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The New Dutch East India Company

Smartwares Group

Will Goldbeck

Smartwares Group is a new entity that came from the 2016 merging of two Dutch companies, Smartwares, a home lighting and security device company, and Tri-Star, a conglomerate of several household consumer goods brands. Smartwares Group, headquartered in the Netherlands, is an internationally diverse company that incorporates offices across Europe, the Middle East and Asia to create a competitive advantage in an industry increasingly susceptible to new low cost entrants. To create this competitive advantage in the consumer goods industry, Smartwares Group positions their products across multiple price segments, develops them for specific regional tastes, and delivers them with an emphasis on superior service. This case study examines the overarching business processes that Smartwares Group uses to achieve these objectives consistently across different brands and products.

INTRODUCTION

I walked into the Smartwares Group building at the most anxious time of the most anxious year of the company's history. "Anxious." That is the word that I kept hearing from everyone I spoke to, who contrasted the word with smiling teeth and warm handshakes. Looking back, this was a fortunate development for an outsider, there to observe. Like judging an individual's character, the best time to find truth is during the worst of times, not the best. The Smartwares Group was entering the final quarter of their first year of a massive merger between Tri-Star, a home appliance conglomerate, and Smartwares, a lighting and electronic company. Both entities had long and successful histories of acquiring brands, increasing their market shares in ever expanding product categories, and being a reliable bet to turn a profit every year. Founded in 1977, Tri-Star tactically became a European giant of home cooking appliances by offering brands across price ranges, and acquiring popular country-specific brands. If one wished to trace back an origin through all the acquiring and merging of Smartwares, they would discover the humble beginnings of Ardomij BV in 1980. By 2005, five mergers had taken place, and Smartwares had a massive range of home lighting and security products, sold throughout Europe (Bergsma, 2016).
Those successful battle stories meant little to those inside the Smartwares Group building when I walked in. Originally the home of Smartwares, the building located in the industrial neighborhood of Tilburg, Netherlands, was still reeling from being forced to accommodate another entire company in their home. The first thing I noticed when walking through the floors of the building was the seemingly random layout of the office spaces. In some areas, there were cubicles, in others large desks with a circle of employees at their work stations facing each other. Furniture was being moved in and out of rooms which gave the modern building, with nice floors and walls, a feeling of being unsettled, like it might have to pack up and move somewhere else tomorrow. This context made more sense to me when employees started using the word "anxious" in interviews. The last quarter of the year is always a busy time. Sales departments have to meet their annual targets, management wants to come under budget, and logistical departments are under pressure from retailers gearing up for the Christmas shopping season. However, most last quarters do not come off the tails of a merger. The building consisted of approximately half Tri-Star employees and half Smartwares employees. Many Tri-Star employees were far from home (Tri-Star was headquartered in another Dutch city), and had just seen many co-workers quit their jobs or get laid off after the merger. Because of this, 2016's fourth quarter had a lot more weight associated with it. It was a building with two groups of employees trying to keep their jobs.

Smartwares Group is an ideal international study because of their business process. They source their products in China, ship them to Rotterdam and then package them to retailers across Europe. The business cycle of a Smartwares Group product is the epitome of globalization, the phenomenon of "economic internationalization

and the spread of capitalist market relations" (Sorge, Noorderhaven, & Koen, 2015, p. 13). While the term globalization has gained traction as an emerging trend of the 20th and 21st centuries, the roots of globalization were established over 400 hundred years ago, by the Dutch ancestors of the employees at Smartwares Group. In 1602 the Dutch parliament established the Verenigde Oost-Indische Compagnie (VOC), or the Dutch East India Company as it is commonly called, by conglomerating numerous smaller companies into a corporation, effectively inventing limited liability (Igel, 2009, p. 540). The VOC's business process during the 17th century bears a striking resemblance to the one practiced by the Smartwares Group in 2016; swallow up as many companies and brands as possible, source goods and resources in the Far East, ship them back to the Netherlands and sell them across Europe. When learning about the Smartwares Group business process for the first time I realized I was witnessing a current day VOC. No other business could be so Dutch and so global at the same time.
With the combined factors of a recent merger, essentially doubling the entity's size, and the global business environment in which they operate, I wanted to know how it all came together. I wanted to know how this building of Dutch people could effectively source €250 million worth of product from China a year (Bergsma, 2016), and then take those products and appeal to so many different nationalities across Europe. To find an answer to this question, I had the privilege of conducting in depth interviews from employees who work across the business process of Smartwares Group. Due to the vast array of products across the company, it proved difficult to gain insight into every brand. I decided to focus on the product process of Tri-Star and Princess, the two biggest brands of Smartwares Group's home appliance arm. What I discovered was that their success was built on a product design and sourcing process that built customized products, strict brand segregation that maximized market share, and lastly a unique commitment to business to business customer service.

