***PROTOTYPING EXPORT - AAA***

***“Innovative Common System of Internationalization of Traditional Agri-food SMEs of the Euroregion”***

**(Summary sheet)**

1. **OBJECTIVE**

*Prototyping Export - AAA* aims to develop a new ***Support System for the Internationalization of Traditional Agri-food SMEs of the Euroregion*** to help these SMEs and micro-enterprises to move away from their current situation towards a model of global competitiveness.

1. KEY ACTORS IN THE PROJECT
   * Beneficiaries of the project: ANDANATURA Foundation for Sustainable Socio-economic Development [https://andanatura.org/,](https://andanatura.org/) LANDALUZ, Business Association of Food of Andalusia <https://landaluz.es/>, NERE, Business Department of the Region of Evora <http://www.nere.pt/>, ADRAL, Regional Development Agency of the Alentejo [https://www.adral.pt/,](https://www.adral.pt/) NERA, Regional Business Association of the Algarve <https://www.nera.pt/>, TERTULIA <https://www.tertulia-algarvia.pt/>
   * Producers: producer companies from each of the 3 regions (Andalusia., Algarve and Alentejo). 105 companies in total. The catalogue will consist of products from all these companies.
   * Sales representatives: 1 sales representative for each of the geographical regions. Total number of representatives in geographical areas: 15.
   * Intermediary: 1 intermediary for the comprehensive coordination of all the actors in the project.
2. FUNCTIONS OF EACH ACTOR
   * Beneficiaries of the project: execution and development of the project. The beneficiaries in general and the main beneficiary in particular, the ANDANATURA foundation, will be the project’s single main interlocutor.
   * Producers: the companies that constitute the catalogue commit to provide the technical and commercial information necessary for the sales representatives to be able to carry out their work. This includes product prices, technical and logistics data sheets, etc. Likewise, the producers commit to providing samples without commercial value at the start of the pilot phase for the sales prospection work carried out in the field by the representatives.
   * Sales representatives: have the aim of effectively representing the project’s official catalogue, performing proactive commercial activities such as product presentations through visits and phone calls to customers, as well as sales generation in their area of geographical influence. More specifically, the functions and tasks of the representatives would be:
     + **Sales prospecting**: phone calls and visits to customers. Preparation and launching of offers, description of products and explanation of the internationalization system. The representative will serve as the only legitimate liaison between the intermediary and the customers.
     + **Commercial activities**: negotiation of prices and conditions (Incoterms, payment terms and methods, etc.), receipt of purchase orders and communication of them to the intermediary, signing of purchase agreements, tracking of deliveries at the destination, etc.
     + **Promotional activities**: negotiation of promotional activities to increase brand visibility and consumer knowledge of the product, as well as stock rotation at points of sale. The representative will have the support of the intermediary for the generation of ideas for promotional activities, as well as their implementation and development.
     + **Tracking:** tracking of generated accounts regarding sales and promotion.

* Intermediary: will be in charge of the commercial, logistic and promotional coordination derived from the direct activities of the sales representatives in each of the regions:
  + **Technical and commercial management:** offering the sales representatives in the field all the technical and commercial information about the products in the official catalogue. The intermediary will serve as the only legitimate liaison between the producers and the sales representatives in the field.
  + **Logistics management:** receiving purchase orders generated by the sales representatives and communicating them to the relevant suppliers. At the same time, they will be in charge of logistics coordination, as well as the consolidation/groupage of the products for their grouped shipping to the destinations.
  + **Purchasing/sales management:** acting as a procurement centre for the products included in the orders, for their subsequent sale to the end customer through a sole invoice. Therefore, customers will have, for practical purposes, only one supplier, independent of the companies involved in each of the purchase orders.

1. INTERNATIONALIZATION SYSTEM LOGISTICS MODEL

The logistics of the internationalization system to be implemented in the project involve all the actors mentioned in the previous point plus the logistics operator.

* Invoicing operations: the whole invoicing process is handled by the intermediary:
  + Invoicing the end customer\* in one sole invoice, irrespective of the number of suppliers. The intermediary buys the goods from the producers and sells them to the end customer through a sole invoice with two separate line items: goods and logistics/shipping to the destination.
  + The representative in turn invoices the intermediary for his sales commission.
  + The logistics operator also invoices the intermediary for its logistics and shipping service.
* Payment collection operations: the intermediary collects the payment from the end customer and releases payments to producers, logistics operator and sales representatives.
* Logistics operations: consolidation of the products listed in the purchase order in a location of Spain and/or Portugal (logistics operator’s warehouse) for its subsequent grouped shipping.
* Shipping costs**:** the logistics cost is covered firstly by the intermediary and then charged in the end customer’s invoice as a line item separate from the goods.

\*Products containing alcohol will be invoiced by the producer directly to the end customer, even if they form part of a logistic consolidation.

1. REPRESENTATIVES’ SALARIES

The salaries of the sales representatives are stipulated as follows:

* + **Fixed component**: the sales representative will receive a fixed allowance of 3,000 euros (including VAT if applicable) as fixed payment for his/her sales work for the established period once hiring of the representatives has commenced. This allowance will be paid in instalments adhering to the determining factors specified below.

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| --- | --- | --- | --- |
| **PAYMENT Nº** | **DATE** | **AMOUNT** | **DETERMINING FACTOR** |
| **First Payment** | Commencement of sales work | 2,000 euros | Presentation of execution reports (see Annexes 1, 4 and 5 |
| **Second Payment** | After sales generation amounting to 1,000 euros | 1,000 euros | Every time sales are generated amounting to 1,000 euros in the area of geographical influence. |

The execution reports consist of the completion of the attached standard sheets, according to the following guidelines:

* “Accounts tracking” standard sheet (Annex 4): representatives should complete the sheet about visits carried out in the field. Each representative should include a minimum of 15 prospects, including at least 4 customers from each of the following channels: HORECA and specialized (gourmet, bio, etc) channels.
* “Summary” standard sheet (Annex 5): representatives should submit this report about the potential of each of the product categories in his/her area of geographical influence at the end of the project.

Although the fixed component is paid at the start of the project, the representative may have to return this amount in its totality if he/she fails to submit the reports following the stipulated terms.

* + **Variable component**: just as is specified in the logistics system, each sales representative, using the prices given by the intermediary, should negotiate the final price of each product with their prospective customers. The difference between the price given by the intermediary and the price agreed by the sales representative with the end customer (sales price) constitutes the variable component of the salary. The sales representatives may add any margins that they consider appropriate to the prices thus offering their prospective customers the final price that the intermediary should invoice if an order is placed. The difference between the price established by the intermediary and/or beneficiary, and the final sale price constitutes the variable component of sales representative’s salary.