



Damafro/Fromagerie Clément Inc.

Damafro is one of the most reputable cheese makers in the Canadian cheese industry. Products include different forms of Brie, Camembert, goat milk cheeses, and other soft and semi-soft ripened cheeses. It is a family-run business. Originally from the region of Brie, France, Mr. Claude Bonnet, the Master Cheesemaker, is a true leader in this trade. Canadian-made cheeses today share equal billing with the great cheeses of Europe. The company sales are in the \$25-50 million range.

Claude knows that the time has come to expand into another market. Although one day he hopes to expand throughout Europe and Asia, he would like his first international business success to be in the United States. What he is unsure of is what route to take into the US market. His top choice at this point is exporting. Claude believes the key selling proposition is that Damafro cheese is as good as European cheese, but is more cost effective.

Over the past couple years he has been taking small steps into familiarizing himself with the US market and its needs. For example, in April 2003, Claude participated in the Atlanta Culinary Show in Atlanta, GA. Samples of their Brie, Camembert and goat milk cheeses were presented to buyers and chefs from major hotel chains such as the Hyatt and Hilton. He received some great praise. One of the top cheesemakers in the US offered him an invitation to purchase a US franchise of hers called "Cheese Please". Claude would sell his and her cheese there under the "Cheese Please" brand. Although tempting, Claude preferred to enter the US market under his own brand Damafro. He certainly did consider it though. "Cheese Please" was the only cheese specialty chain of stores in the US that has been extremely successful. He knew it was as close to a guarantee success as he could find. Claude was interested in big long term success in

the US and wasn't convinced buying a "Cheese Please" franchise would reach it. However, the invitation to purchase the store is still open to Claude.

In analyzing where to export his products he thought the US northeast coast would be the best alternative. He has several options on how to transport his cheeses including truck, plane or boat. He still needs to conduct some preliminary cost tests on each method. Another contact from the culinary show in Atlanta has offered to use his cheeses in his large New Jersey hotel chain. This would provide him a venue to start exporting his cheeses into the US. However, he is considering whether a better option might be to directly contact supermarkets in the northeast US to see if he can sell his cheeses in their stores.

Through his research Claude has learned several things about the culture in the US market he is targeting. Through his own discussions with Americans he has learned the importance of being able to speak and understand English. Being a French citizen, English is his second language. Living in Quebec he was able to grow and prosper his business speaking primarily French. He knows he will have to deal with this language problem directly or it may cause problems with his attempt to go into the US market.

He has also already noticed the increased competition he will face in the US relative to Canada. He is certainly concerned with his cheeses' ability to stand out as they do in the Canadian market.