



CCIEU – SME Successful Story Sharing  
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Jean-Etienne ALAIN



# BRIEF

I - Canal Toys Facts

II- Why China? Why Dongguan?

II- Production Organization

IV- PRD: HUB to international markets

V- Entering China Domestic market



# I- Canal Toys Facts: Our Range







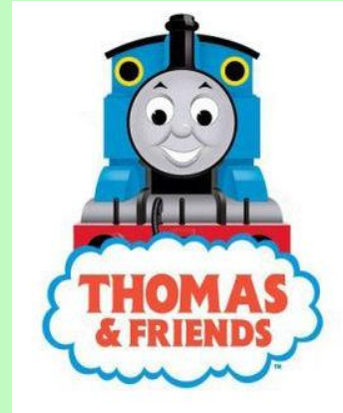
# I- Canal Toys Facts: Current Situation

- ❑ **CANAL TOYS France:** DISTRIBUTION PARTNERSHIP (LANSAY)
- ❑ **CANAL TOYS ASIA :** BUYING OFFICE AND INTERNATIONAL SALES
- ❑ **TURNOVER** USD 30 Millions
- ❑ **30+ COUNTRIES**
- ❑ 10 people in France; 35 in China
- ❑ **RANGE:** 250 ITEMS
- ❑ **LICENSE PORTFOLIO** (95% of sales)





# I- Canal Toys Facts: The licenses





## II- Why China? Why Dongguan?

**TOYS INDUSTRY = 80% MADE IN CHINA**

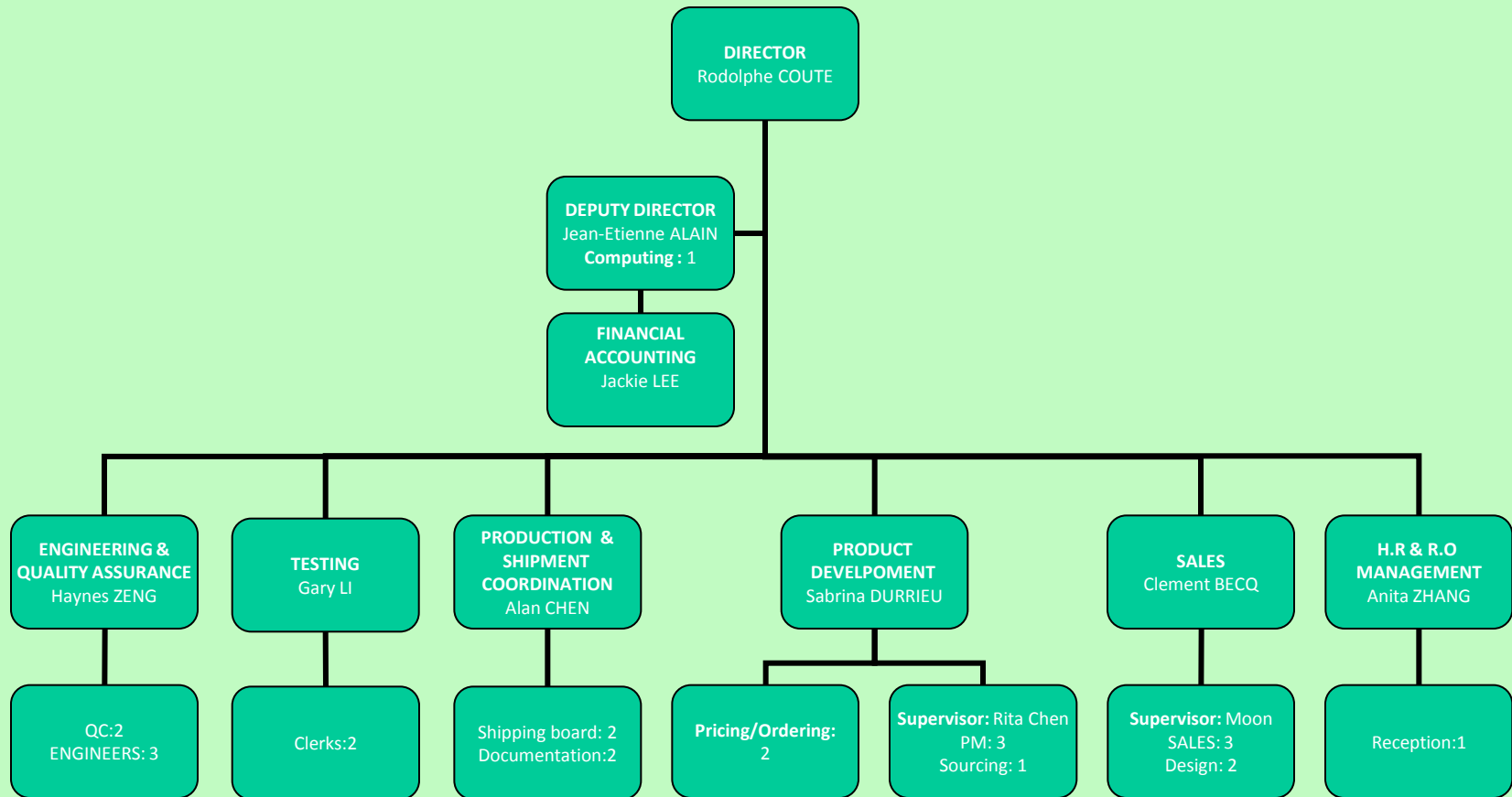
By-pass HK trading companies, Find Manufacturers in  
China