THE SUPPLY PROCESS

Product Design and Creation

The Category Management Department at Smartwares Group has the most exciting office space of the building. Strewn about the floor and shelves are coffee grinders, blenders, vacuum cleaners and walkie talkies. Instead of typing away on MacBooks, Category Management employees are using soldering irons and screwdrivers. There are whiteboards full of sketches and mathematic calculations. This room is the key hive of activity for Smartwares Group. This is the room where a group of engineers and designers try to figure out what European consumers want to buy before it even exists. What motivates them is the knowledge that every other competing brand has a team somewhere with the same goal. Marlou Verhouven, a Junior Category Manager said, "We watch the current trends. If Philips does something, and it does well, we ask ourselves, 'why didn't we think of that?'" (Verhouven, 2016). Verhouven estimates that 80% of their products are bought from suppliers "off the shelf" from the factory, meaning that they do not need to make any drastic design or functional changes (Verhouven, 2016). It is the other 20% that the engineers and designers are working on. The scope of design on these products range from adding a function to an electric kettle that lets you adjust the water temperature, "We were thinking of people who like tea at 70 degrees" (Verhouven, 2016), to products made from scratch, like the Tortilla Chef, which are called "Tooling Projects" in house.

One key aspect of all product development at Smartwares Group is how the Category Management Department works hand in hand with the Sales Department. Traditionally, the Sales Department of a firm is expected to sell whatever they are given. They have little input on the product, which is the domain of designers and marketers, and the merits of the product have no bearing on whether the Sales Department is considered successful. At Smartwares Group, product development is based on what the salespeople think they can sell, instead of what the marketers want to sell. This strategy is based on the logic that no one else knows better what will sell than the people in direct contact with retailers. A big part of the value that the Sales Department brings to Category Management is from their regional specific sales divisions, which lets Category Managers get insight into the different demands of consumers across Europe. The value of a diverse Sales Team will be elaborated on in the Smartwares Advantage section.

The development of the Tortilla Chef is a great example of the Sales Department working in tandem with

Category Management to invent a new product (see Figure 1 in the appendix for its brochure page). This Tooling Project started when the Spain Sales team phoned Category Management, inquiring about the feasibility of an appliance specifically made to cook fresh tortillas. Other regional specific appliances had been successful before; panini makers, pizza makers and pita makers were all among Smartwares Group's consistently strong selling items. Spain Sales saw an opening in the market place for an affordable appliance that could cut dinner preparation time in half for Spaniards who eat tortillas daily. After some initial research, Category Management could not find any similar product offerings available, which meant that they would have to build one from scratch, which is called a "Tooling Project". The level of hands on engineering and design that goes into Tooling Projects is surprisingly robust. I told Verhouven that I assumed that Category Management would give the factory basic instructions, "We need a flat grill no wider than 30 centimeters and no longer than 50", and the factory would create something out of their existing templates. However, this is not the case at all. Tooling Projects require design from the ground up, including materials, electrical circuits and specific design measurements. Smartwares Group achieves a significant competitive advantage by investing in in-house design and engineering. By owning the specific product design and concept, Smartwares Group drastically increases their bargaining power as buyers. As described in Michael Porter's Five Forces model, "The buyer's power is significant in that buyers can force prices down, demand higher quality products or services, and, in essence, play competitors against one another" (Porter, 1998, as cited in Hill, 2012, page 813). Smartwares Group can go to a number of suppliers with the same blueprint and bargain for the best price, reducing their vulnerability to a price increase from any individual supplier. The Tortilla Chef is one of many Smartwares Group products that have patents filed on them (Verhouven, 2016). These patents represent the creativity and engineering that goes into the invention of a usable product, born from the idea of a salesperson.

Once a factory supplier in China is selected, a back and forth process occurs with the factory sending prototypes, and Category Management sending them back with adjustments. Throughout this entire process, the Sales Department is involved, looking at the prototypes and making suggestions. Verhouven made it clear to me that Sales has final authority over the product. Even after almost a year of design and working with suppliers, Sales determines at the end whether to go through with the product launch. This level of decision making power gives the Sales Department products that they truly believe in and are excited about, but it also leaves them with no excuses. A few months after the Tortilla Chef product launch, Category Management's confidence in the Sales Department's forecasts is modest at best. "Hopefully it will sell as well as Sales said, but we will see" mused Verhouven (2016).

