

## **Roma Food Products**

‘Believe everything is possible, do your homework, work to your capacity and think globally’, says Frank Buontempo, Director of Roma Food Products.

Starting from a small retail outlet in the Melbourne suburb of Box Hill in 1986, with little other than an enthusiasm for health foods, personal drive, foresight and ambition, Frank and his brother Max have positioned Roma Food Products as one of Australia’s fastest growing companies. It currently employs more than forty people. From an initial product base of health foods and fresh produce, the brothers worked hard, often until two or three in the morning, developing products and production equipment to secure a competitive market position and eventually displace a major imported line. This market edge has been the primary source of success in export markets including North America, New Zealand, United Kingdom, Scandinavia, Kuwait, Singapore, Japan, Hong Kong, South Africa, Taiwan and the United Arab Emirates.

Roma Food Products vision is to ‘to encourage and enable a healthier lifestyle’. Within that scope, the company manufactures a range of healthy, natural food and beverage products for the general consumer and those with special dietary needs. As the largest specialist Australian producer of wheat free and gluten free foods, Roma Food Products must achieve the highest standards in quality. The production facility has demonstrated that it meets this demand by becoming one of only a few that have earned a full registration to produce Level A organic and Kosher certified food products. In addition, the company’s ability to guarantee no cross contamination brings with it a high respect from overseas markets. This, and careful market positioning, has boosted the ‘Orgran’ brand name which has become synonymous with the health conscious community.

Whilst maintaining their ideals for a devoted healthy food company Frank and Max were under no delusions about what was needed to win in competitive market environments. They believed ‘pasta was pasta’ and that producing a healthy food alternative did not automatically qualify a high price tag for their product. From the beginning, their products were designed to compete with common consumer product lines. Unlike their health and special dietary market orientated competitors, Roma Food Products’ production and pricing aimed at offering everyday consumers a reasonably competitive and healthy alternative. This principal point of difference in the perception of the product broadened the company’s horizons, allowing them to create sufficient capacity in the market to reduce costs by increasing volume.

Roma Food Products’ unique view of the consumer was coupled with an understanding of the world as one market place. Several years of incremental and staged domestic growth were coordinated with regular relocation to expand production facilities and meet growing demand. This was followed by their first opportunity to enter an overseas market with an offer from a close associate to market their products in New York, United States of America. With this incentive they explored the potential of the US market. From their investigations it became apparent that their colleague did not have the capacity they needed to fully realise the demands of the export business. Their dreams of expansion encouraged them to seek other means and methods of opening access into the huge North American market. In the early 1990s Roma Food Products reached agreement with their first recognised international distributor. This was a company well placed to provide a channel for growth which would take them beyond the limitations of the New York geographic

restraints of the earlier offer. It secured a rapid expansion path for the young business and today export sales amount to 55 percent of Roma Food Product's total revenues.

From this first foray into foreign markets it became abundantly clear that the anchor to success would be the quality of relationships at various levels. Firstly, in identifying market potential and channel prospects it was important to gain access to information. This was achieved through industry associations such as the Vegetarian Association, the Coeliacs Association, Austrade and various related trade publications. Frank found that meeting people in their market place and demonstrating a commitment to the success of exporting their products was the best way to identify the right distribution channel partners. However, finding the right distributor was only the beginning. It became a regular feature of the business to constantly communicate by facsimile, telephone and increasingly email, while frequently visiting each of the markets served. Communication has been extended to receiving and entertaining distributors in Australia. By sharing stories and strategies, mutual trust and respect for each party is increased and better understanding developed.

Relationships with distribution partners have been critical but are not the only keys to Roma Food Products' success. Ultimately consumers have driven demand for the product. Operating from distant shores through a third party raised the question of how best to maintain consumer relationships. Fortunately, the advent of the Internet has made it increasingly easier to connect to and hear the consumer's voice with more reliability and timeliness. Over time the Roma Food Products' web site has become the key communication channel with consumers. It has added an extra dimension to transcend space and time, allowing Frank and Max to directly gauge the impact and reception of their products in the company's markets.

Developing off-shore markets has not always been simple. The Buontempo brothers found that although many markets operated similarly, they were not identical. Relationships with residents familiar with the people, process and operating industry structure have guided Frank and Max in understanding the subtle differences in each market place, winning them greater success than would have been achieved alone.

One of the greatest hurdles has been bureaucracy and the 'red tape' associated with gaining market access. Frank quotes Italy as an example, saying 'It is just a different scenario altogether, because the products are normally sold to pharmacies. If they are labelled gluten free you need a special registration, there is a lot of money involved, but we are working around that'. Roma Food Products now sells its products in Italy, demonstrating the brothers' ability to work through the problems that are presented to them.

The future for Roma Food Products is by no means static. Careful consideration of the company's production capacity, determination and foresight has given it the inbuilt capacity to grow. The current production site has ample scope for expansion and further relationships are being developed, maintaining a focus on collaboration in product development and overseas manufacturing.

Frank uses a practical demonstration to illustrate Roma Food Products' aspirations. At the end of a meeting he places a familiar product with a somewhat less familiar label on the table. The product appears to be a regular can of spaghetti in tomato sauce. However this spaghetti is of course not a regular product. It boasts the additional nutritional benefit of being wheat and gluten free and has been developed jointly with

a well-known manufacturer of canned foods. The label is, of course, 'Orgran'. Perhaps it is less known now, but with careful management Frank and Max expect that in the near future the brand will become another respected household name.

Why not explore their web site at [www.orgran.com](http://www.orgran.com).

### **Questions**

1. How would you describe the target market for Roma Food Products?
2. Consider Roma Food Products' vision statement and describe other products that Frank and Max may produce to encourage and enable healthier lifestyles.
3. Some product markets may not be easy for Frank and Max to enter. List the products that you think may be more difficult for them to develop. Explain why there might be difficulties.
4. If Frank and Max were to develop some of the products from Question 3, how would they start?
5. Frank and Max have also developed a Mission Statement for Roma Food Products, part of which says, 'Roma Food Products will achieve its vision by providing food and beverages for special dietary needs and a range of healthy, natural foods for the general consumer'. Using the information you're your answers to Question 2, which of the products you have described would help Roma Food Products meet both its vision and mission?