- Get the best prices
- Check Goods before Container Loading
- Involvement in Products development



11/21/2012

## II- Why China? Why Dongguan?







## II- Why China? Why Dongguan?





## II- Why China? Why Dongguan?

- 2 major Production areas
- Guangdong : Shipping from Yantian
- Zhejiang: Shipping from Ningbo
- 40 Partner factories
- 650 Containers Shipped in 2012





## III- Production Organization

**CHINA EXPORT FACTORIES** = high volumes, Government tax rebate

- Little flexibility
- High risk of copy

**CANAL TOYS NEEDS** = Lower volumes series, high customisation.

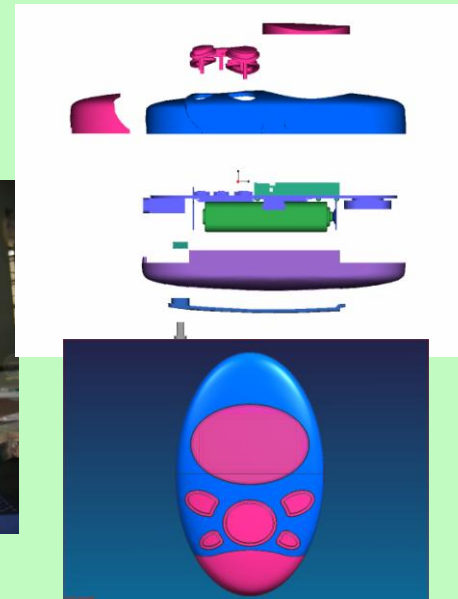
**→ How to optimize without own production unit?**



# III- Production Organization: Mould Development

## CANAL TOYS DEVELOPS AND OWN INJECTIONS MOULDS

- In-house engineering and development (3D, plasters)
- Maintenance and Modifications
- Mobility of production