Sourcing the Product

Although less exciting than Tooling Projects, Category Management's most crucial function is the day to day sourcing of the other 80% of products that Smartwares Group sells. This starts with a request from Sales to Category Management. "Sales will give us a request to source an item, usually for a specific region. For example, the French Sales Team could request a stainless steel coated blender" (Verhouven, 2016). Once a sales request is made, the Category Manager contacts a Chinese factory directly, one which they think could make the product. There are two questions that arose when it was revealed to me that the Category Manager in Tilburg would directly contact the supplier. For one thing, Smartwares has an office in China. Why not send the request to their Chinese co-workers and let them source the factory? "The category manager builds a product request in tandem with the sales team. They speak directly to English speaking representatives from the factory" (Verhouven, 2016). As discussed in the Product Design and Creation section, it is crucial for Sales and Category Management to be hands on during the sourcing process, to make sure every detail is accounted for. By talking directly to English speaking factory representatives, they cut out the middle man (Smartwares Group employees in China), and reduce the chance of a design misunderstanding. The other question was, how does Category Management know which factory to contact? Smartwares Group has approximately one hundred factories that it buys from (Verhouven, 2016). This is where the Chinese office comes into play. The Smartwares Group office in China is constantly prospecting factories for new potential suppliers. This legwork done in China, combined with the knowledge that Smartwares Group has on existing suppliers, narrows down which factories would be contacted for a blender idea as opposed to the ones that would be contacted for a new electric iron.

Once the factory is chosen and the order is sent, the Smartwares Group Chinese office starts their primary task. The Smartwares Group office in China's main daily task is to expedite the supplier orders as much as possible. They are the 'boots on the ground' who can talk to a factory manager in the local dialect and apply pressure when needed. They can also receive an honest assessment of an order's status, which can be hard to get from Tilburg. "When we phone (a Chinese factory) and ask a question, they always say 'yes', no matter what. We do not know what is really going on" (Verhouven, 2016). Upon completion of the order, the department in China conducts product quality checks, ensuring the project meets Smartwares Group's AQL (Accepted Quality Level), before the product leaves for Rotterdam (Verhouven, 2016). Evaluating AQL is determined by a random selection of units of an order. Each unit is examined for marks and defects and then goes through a performance test. Once the test is completed, the results, (out of 200 units tested, 10 units have a scratch, 2 do not work, 4 have the wrong label), are inputted into an Excel sheet. To meet AQL, the results cannot exceed 1% major flaws (function or safety) and/or 2.5% minor flaws, scratches, labels, finish (Verhouven, 2016). AQL helps standardize all Smartwares Group products and minimizes the amount of flawed products that they sell. Doing the product inspection process in China also helps keep suppliers honest, something that would be very difficult without a Chinese team on location.

Negotiating with suppliers is a crucial part of the sourcing process at Smartwares Group. One of the driving objectives for the company is to increase payment terms with suppliers and reduce payment terms with customers, as Verhouven put it, "it is the game we are trying to play" (Verhouven, 2016). From a broad perspective, the longer the company has to pay for goods and the quicker they receive payment for those goods, the more capital they have to invest. A new supplier that has a week longer payment term could mean a massive increase in real profits for Smartwares Group. According to Verhouven, Smartwares Group evaluates three main factors when assessing a supplier in China: 1) Length and flexibility of payment term, 2) Competitiveness of prices and 3) Product quality (Verhouven, 2016). Before any contract with a supplier is agreed upon, a credit check is done on the factory, as well as a factory audit (Bergsma, 2016). This ensures that the new supplier is in good financial standing and their quality is up to par. Usually the quality of different factories is comparable, so payment term and price are often the deciding factors. After the initial order is submitted by Category Management, all subsequent contracts are made and negotiated by the Purchasing Department.

MARKETING AND BRAND IDENTITY

The product process up until this point may seem chaotic. The Sales Department dreams up a product and works with Category Management to create it, without any real underlying brand strategy. In the midst of product development and sourcing, Smartwares Group has a Marketing Department working on making sure that every product fits the carefully manicured image of its particular brand. I spoke extensively with the head of Tri-Star marketing, Vera Heuvelmans, on the identities of the different brands and how they are maintained.

