

# The dream makers

*supporting entrepreneurs through challenging times*

Outsourcing is continuing to help new and established soft drink companies innovate and grow with new brand launches, even in these unprecedented times, says Rodney Steel, chief executive of the BCMPPA.

2020 will be remembered for all the wrong reasons, but 20 years down the line, when the question is asked of parents and grandparents “What did you do during lockdown?”, it may well be that the owner of a leading beverage company stares out of the window of his or her global HQ (or possibly home office) and says wistfully, “Ah, that was when I first came up with the idea for Brand X.”

## Inspiration during lockdown

According to some BCMPPA (the Association for Contract Manufacturing, Packing, Fulfilment & Logistics) members, the furlough scheme in the UK provided the ideal opportunity for would-be entrepreneurs to create the next big thing in soft drinks.

“During early lockdown enquiry levels were not surprisingly very low, but then July was our busiest enquiry month for two years,” explains Rachel Collins, managing director of David Berryman. “It appears that some people used their extended absence from work to follow their dreams.”

Not that ideas and inspiration were limited to the very unique circumstances of this year. As far back as 2018 a market report from Technavio highlighted the increasing demand for craft soft drinks – which offer premium and natural ingredients and unique flavours, often in unconventional packaging – as one of the key trends in the sector.



Of course, dreams and reality are two very different things, and this is why the contract manufacturing and packing industry plays an important role in the development process of many new drink products.

“We have the expertise and experience to help guide customers through the early stages of a project,” says Mark Nicolson, head of internal sales at Blends. “This ranges from our own buying power to knowledge of ingredients, including how to put them in the right order – because that really does make a difference!”

“We are able to assess whether a recipe idea is commercially possible,” confirms Collins; and as Anthony May, head of commercial (contract packaging) at Framptons observes, this experience in the manufacture and delivery of soft drinks “can be a priceless commodity, particularly in the more specialised areas.”

Such knowledge and expertise are of benefit to businesses of all sizes, points out Jeff Parry, business development manager at Complete Co-Packing Services. “Outsourcing allows a company to focus on growing the brand rather than the goods,” he says.

“It insulates brand owners from the significant investment costs of creating and maintaining their own manufacturing capability,” agrees May, and this, says Collins, enables companies to “put a foot in the market”.

## End to end service

The ability of outsourcing companies to provide a complete ‘end to end’ service covering everything from product development and sourcing of packaging to filling and onward dispatch are also in high demand. Rachel Collins says that nearly all of David Berryman’s project briefs each month are for this type of ‘one-stop’ offering, while Jeff Parry reports a particular growth in demand for B2C (business to consumer) fulfilment requirements, no doubt driven in part by the Covid-19 situation and the increase in online sales.

The pandemic has also had some influence on NPD work as it began to ramp up again after



lockdown, with one notable result of this enforced layoff being how it has made many consumers much more aware of the benefits of a healthier diet and lifestyle. Nevertheless, for soft drinks manufacturers, the requirement for healthier drink options was something that had already been identified.

“We have seen demand for more natural ingredients and clean label products,” confirms Parry, while Anthony May reports “a dramatic increase in plant based dairy alternatives.”

The UK Sugar Tax was also introduced as a means of cutting obesity and encouraging the development of healthier drinks. While it initially presented a challenge in the reformulation of products already on the market, it has not had an adverse effect on new developments with BCMPA members confirming that it is now simply one of the factors to take into consideration.

The fact that people are spending more time at home has also led to an increase in popularity for drinks that can be considered something of an indulgence or treat to compensate for the reduction in socialising. Blends, for example, has seen a significant increase for people wanting to develop coffee based drinks in a can, while the company has also had great success with a range of flavouring syrups as people replace their store-bought coffee with an enhanced homemade drink.

The coronavirus crisis may have taken the headlines away from both Brexit and the sustainability debate, but these are still very much on companies’ agendas, and outsourcing organisations can provide the support and expertise to help customers deal with these challenges. Certainly, we have seen a significant increase in the use of our search facility and online enquiry form on the BCMPA website.

When it comes to sustainability, top of the list for most companies has been a reduction in plastic. For Framptons, initiatives have included moving away from plastic shrink, and the planned introduction next year of paper straws for its small format 200ml and 250ml Tetra Pak prisma line. The desire of many of its customers to switch from plastic bottles into cans has led Blends to invest in a 12-head canning line; David Berryman is likewise seeing a lot of interest in its canning facilities. Complete Co-Packing has reported an upturn in glass usage and is investigating the potential for reusable bottles for products such as concentrates.

Nevertheless, as Anthony May points out, for the effective development of any long term sustainable packaging, the “packaging needs to be easier and simpler to recycle fully and we therefore need the right facilities in place across all areas of the UK.”

### Uncertainty in the UK

Uncertainty remains the dominant theme of any Brexit discussions at the moment. A big concern is the possibility of tariffs and duties on key ingredients and the corresponding need to pass on any increase in costs. This is an area where all BCMPA members continue to work to mitigate risks for themselves and their customers ahead of a hoped-for deal and some final clarity.



Jeff Parry remains positive: “There is an obvious element of risk, dependent on duty charges. However, most of our customers are upbeat about trading with Europe going forward,” he states.

### Good reasons to remain upbeat

Indeed, optimism remains high among the membership with many companies having made or planning significant investment to continue to grow their operations and provide the highest levels of support for customers.

Since the turn of the year, Blends’ ongoing investment in both machinery and people has taken the company from a production capacity of 21m bottles on three co-packing lines to the ability to produce over 100m bottles per annum across five lines, and the company has also invested in a state-of-the-art labelling machine for a wide variety of label applications. Framptons, meanwhile, is meeting the demand for dairy alternatives with the installation of a second 1 litre Tetra Pak edge line last January and this will be followed at the start of next year by the arrival of a SIG combidome, the first of its kind in Europe. In 2021 the company will also implement a DAF (Dissolved Air Flotation) biomass capability as part of its ongoing commitment to sustainability.

Ask any BCMPA member about the benefits of outsourcing, and flexibility is likely to be one of the key points. Complete Co-Packing’s experiences during the pandemic are typical of many companies’ responses: “We first saw an increase in activity to meet customers’ needs for basic projects; now we are working on NPD projects again,” says Parry.

So, despite the upheavals of the year, there are good reasons to remain upbeat. “There is still a lot of creativity in the sector,” believes Collins, “and we can help turn this into reality.”

“We are committed to supporting new customers and helping existing ones to grow,” confirms Nicolson.

As May concludes, for the outsourcing sector, the “priority is to ensure innovation continues and we add value to brand owners.” ■

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