

2x TREND WATCH

News, notes and nuggets
from the desktop of:

Summer 2009

Andrew S. Whitman, Managing Partner
205 W. Randolph St. | Suite 1830 | Chicago, IL 60606
Phone: 312.629.5248 | Fax: 312.873.4509
awhitman@2xPartners.com | www.2xPartners.com

*This week, we concluded a tour of more than a half dozen shows over a period of about two months.
Here are a few observations having the benefit of a view across shows and segments ...*

What A Difference A Year Makes. Last year, all of the late Spring and Summer trade shows were hopping. This year – “not so much” – at least for some shows held recently in Chicago and New York. While there were interesting goings-on at each of the shows, the breadth and depth of both exhibitors and attendees varied widely. *All Candy Expo* and *NYC Fancy Food Show* were pretty robust with strong attendance although the number of exhibitors was noticeably down. The *National Restaurant Show* was weak in terms of both exhibitors and attendees. The show that was decimated was *All Things Organic* – having lost the *FMI Show* and *Chicago Fancy Food Show* co-locating partners from prior years, definitely signaling they need to try a different strategy in future years. A small but strong show held this week was the *Kehe Show*. Like the *Hadden House*, *UNFI Tabletop* and other distributor shows, manufacturer and retailer attendances were strong ... and many people wrote lots of orders!



All of the above said, the energy and attitude for the most part were very strong and quite positive – with little “woe is me” and many companies preparing for the light at the end of the tunnel.

Below are some apparent themes and selective noteworthy observations from greater than one week of cumulative show walking visiting thousands of exhibitors alongside many tens of thousands of attendees. Several emerging trends. Many new products. A few overdone categories – I love olives and chocolates and granola more than the next person – but ...



It's ABC, 123 ... Still. While we're not paying tribute to the Michael Jackson song (although we did pass the *Apollo Theatre* where thousands of people were waiting to pay tribute to the *King of Pop* shortly after his passing), ABC here means it's still All 'Bout Convenience. Not that anyone should be surprised that, even in tougher economic times, we're still willing to pay for someone else to do all or some of the work for us. Or when they make it easy to eat with one hand and do something else with the other (hopefully not drive – since if you're under 20 you're probably busy texting). Some prime examples.

Señor Sangria – delicious and ready for us. Add garnish if you want – but you'll have to buy your own – I finished all mine. Well, yours too! senorsangria.com



Cone Inn Pizza – one of the bigger ideas we’ve seen in the while was to wrap pizza around itself



and make it a handheld, cone shaped delight. A friend in Portugal told me about this Barcelona (Spain) based innovator – and voilà they come to the US. Initially importing the product, they’ll manufacture here as soon as the volume warrants it. If the experience making it at home is as good as the idea, that could be coming soon. coneinn.com

serve with crackers and maybe a grape reduction on top! Same great taste; new nifty shape!

Président Brie log – what a great way to enjoy brie. Just slice and presidentcheese.com



Maison LeGrand pesto and sauces – having converting from a glass jar to a screw-top gusseted stand-up pouch, they’re now even easier to use. And, easier to love. maisonlegrand.com/en

might still love. This big kid did.

Naked Nuggets – someone forgot to tell the bird this was not a nudist colony. But, nonetheless, you should invite these tender, juicy, grilled chicken nuggets to visit. Gone are the heavy breading and greasy deep-frying. A healthier option the kids shedthebread.com



Just Plain Wow. After long days of walking trade shows, sometime you just need a



really good cup of coffee and a comfy seat. Often you settle for a luke warm, over-roasted coffee and a hard bench. Other times you need a nice cool down amidst a warm trade show hall. And, did I hit the jackpot. Imported from Korea was a cool delight in the sea of imported goods. Wow is more like it. With real fruit, the **Melona** “pops” are rich and creamy in texture – plenty of real banana puree in that flavor – and magical. Yes – they disappeared. Quite quickly. Yummmmm. Available in Hawaii – it’s worth the swim. Also coming to Sam’s Club in parts of the US soon. eng.bing.co.kr

Cleaning Up After Junior. All-natural cleaning products from **Mrs. Meyers Clean Day** successfully expanded its offering for little Rover and Fifi in prior years. Earlier this year, they launched a nice subline of products geared for baby messes, including surface wipes, baby detergent and freshening spray. Ahhh!



mrsmeyers.com

The following highlights a trend that's been developing slowly over many years but appears ready to emerge in a significant way ...