The Marketing Department has a clear a vision of the brand hierarchy that they want to present to consumers. Tri-Star products are all about performing the basic function of the appliance, and performing it reliably, without any frills. They are constructed from mostly plastic, with metal being used sparingly. Princess products are instantly distinguishable from their Tri-Star cousins (see Figure 2). They have modern sharp lines, digital displays and are generously plated with brushed stainless steel. When plastic is used, it has a pleasant matte finish that doesn't show scratches. Princess products are supposed to do more than a basic appliance would. For example, a Princess blender has more settings than a Tri-Star blender, and a Princess kettle can be adjusted for cooler water. But more importantly than added function, Princess products need to convey an image of quality engineering. They need to look right at home on a shelf with a Philips blender and a Siemens blender. It is crucial for Tri-Star to be clearly positioned below Princess, to prevent cannibalization of market share. Similarly, it is crucial for Princess to be positioned slightly below high-end brands, like Philips and Siemens, because Princess's advantage lies in giving consumers most of a high-end brand's functionality at a lower cost. This brand positioning balancing act is one of the Marketing Department's main jobs, and they face proposals that could challenge brand identity almost daily. For instance, Heuvelmans talked about how retailers will often request a Tri-Star model with a higher quality finish or more functions (Heuvelmans, 2016). The opposite problem emerges from Princess retailers as well, as retailers will request cheaper products that still have the Princess name (Heuvelmans, 2016). In these situations, Heuvelmans must decide how far they are willing to compromise brand identity to satisfy a customer.

To prevent too many of these compromises, concentrated efforts are targeted at the retailer to influence how they stock and sell the product. Looking through the Tri-Star and Princess catalogues, there is a huge difference in the way they are advertised to retailers (see Figure 3). Tri-Star catalogues are packed full with as many items per page as possible. Products are displayed virtually the same way, with a basic picture of the unit along with its specifications. Princess catalogues present a whole different image. Products are interspersed with pictures of people enjoying glasses of wine, and key products take up a full page. Almost every product has colourful food and drink in and around the product. By actively positioning brands to retailers, instead of just having one standard catalogue with no style differences, Smartwares can influence retailers to sell and price their products in the proper market spaces.

Princess is the only brand at Smartwares Group that is actively marketed to final consumers. Each box has a coupon or contest entry form. Princess also has a deal with a Dutch game show, where appliances are given to the show, in exchange for the free exposure (Heuvelmans, 2016). No cash is exchanged. Marketing deals are also made with retailers. A discounted price will be given to the retailer in exchange for marketing displays in the store. "(Princess) is an A-/B+ brand in the eyes of the consumer. Because of this, retailers often prefer to market the A+ brands before (Princess). We have to negotiate trades to get exposure at retail locations" (Heuvelmans, 2016). These kind of marketing deals are convenient for Smartwares Group and the retailer. Because Smartwares Group does not sell directly to consumers, they are reluctant to spend any funds on advertising. The retailer enjoys selling Princess products, but would prefer to be known for brands like Philips or Siemens. By giving Princess some occasional exposure, the retailer receives a significant discount and Smartwares Group doesn't have to part with any cash.

When asked if there is an overarching brand that guides Princess and Tri-Star, Heuvelmans responded, "Not really. They are very different. The way I need to work is very different from the way that (Princess's marketer) needs to work" (Heuvelmans, 2016). According to Heuvelmans, because of Tri-Star's success in the low-price SDA (Small Domestic Appliance) market, she is less worried about how pretty Tri-Star products appear in marketing materials, and more worried about completing every photoshoot and catalogue at the cheapest possible cost. In contrast, the Princess marketer prioritizes the style and imagery that is conveyed through the catalogue, and has a much bigger budget to work with. The Tri-Star and Princess brand strategies appear to be working. Tri-Star is Smartwares Group's highest grossing brand, and combined with Princess they own approximately 70% of the SDA market share in the Netherlands (Heuvelmans, 2016).

While Tri-Star and Princess are Smartwares Group's most widely available brands, sometimes launching a brand into a new region is not the optimal expansion method. Acquisitions have allowed Smartwares Group to increase their European SDA presence without having to convince a new market of Tri-Star and Princess quality. In 2013 Tri-Star acquired the brands Petra of Germany and Nova of Belgium (Bergsma, 2016). Instead of trying to win over Petra and Nova loyalists, Petra started selling Princess products under the Petra name and Nova began selling Tri-Star products under Nova (Heuvelmans, 2016). This expansion gave Smartwares a significant increase in SDA market share, and two reputable brand plates to its arsenal. The acquisition and maintenance of the Petra and Nova brands is another example of Smartwares Group knowing the marketplace, and strategically placing their products in targeted segments.