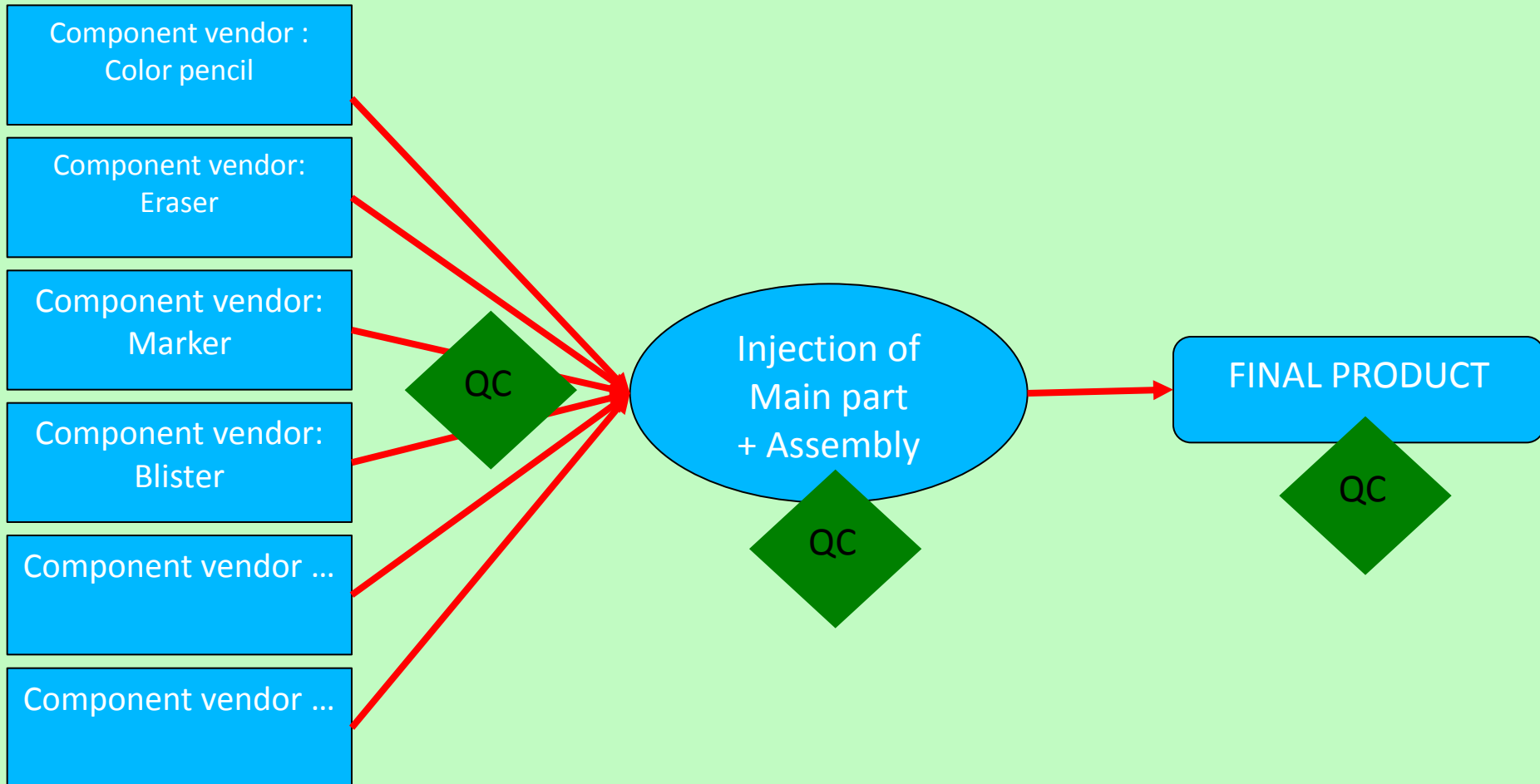
## III- Production Organization: **Component Vendors Management**

### **Components Database**

- Standard shapes and colors (6000 refs);
- “Testing campaigns” (EN71, chemicals etc)+ consolidation.
- At least 2 vendors for each components;
- Supplier audit schedule;
- Batch production



# III- Production Organization: Assembly and Production Control







## III- Production Organization: **Advantages**

- 4 Major Assembly factories
- Full Items price breakdown
- QA support: Customer audits
- Lab testing consolidations
- Non conformity Tracking (component batches)
- Production schedule Control/ Storage in Factory
- Container Combinations



## IV- PRD: HUB to International sales

### International Market From France:

Cost of Logistics

Require Specific sales Force

**NOT COMPETITIVE**

### International market From China:

Structured Product range:

**SUITABLE FOR WHOLESALERS,  
EMERGING MARKETS**





## IV- PRD: HUB to International sales

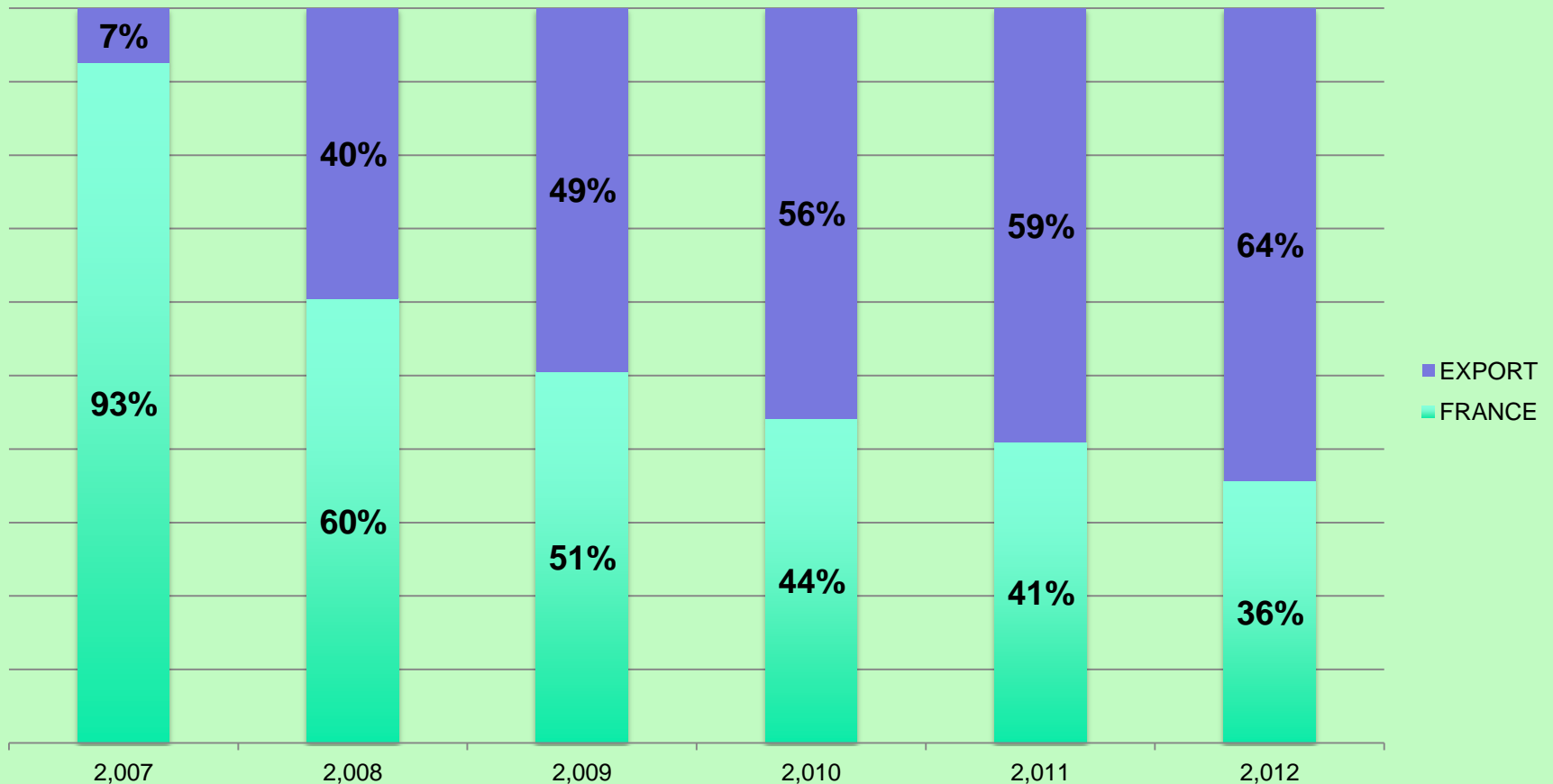
### COMBINING STRENGTHS

- **HONG KONG MAJOR EVENT IN BUYERS CALENDAR**
  - Toy Fair in January
  - Canal Toys Showroom
  - Subsidiaries for exhibition in Key countries
- **CANAL TOYS ASIA SHOW ROOM DISPLAYING LICENSE RANGE**
  - Extension of contract and local licence owner
- **DESIGN OF A SPECIFIC « FOB » Range**
  - Existing products and New moulds
  - Packaging optimization
  - Customer requests (Contents/Labelling)



## IV- PRD: HUB to International sales

### EVOLUTION OF EXPORT SALES VOLUMES





## V- Entering China Domestic Market

- Hello Kitty opportunity: Popular licence in China





## V- Entering China Domestic Market

- Import goods Image: Safety, higher price acceptance
- Specific retail network: Distribution partnership
- Seeking New license opportunities





# Future Expansion

- TOYS MARKET : CYCLES
- EUROPE: Keep our market share and reputation
- DEVELOP NEW MARKET (U.S)
- CHINA: BUILD-UP retail network, develop new ranges