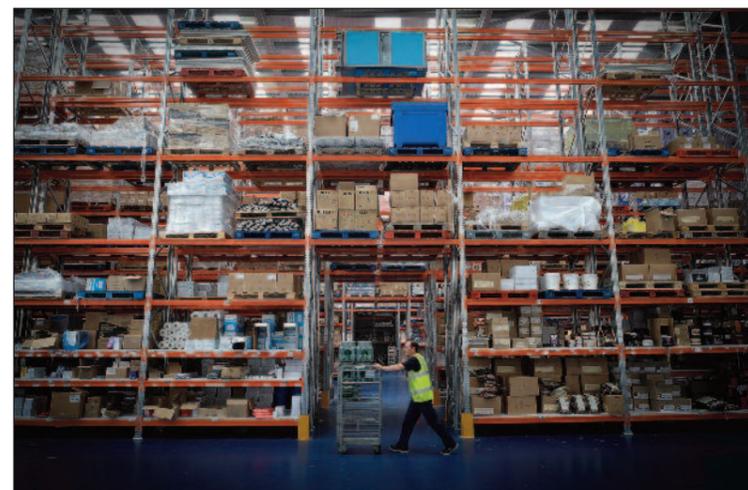
WM - Who else is in the senior management team with you?

Confex is a privately owned family business, just like our member businesses. Nicky White is our MD, while James Loffet is our Logistics Director. James and Nicky are son and daughter of our founder Julien Loffet, who founded the business in 1972. Confex started with just six members specialising in confectionery and has developed across other trading categories as our members have diversified. Confex now has a 65% - 35% split in favour of foodservice, with soft drinks our largest category.

and promotions based on our collective Group turnover. In short a Confex member gets all the support and clout of a much bigger operation, at no cost to their business. For showing loyalty to a Confex supplier they will then usually receive a loyalty bonus at the end of a given trading year. It's a no brainer!

WM - What kinds of companies are your members?

We have the most diverse membership of any wholesale Buying Group. Along with traditional delivered wholesalers we have members who trade across retail, vending, van sales, licensed,



▲ The Confex Head Office.