THE SMARTWARES ADVANTAGE

When learning about business to business firms in school, the importance of customer service is rarely discussed. Firms that sell to businesses are price takers who can only gain a competitive advantage through offering their units at a lower cost than the competitor. However, throughout my discussions with Smartwares Group employees, a common thread could be linked through all of them. They were unwavering in their belief that Smartwares Group is successful because they are willing to provide exceptional service to retailers, service that their competitors cannot replicate. Additionally, Smartwares Group utilizes those service exchanges to position their individual brands across market segments. In discussions with employees, I started to refer to their service oriented brand as the “Smartwares Advantage”. This brand has been developed through an investment into a state of the art showroom, special order logistics, and region specific sales and sales support personnel.

Stepping into the new showroom at the Smartwares Group headquarters (see Figure 4), it is clear no expense was spared during the design and construction. The main foyer is divided into their four main brand sections, Smartwares, Home Wizard (a brand of home lighting that is compatible with smartphones), Tri-Star and Princess. Each section has elaborate faux home scenes, showcasing products in action. The attention to detail is impeccable, one kitchen scene even had real eggs on the counter. Beyond the scenes, each section has every available product laid out on shelves with full descriptions. The scenes and shelving are designed to reinforce the individual brand identities that the Marketing Department has developed. The Princess kitchen scenes are more modern and expensive looking than the plain, but clean Tri-Star kitchen scenes. One shelf in between the Tri-Star and Princess sections explicitly displayed the clear brand differences of Tri-Star and Princess. On the bottom shelf was Tri-Star, the middle shelf was Nova (a Belgian brand slightly below Princess in quality) and Princess was at the top. Above the shelf, big bold letters read, “GOOD, BETTER, BEST!” (See Figure 5). The showroom was obviously built to impress retail representatives, whether they were looking for brand or private label products. But it was also clearly an extension of the product brochures that Smartwares Group sends out to retailers. The showroom was built to put retailers in a Smartwares Group store space, turn them into consumers, and create an opportunity to position the company’s brands directly to them.

Another key to the “Smartwares Advantage” is an entire logistical department that specializes in product crises and unique orders. The main Smartwares Group warehouse is in a different part of Tilburg, and it processes the majority of deliveries across Europe. Attached to headquarters, however, is the “Special Order Warehouse” which handles emergency replacements for wrong orders or flawed products, marketing promotions and private label requests (Roestel, 2016). By being connected to headquarters, the Special Order Warehouse can easily communicate with Category Management, Marketing and Sales Support. This helps to solve order problems in real time, and lets staff physically go next door to get a visual on a product if necessary. Orders that are chosen for marketing promotions, where retailers provide a coupon in the box, can be quickly completed, or adjusted if the retailer wants to change a coupon before delivery. Lastly, the warehouse is also the destination for many private label orders. A big part of Smartwares Group’s business is private labeling (Heuvelmans, 2016). Private labeling is when a retailer sells a product from a third party under their brand name. An implication of private labeling is that the final consumer’s perception of the third party (i.e. Tri-Star or Princess) holds no value in negotiations with retailers, because the product will be re-labeled. It eliminates one of the Barriers to Entry in Michael Porter’s Five Forces Model, “product differentiation, or brand identification and customer loyalty” (Porter, 1998, as cited in Hill, 2012, page 812). Therefore, private labeling is a much more competitive market for suppliers like Smartwares Group, because the threat of new entrants is increased dramatically. As Vera Heuvelmans from the Marketing Department told me, “(Smartwares Group) is aware that retailers could go factory direct or to a different brand. To keep customers, (Smartwares Group) has to provide value to clients” (Heuvelmans, 2016). Smartwares Group realizes that the influence of consumer brand perception can be minimized with new entrants, and because of this they are devoted to a high level of service to private label clients. Private label requests are never too late or inconvenient for the Smartwares Group, as Heuvelmans summarized, “Whatever a customer wants or needs, they can get it from us” (Heuvelmans, 2016).

