



warfair Advisory Board

Minutes from the meeting in the warfair Advisory Board on April 19th 2021 from 15:00-18:00.

Venue:

warfair, Svinemosevej 7, 3670 Veksø Sj.

Participants:

Peder Holk Nielsen (PHN): Member of the Advisory Board

Judith Kyst (JK): Member of the Advisory Board

Lisbeth Stausholm Zacho (LSZ): Member of the Advisory Board

Jacob Bøtter (JB): Member of the Advisory Board

Christian Friis Bach (CFB): CEO of warfair, acting as Secretary to the Advisory Board

Karin Friis Bach (KFB): Director, observer in the Advisory Board

1. Introduction and presentation

Jacob Bøtter had accepted the invitation to join the Advisory Board.

2. Composition of the Advisory Board.

The Advisory Board considered an expansion of the Advisory Board with member with further international experience and knowledge especially about conflict-affected countries.

The Advisory Board recommended, possibly in 2022, to establish a group of high-level international ambassadors to support the work.

3. Agreement with the Advisory Board

The Advisory Board agreement was approved and signed by each member.

4. Business strategy and model.

The Advisory Board received a Strategic Presentation, the final accounts for 2019-2020 for information, the most recent sales report from the webshop and the pricelist.

Based on this material the Advisory Board discussed the business strategy and the business models and gave the following recommendations:

On the overall strategic goals:

1. warfair should not aim at becoming a labelling scheme or an umbrella organisation but instead aim to be a for-profit trading company with solutions within the entire supply-chain as the Advisory Board found this was the best model to pursue the warfair goals.
2. The core strategic goal should not be based on income or jobs in Denmark but on the impact in conflict-affected countries, specifically the total payment generated from trade in conflict-affected countries. For 2021 this goal was DKK 2 million and for 2022 it was DKK 10 million.
3. It is important for warfair to increase its turnover and profit to consolidate the company, ensure a robust economic foundation and to allow for further investments in product quality and product development in the future.

On the product portfolio:



4. High product quality should remain a vital part of the selection process for new products.
5. The core of the product portfolio should be agricultural and food products, but other products could be considered on a case-by-case basis based on their quality and impact and the potential to be “signature-products”.
6. Ideally, there should be a thorough economic analysis of each new products idea and its potential to contribute to the strategic goals and profit of the company.

On pricing structure:

7. A revised price structure should be developed with a standard margin of 15% to B-2-B customers (with orders above a certain threshold).
8. The differentiated price structure should be based on the total value of the order rather than the number of units.
9. Further analysis should be undertaken to understand the value-addition through the supply chain for the different products and activities.

On marketing:

10. The Advisory Board supported to strengthen the marketing capacity but warned against using only commission-paid salespeople as it could be difficult to unite them around the strategic goals and vision of warfair.
11. It was proposed to strengthen the digital marketing also by more interactive involvement of followers in product selection and follow-up.

On transport solutions:

12. It should be explored whether it is possible to lower transport costs by using other freight forwarders and/or by using Billund Airport or Frankfurt as the port of entry instead of Copenhagen.

On geographic expansion:

13. It was, so far, recommended to focus on Denmark in 2021 and then expand to Sweden and possibly the Netherlands in 2022.

On the need for intermediate financing:

14. It was recommended to explore the option for a loan to either a short-term project (e.g. financing a container from Yemen) or preferably to a more long-term loan to ensure intermediate financing or a one-year marketing position.
15. One idea that gained support was to raise money as a loan via coop.crowdfunding.
16. Another recommendation was to apply for funding from Innovationsfonden, given the innovative nature of warfairs activities and the focus on digital solutions and marketing.

On other issues:

17. It was recommended to pursue fair trade certification (currently for the cashews from Burkina Faso) if it was not too expensive and to utilise the Flocert producer database to find new potential partners.

5. Any other issues

- a. The Advisory Board agreed that the Advisory Board agreement and minutes from the meetings should be transparently shared at the website.
- b. The Advisory Board was informed about potential new products and partners



- c. The Advisory Board was informed about the approval by Shopify Payments and Stripe following thorough due-diligence.
- d. The Advisory Board saw the warfair warehouse and were introduced to the procedures for handling of orders and products.

6. Future meetings

The following dates were agreed: 4/6 (13:00-15:00), 31/8 (13:00-15:00), 1/11 (12:00-18:00).

Meeting ended at 18:00.