

Cafedirect is the uk's leading fairtrade company – how business works

[Business](#), [Company](#)



**ASSIGN
BUSTER**

I have produced a Case Study on Cafedirect, which is a well-known coffee supplier in the U. K. It is an Ltd business, because the organisation is owned and operated by private individuals. In this assignment I will try to produce evidence that shows I understand how the business works, what it sets out to do, how it is organised and how it looks after its customers. P1 A description of what the business does, what its aims and objectives are In this section of my assignment I have to give a description of what the business does what its aims and objectives.

Cafedirect is the UK's leading fairtrade company - providing the best deal for coffee and tea growers in the developing world. In return, Cafedirect are able to supply their customers with some of the highest quality teas and coffees. Basically this means the coffee is purchased direct from the grower's co-operatives, not from the middlemen. The price paid is never lower than an agreed minimum, regardless of any fall in world market price reductions. When the world price goes above this minimum, Cafedirect pays an extra 10% social premium.

Pre-payments, regular price updates and a business development program all go to help the growers help themselves by negotiating better terms for all their coffee. By building strong partnerships with growers, guaranteeing a good price, with a shared aim of producing the best coffee, by doing this Cafedirect enables the growers to invest back into their businesses and communities. This way everyone benefits, Growers are more secure and better able to improve the quality of their crop, so we the consumer get a

better cup of coffee. Cafedirect has many major competitors such as Nescafe, Kenco, Maxell House and Carte Noire.

Cafedirect's mission statement is " To be the leading brand which strengthens the influence, income and security of producer partners in the south and links them directly to the consumer. " Its success is built on the inter-dependence of the company and the producers and their relationships with other organisations. Cafedirect employs people who share its belief in Fairtrade and its principles. This must also be matched with the right business background for each particular job. People who work at Cafedirect are able to work independently as well as part of a team.

Cafedirect works to ensure that all its employees make best possible use of opportunities for learning and personal development, whether specific job related skills or opportunities for wider personal development. Cafedirect's producers are at the centre of its operations and all employees have the opportunity to learn more about the issues facing them either here in the UK, when representatives from all 30 co-operatives attend the biennial producer's conference, or when staff has the opportunity to visit the co-operatives themselves. Cafedirect producers frequently visit the UK for training or promotional activity.

During these visits they often spend time with the team updating them on their work, their community, the challenges they face and hurdles overcome, as well as the future. This often proves to be very motivational as it reinforces Cafedirect's purpose to improve the lives of its producers.

Cafedirect is committed to treating all members of staff and applicants for employment in the same way; at cafedirect all the employees have rights regardless of gender, sexual orientation, race, ethnic origin, marital status, age, disability or religion.

Marketing The market activities of a business are designed to ensure that it identifies what the customer needs and providing it. Each employee at Cafedirect is highly focused on fulfilling the customers needs, the staff at Cafedirect are also keen to find out what else they can do to keep customers happy and what additional needs customers may have that they don't even know about.

Cafedirect invests more than a third (36%) of its gross profit into marketing and product development to ensure growth, to raise awareness of Fairtrade, and to communicate the brand and product range. The system of developing sales and new markets is not dissimilar to other companies. However, the unique feature in the Cafedirect process is to match consumer needs with those of its producers. This adds a degree of complexity to the process but is crucial to its mission. When a new product is developed, Cafedirect examines both consumer and producer requirements.

Cafedirect identifies new product lines, conducts feasibility studies with producers to establish the most effective production processes, and then brings it to market with a comprehensive sales and marketing programme. Cafedirect's full ranges of coffee and tea products are available from major supermarkets and most independent retailers. Its products are mainly

targeted at the older generation but a recent development on the marketing front is the new premium instant coffee brand '5065', launched in 2002 to attract younger customers.