Orange Is the New Black.



Often food trends begin with the highest end chefs in San Francisco, New Orleans and the like followed by somewhat closely by mainstream restaurants and higher end specialty packaged food and beverage offerings. Eventually these flavors and trends may make it to mainstream brands from Kraft, Nestlé and ConAgra. In May 2005, we first noticed a broadening emergence of sweet potatoes used in more mainstream food service offerings (see NEWS section of www.2xPartners.com) and now we're beginning to see sweet potato offerings in retail packaged goods including *Food Should Taste Good*, *Alexia* and even *Dogswell* for our four legged children. Similarly, blood orange has been appearing as a flavoring in products like *Ciao Bella Gelato* (yummmmmmmmy!), *Efferve Blood Orange Energy* and many other products. We expect to see (and eat and eat and eat) many more following these leaders.



foodshouldtastegood.com, alexiafoods.com, dogswell.com, ciaobellagelato.com, eurobubbles.com

Finally, while nichey and somewhat humorous to many (including Jon Stewart of *The Daily Show*) but quite good tasting ... for the bacon lovers in the crowd, the makers of *BaconSalt* introduced *Baconnaisse*!

baconsalt.com



* * *

Hope these thoughts are helpful. If I can add perspective, please feel free to contact me at 312.629.5248 or awhitman@2xPartners.com. A comprehensive archive of notes from prior trade shows of all types can be found in the news section of www.2xPartners.com.

As you can see on the following page, we're partnering with and providing growth capital to emerging consumer products businesses (like *gDiapers*, the biodegradable diaper you can also compost or flush - www.gDiapers.com) ... have ideas?

Summer 2009

A handwritten signature in black ink that reads 'Andy'.

OVERVIEW

2x Consumer Products Growth Partners joins with founders and management of emerging consumer products businesses capable of growing exponentially via an infusion of capital and management expertise.

Focus:	Categories:	Due To Our Growth Perspective, Businesses Are Likely To Have Characteristics Of:
	<ul style="list-style-type: none"> ✓ Food ✓ Beverage ✓ Personal Care ✓ Home Care ✓ Pet Care ✓ Other Branded Consumer Products 	<ul style="list-style-type: none"> ✓ Natural ✓ Organic ✓ Ethnic ✓ Specialty ✓ Gourmet
Revenue:	Primarily within the \$1 million to \$15 million revenue range; Never pre-revenue businesses	
Ownership:	Minority ownership stake as part of a partnership most common; Majority interest or complete buyout not atypical	
Investment Criteria:	<ul style="list-style-type: none"> ✓ Founders/management team seeking a partner, not just an investor ✓ Powerful consumer-driven positioning with exceptional product fulfillment ✓ Strong sense of “proven-ness” based on in-market performance ✓ Exponential growth potential to at least \$30+ million in revenue within 3 to 5 years ✓ Categories that immediately leverage our expertise ✓ Attractive go-to-market approach leading to sound long-term financial proposition 	

FORMULA FOR SUCCESS



VALUE-ADDED RESOURCES

2x Consumer Products Growth Partners bring more than 250 years of directly relevant expertise to complement and support founders/management. We leverage our industry expertise, contacts and connections for the benefit of the companies. Our experience and operating approach is the main attraction for entrepreneurs.

“The unparalleled depth of experience in the industry is helping gDiapers achieve our goals ... business, social and environmental.”

– Jason Graham-Nye, CEO/dad and co-founder, gDiapers

CONTACT INFORMATION

205 W. Randolph Street | Suite 1830 | Chicago, IL 60606
Main Number: 312.357.1800 | Fax: 312.873.4509 | Web: www.2xPartners.com

Andrew S. Whitman
Managing Partner
312.629.5248

awhitman@2xPartners.com

Gary R. Sebek
Managing Partner
312.629.5249

gsebek@2xPartners.com