



# 阿明

## THE MARKET

Aming is a household name in its home of Shanghai and throughout China. During festive seasons, a pack of Aming delicious snacks is the top choice of daily spending for multitudes of consumers. Shanghai Sanming Food Company, a domestic enterprise renowned for the manufacture and sales of the Aming brand of leisure foods, is also a vigorous pioneer in creating inner connotations in snack products, mainly roasted snacks, in the country. The company is growing through tireless efforts, a consistently high quality guarantee, and a policy to satisfy consumers as best as they can. In the leisure food industry, the company is the leading enterprise in Shanghai and surrounding cities, occupying top places in market share and sales volume in the industry for many years. All other well known brands in the industry consider the company their major opponent.

## ACHIEVEMENTS

Shanghai Sanming Food Company was the first in the sector to obtain ISO:9001 quality certification and HACCP food safety certification. It has been named a Shanghai Famous Brand since 1998, and Shanghai Famous Trademark since 2000, the only company in the industry to have received such a double honour. Shanghai Sanming Food Company has won a gold medal at the International Food and Food Processing Technology Conference, and titles for Contract Abiding and Trustworthy Unit, Shanghai Advanced Enterprise for Safe Food Production, Shanghai's Top 500 Industrial Enterprise In Sales, as well as Shanghai's Top 100 Branded Products, and other awards. In 2004, the Aming brand was honoured internationally as a China Superbrand.

Sanming Food Company, Sanming Roasted Foods, was established in 1987. After years of hard work, it has become a nationally renowned manufacturer of roasted snacks. In 1995, Sanming was the first in the industry to introduce the self-developed, stainless steel automated production line, and to build a facility that adhered to international standards for roasted foods. The fully automated and industrialised production was a breakthrough in previously antiquated production methods used in what was until then traditionally a cottage industry.



By 2000, the company already had a production base consisting of a modern factory of over 20,000 square metres and a logistics and distribution centre of 50,000 square metres. The company has a registered capital of 20 million RMB, total assets of 300 million RMB and annual sales of more than 300 million RMB (and rising).

On September 11, 2004, the company moved its headquarters to the 17th floor of the five-star Huamin Hanzun International Plaza on Yan'an Road, setting the stage for a new round of expansion and development.

Aming chrysanthemum flavoured melon seed which is a special blend of chrysanthemum and fragrant melon seed; as well as the Aming Cheerful Chef series of beef jerky made from top quality hind beef, adding high quality to consumers' enjoyment of gourmet snacks.

## RECENT DEVELOPMENTS

Shanghai Sanming Food Company's strategic goal for the last three years has been "To build China's number one roasted snacks company". To achieve this, Managing Director of the company, Mr Yun Wenming, had drafted five strategies: high objectives – 50% growth in yearly sales and becoming main OEM production base globally; high quality – hiring, nurturing and building a management team best in the industry; high expectations – passing all tests, putting all processes under control, solving all problems and achieving all objectives; high quality output –



utilising Aming's brand superiority to create the best operational quality in the industry; high reward – rewarding managers who achieve the above "four highs".

## PROMOTION

In the promotion of its products, Shanghai Sanming Food Company is concerned with strategies that help and promote the entire industry, showing the company is an enterprise with a great sense of responsibility. In the industry, many good examples have been demonstrated by the Aming brand.

## THE PRODUCT

After years of focused research and development, Sanming offers early lines like fragrant melon seed, water melon seed, white melon seed, walnut kernel, peanut and other traditional roasted-nut products; and newer products such as goose liver, beef jerky, beef floss, sliced fish, dried fruits, candies and many other mid- to high-class leisure foods. Its market covers Hong Kong, Taiwan and many parts of China. It also exports to Europe, North America, Southeast Asia and many other regions.

