

## Our Work on Portfolio Strategy for Food and Beverage Executives

### The Problems

- Packaged food/beverage is a mature sector with low overall growth and long term volumetric decline per capita in many categories
- Premium and emerging foods are driving above average market growth
- Marketing organizations tend to under-invest in emerging pockets of growth or can not locate them
- Mid to late stage M&A is expensive and uses up valuable cash in the short term that could produce more returns through long term strategic portfolio investments

### Goal of our Work

Re-balance corporate portfolios, through a customized mix of renovation, base innovation and M&A activity, in order to help clients achieve sustainable, organic growth

### Approach

We deploy proprietary, trended growth analytics based on the power of differentiated pricing and product design to move the topline ahead of market and category averages:

1. Surface key pockets of growth in your current operating categories and distribution adjacencies (i.e. categories you may not manufacture today)
2. Assess the long term scale potential of key growth pockets
3. Assess ability of existing brands to extend or shift into key pockets of growth in their operating categories/adjacencies
4. Assess premium M&A opportunities and their necessity to tap into growth pockets
5. Assemble a new portfolio strategy to optimize long term organic growth w/minimal marketing/promotional expenses

### The Hartman Growth Matrix

	Traditional Foods	Emerging Foods
<b>Premium</b>		
Priced High (100%+ over cat. avg.)	Often Growing	Often Growing
Priced Mid (50-100% over cat. avg.)	Variable	Often Growing
Priced Low (<50% over cat. avg.)	Declining	Often Growing
<b>Non Premium</b>		
Priced High (50-100% over cat. avg.)	Declining	Rare Market
Priced Mid (<50% over cat. avg. AND > ctrl label avg.)	Variable	Often Growing
Priced Low (< or = ctrl label avg.)	Declining	Rare Market

### For more information, please contact:

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