The final element that makes up the Smartwares Advantage is a nationally diverse Sales Department and Sales Support Department that provides insights into the specific tastes of the different European countries, and a level of familiar service to the retailers themselves. Regional sales teams are nothing new in business, but the Sales

Department at Smartwares Group is unique in two respects. Firstly, as mentioned earlier, the Sales Department, encompassing thirteen offices around Europe and the Middle East, has product authority and direct communication lines with Category Management, empowering them to shape regional product offerings (Verhouven, 2016). Their cultural insight can be very valuable, not only as project catalysts, but also as product monitors, as the Category Managers and the Chinese factories may not be aware of different cultural tastes. Joep Van Hassel, the General Sales Support Manager told me, “The sales team knows what works and what doesn’t work in their culture. One time a Middle East salesperson helped us fix the colour scheme of an appliance, because the current colours may be offensive to certain people in their culture” (Hassel, 2016).

The second unique aspect of the Sales Department is that each regional Sales Team has their own Sales Support team consisting of employees of the same nationality, located at the Tilburg headquarters (Hassel, 2016). As a French, Spanish, German or Italian sales person working for a Dutch company, being able to deal with headquarters in your own language is a huge advantage. This lets Smartwares Group recruit the best sales people in any specific country without needing them to be fluent in Dutch or English, because they will work through the bilingual Sales Support Team. It also gives retailers across Europe a level of comfort knowing that when their salesperson is unavailable, Smartwares Group will still have a team full of native speakers ready to help.

The unique value that the Sales Department is expected to bring to Smartwares Group make Sales and Sales Support jobs “A Positions” for the company. An “A Position” is a job in a company that has two main characteristics. Firstly, the job’s responsibility must be of consequential importance to the success of the organization, and secondly the job must have a pool of available candidates with a wide variability of potential performance (Huselid, Beatty, & Becker, 2005, p. 112). Salespeople in the Sales Department are an A Position because their responsibility to identify and pursue product ideas for their region disproportionately affects the success of Smartwares Group. Salespeople’s ability to do their job affects the company’s ability to respond to regional demands. Additionally, the massive pool of sales professionals encompasses many different levels of education and experience. Sales Support is an A Position because the bilingual attribute is crucial for Smartwares Group, as the company needs to accommodate and communicate with international salespeople and retailers from headquarters. The position has a smaller pool of candidates due to the language requirements, but the variability is still wide due to the strong computer skills that Sales Support employees need to use the company’s CRM system.

A state of the art showroom, a special logistics department and a regional Sales Department are all substantial expenditures above what is necessary. These investments by Smartwares Group do not correlate with typical supplier cost minimization strategies. These ventures show that Smartwares Group is committed to a strategy of creating a competitive advantage by adding value above and beyond their product’s price. Due to the intangible nature of this added value, Smartwares Group’s competitive advantage can be sustained amongst the new entry of competitors.

CONCLUSION

The Dutch management style has been curated from centuries of having to reach consensus to survive. Unlike other European nations, the Netherlands lacked a strong noble governing power, which forced the opposing Catholic and Protestant provinces to work together to organize effective government (Sorge, Noorderhaven, & Koen, 2015, p. 89). Now, in 2016, Smartwares Group must work across borders to accommodate the tastes and cultures of the world. However, they do not view differing tastes and opinions as a hindrance, but as an opportunity for growth. The way that Smartwares Group utilizes diversity across their business process is a refreshing change from the way diversity is thought of in Canada, as a box that should be checked to appease political correctness.

No merger of any magnitude is an easy one, and there is a level of uncertainty that warrants the anxiety that I witnessed during my time at Smartwares Group. However, that anxiety is also a positive sign for the observer.

Anxious too, were the old Dutch provinces as they worked together to prevent floods. Anxiety means that Smartwares Group will find a way to stay competitive while barriers to entry lessen, Philips invests in new technologies, and countries leave the European Union. They will remain competitive by responding to regional tastes, maximizing market share through careful brand proliferation, offering various private label options, and providing all of this internationally with unmatched service. Along with the anxiety, I witnessed a belief and commitment in the Smartwares Group way of doing business; listen to the Sales Department, make the right product and focus on the customer. For the people of the Netherlands, anxiety and commitment are intertwined, not mutually exclusive. In the words of the late Andrew Grove, “Only the paranoid survive” (Ratcliffe, 2014).

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APPENDIX

Figure 1. The Tortilla Chef, notice the IP Protected logo in the top left

Figure 2. A Tri-Star (left) and a Princess coffee machine

18

Figure 3. A Princess brochure (left) contrasted with a Tri-Star brochure

Figure 4. Entrance of the Smartwares Group's new showroom

Figure 5. The bottom shelf is Tri-Star, middle shelf is Nova and the top shelf is Princess