The company's specialty products include Aming honeyed peach kernel produced by a revolutionary technique using honey as the main ingredient to give a healthy touch while preserving the natural flavour of the peach kernel;



## HISTORY

Mr Yun Wenming founded the company in 1984 at the age of 22. He had his eyes on two areas with market potential: melon seeds and roasted snack products. The predecessor of Shanghai



For example, in 2001, sales of peach kernels had dropped sharply because Amber Walnut Kernel, the best-selling peach kernel product, was found to contain too much sugar. Senior citizens, one of the main consumer groups of peach kernel, showed less and less acceptance for the product. The top considerations of the product for Sanming's decision makers were how to best satisfy consumers' needs and how would the product influence existing products in the industry. After extensive market research, marketing manager Mr Chang Anqing boldly suggested replacing sugar with honey for higher nutritional value. Not only would it guarantee product quality, it also would retain flavour. Once the product was introduced, sales increased by 30% in the following years, and industry competitors began to follow. A small adjustment in workmanship and naming has brought about an industry-wide increase in sales. It is also one of the very successful cases of single-item tactics in the industry.

In a second example, Shanghai Sanming Food Company has been a vigorous advocate of the formation of the Shanghai Roasted Food Products Association and, through the association, it has organised two nationally renowned PR events. First, the negotiation and settlement of the entry-fee incident with Carrefour. June, 2003 was a month of "many incidents" for the top 10 roasted product enterprises and the internationally known departmental chain, Carrefour. Since the opening up of China, the pace for commercial development was relatively faster than corresponding legislation. In addition, foreign businesses did not have enough understanding of the special conditions of China, triggering the conflict over the collection of entry fees. Sanming's managing director, Mr Yi Wenming, as the main negotiating representative, stood for the benefits of the farmers. During many rounds of interaction, he patiently introduced the industrial chain of farming by-products and its tiny profit structure. Through unity of association members, they managed to put across the problems facing the

industry and won the understanding of Carrefour. This negotiation exercise demonstrated how business relations can move from competition to cooperation, and from cooperation to formation of a strategic alliance. This has become a milestone in the developmental history of such associations and the improvement of industrial relations.

Another incident was in April 2004, when some illegal vendors in Anhui province manufactured fragrant melon seed with a



viewing himself as a seedling and trying to raise public acceptance for himself as much as possible, in order that he may find solutions for difficulties, conflicts and problems. Otherwise, you will be looking for excuses for your failure."

The employees of Sanming will not find reasons or excuses for themselves. Its managing director says the biggest enemy of the Aming brand is the fact that it has succeeded and he himself is the number one enemy of the company's development. His words have been repeatedly quoted at management institutes as a classic case study. Good social standing has allowed the entire organisation to continuously gain knowledge and improve itself, which is the source for its creativity and competitiveness.

To build the Aming brand, the company quests for perfection in quality, always thinking of ways to provide consumers with delightful and delicious leisure food as well as introducing new concepts to the products. Through every pack of Aming food product, the slogan, "Aming every day, happy all the way", is being delivered to every consumer.

chemical additive, with negative implications for the industry. Sanming's ingredients for its fragrant melon seed come from Inner Mongolia, but, as the leader of the association with a strong sense of responsibility, Mr Yi Wenming voluntarily contacted and cooperated with the other nine members who were well-known producers of roasted products outside the province (including some from Anhui province). Together, they planned a pledge and commitment of quality in Beijing, for the top 10 Chinese brands of roasted products, by broadcasting on CCTV and other major media. News of this display of professional ethics spread across the nation and became a favourite of consumers.

#### BRAND VALUES

At the Shanghai Sanming Food Company, there is a widely circulated Aming motto: "One who fails tries to find a hundred excuses, but one who succeeds must find a million solutions. An outstanding manager must treat his work like his lover,



#### THINGS YOU DIDN'T KNOW ABOUT AMING

- Aming started with investment capital of just 8,000 RMB
- Shanghai Sanming Food Company officially named its brand Aming in 1995
- Shanghai Sanming Food Company managing director Mr Yun Wenming has been named a 10 Most Outstanding Youth and Shanghai Representative of People's Congress
- Mr Yun came from a poor family and his classic quote is: "My greatest wish is to prosper and advance together with tens of millions of those with humble beginnings like me"