Business Project – Spring 2016

Ach Brito, a portfolio company of Menlo Capital
Develop an entry strategy to selected countries in the European personal care market

A - Background

With a history of making soap and other perfumery products that dates back to 1887, Ach Brito has endured and succeeded the test of time by allying the best technology to the best that tradition has to offer. In 2008, Ach Brito acquired the second oldest soap brand in the country, Saboaria and Perfumaria Confiança, becoming a reference in the sector, with a transversal product offering. Ach Brito is today present in over 30 countries with its luxury brand, Claus Porto and dominant in Portugal through Ach Brito’s and Confiança’s brand.

The idea of the project is to develop a strategy for CLAUS PORTO to penetrate the German and French markets.

Although Claus Porto is already present in these markets, we believe there is opportunity for a brand such as Ach Brito, full of nostalgic and classical products, to approach the markets with a more direct approach. Today, the Claus Porto brand is perceived as a Historical Portuguese Unique Soap Giftware Brand. It will however be necessary to develop a multichannel entry strategy, given the brand’s low penetration outside of Portugal.

B - Project aims and objectives

⇒ Obtain market intelligence:
  • Market characterization:
    o Research market characteristics in terms of consumer usage and purchase habits.
    o Define potential demand and the personal care market size.
    o Identify and analyse local market competition.
    o Characterize the value chain: Factory => wholesale => retail => consumer
  • Regulation and best practices:
    o Identify regulation procedures that Ach Brito needs to comply for personal care products.
    o Identify product market trends, even if not regulatory (e.g. all-natural product push trend).

⇒ Identify market entry requisites:
  • Define possible offline entry strategies, pre-requisites and likelihood of success.
  • Select and map optimal entry strategy (based on cost-benefit analysis)
  • Define value chain requirements for the entry strategy selected. This will imply an introspective look into the company.
  • Define digital roadmap, both in entry strategy and marketing through digital platforms.
C - Methodology and recommended/required tools

This project will be carried out with close monitoring of the business CEO, the private equity manager and the academic advisor. There should be:

- Desktop research.
- Business interviews/questionnaires.
- Analysis of reports and data.
- Application of market entry frameworks

D – Deliverables

Intermediate reports, concluding with a final report and presentation to the business and academic advisor.

E - Required Skills

- Data Analysis.
- Interviewing
- Team should be composed by members fluent in German, French and Portuguese.

F – Other information

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<thead>
<tr>
<th></th>
<th>Duration</th>
<th>14 weeks (February through May)</th>
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</thead>
<tbody>
<tr>
<td>Participants</td>
<td>4 or 5</td>
<td></td>
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<tr>
<td>Kick-off Meeting</td>
<td>To be defined</td>
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<tr>
<td>Final Presentation</td>
<td>To be defined</td>
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<tr>
<td>Project Location</td>
<td>Lisbon (Estoril) and Oporto (Vila do Conde)</td>
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G – Advisors

Business Advisors  Francisco Neto, CEO of Ach Brito
Ricardo Cunha Vaz, Managing Partner at Menlo Capital

Academic Advisor  Alexandre Dias da Cunha, Assistant Professor (Adjunct) at Nova SBE