



## Q&A | Nationwide Auctioning

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# 1 About Nationwide Auctioning

## 1.1 What is Nationwide Auctioning?

With Nationwide Auctioning, we are concentrating supply and demand for flowers and plants at a nationwide, digital auction. In this way, we can optimise the pricing. In addition, we'll be providing efficient and combined logistics and transport, so that they will fit seamlessly into your business processes, we will reduce costs and the floriculture chain will become more sustainable.

**Nationwide Auctioning consists of three elements:**

- **The nationwide, digital auction.** At the moment, we still hold auctions separately at Royal FloraHolland's three export locations: Aalsmeer, Naaldwijk and Rijnsburg. We are moving towards a nationwide, and therefore location-independent, digital auction. This will bring supply and demand from our three export locations together in one digital (worldwide) marketplace.
- **A new type of logistics.** We are gradually transforming our current distribution process into demand-driven order picking. We will also be organising the logistics fulfillment for direct trade and auction trade in a combined process. With this new, combined logistics, products can be delivered to you quickly and reliably.
- **Attention to quality and customer experience.** We are creating an overview of all current auction events. In order to come to a decision to buy on a digital marketplace, it is important that the buyer gets what they've bought. That is why reliable product photos and product information are even more important. We're working on that, together with buyers and suppliers.

## 1.2 What is the nationwide, digital auction?

At the moment, we still hold auctions at Royal FloraHolland's three export locations: Aalsmeer, Naaldwijk and Rijnsburg. We are (gradually) moving to a nationwide, therefore location-independent, digital auction. This will bring supply and demand from our three export locations together in one digital (worldwide) marketplace.

Here, growers offer their products through various trade channels and can thus reach more buyers. And buyers have access to the full broad and deep assortment of all affiliated growers.

In addition to direct sales, Floriday will also have a digital auction. Growers will therefore be able to offer their products in one place via the various trade channels and thus reach more buyers. And through Floriday, buyers have access to the full broad and deep assortment of all affiliated growers. In addition, they can purchase from different export locations. When they make their purchase they can see the time slot when the product will be delivered.

By concentrating supply and demand in Floriday, we will optimise pricing, make the purchasing process more efficient, clearer and easier, and significantly reduce administrative burdens.

### **1.3 What do we mean by a new way of logistics?**

We unburden suppliers and buyers with smart, bundled logistics and transport from nursery to customer. We are gradually transforming our current distribution process into customer-oriented order picking. This enables us to organise the logistics fulfillment of direct trade and Auction trade in a combined process. The nationwide, digital clock allows the grower to trade the products from any Royal FloraHolland location.

### **1.4 What do we mean by 'Attention to quality and customer experience'?**

In the run-up to a nationwide, digital auction – where physical products are no longer always present at one of our locations – reliable product photos and information become even more important. That is why we will continue to work with growers and buyers in the coming period to improve product information, product photos, the Quality Index and the complaints process

Where necessary, we'll be helping growers to improve the product information they provide. In this way, growers who have difficulty doing so will be supported in supplying good product information themselves (including the correct product photos). We are also improving the current Quality Index. This is the indicator on the clock front that displays a grower's reliability level. This also includes the data from corrections to supply information.

Despite the fact that there is still a possibility to inspect and the supplied product information is correct, things can still go wrong. In order to handle your complaints quickly and efficiently, we are standardising the complaints process at the three export locations and making it more accessible.

We are working with growers and buyers to improve the purchasing experience. This will allow buyers to have greater confidence in the product information that growers provide. And growers will have an increasingly better and more reliable marketplace where they can differentiate themselves based on quality, sustainability and reliability.

### **1.5 When will Nationwide Auctioning be implemented?**

Nationwide Auctioning is not something we will implement overnight. We'll do this step by step, together with buyers and suppliers. We are dependent on various aspects, but our aim is to achieve Nationwide Auctioning by 2022.

### **1.6 Isn't the implementation of National Auctioning going too fast?**

We have initiated a major change within the floriculture industry, with great improvements for buyers and growers. The final picture will not be achieved overnight. We do this carefully and step by step, together with growers and buyers, because this is the only way Nationwide Auctioning can take us further. And together we can move towards a future-proof marketplace.

## **1.7 I would like to stay informed about the developments regarding Nationwide Auctioning. How do I go about this?**

We regularly organise online information sessions. Keep an eye on our website and register via [royalfloraholland.com/landelijkveilen](https://royalfloraholland.com/landelijkveilen) (information in Dutch only)

## **1.8 How is decision-making organised at Nationwide Auctioning?**

We are developing Nationwide Auctioning step-by-step, together with buyers and suppliers. Decision making will be done incrementally:

1. Specialist teams will be created for each topic. These will sometimes include buyers and/or suppliers. They will make proposals.
2. The proposal will be presented to the Support Team.
3. The proposal will (possibly) be adapted and submitted to RFH MT.
4. RFH MT will base its decisions on the input provided.
5. The team will then proceed to implementation in collaboration with the Supervisory Team.

## **1.9 What is the Nationwide Auctioning Support Team?**

The Support Team is a mixed group of small and large buyers and suppliers. The Support Team started in November 2020. Their task is to advise the National Auctioning Programme Team on various aspects of Nationwide Auctioning. The Support Team meets regularly (digitally).

## **1.10 I would like to participate in the Support Team. Where can I sign up?**

The Support Team is a representative reflection of buyers and suppliers. It is important that we maintain this representative reflection. Sign up via [contactcenter@royalfloraholland.com](mailto:contactcenter@royalfloraholland.com) and we'll see if a spot is available.

## **1.11 I don't want to participate in the Support Team, but I would like to share my thoughts on certain topics. Where can I sign up?**

You can register via [contactcenter@royalfloraholland.com](mailto:contactcenter@royalfloraholland.com)

# 2 The nationwide, digital auction

## 2.1 What is the nationwide, digital auction?

At the moment, we still hold auctions at Royal FloraHolland's three export locations: Aalsmeer, Naaldwijk and Rijnsburg. We are (gradually) moving to a nationwide, therefore location-independent, digital auction. This will bring supply and demand from our three export locations together in one digital (worldwide) marketplace.

Here, growers will offer their products through various trade channels and can thus reach more buyers. And buyers will have access to the full broad and deep assortment of all affiliated growers.

In addition to direct sales, Floriday will also have a digital auction. Growers will therefore be able to offer their products in one place via the various trade channels and thus reach more buyers. And through Floriday, buyers have access to the full broad and deep assortment of all affiliated growers. In addition, they can purchase from different export locations. When they make their purchase they can see the time slot when the product will be delivered.

By concentrating supply and demand in Floriday, we will optimise pricing, make the purchasing process more efficient, clearer and easier, and significantly reduce administrative burdens.

## 2.2 When will the nationwide, digital auction be live?

Together we develop a clock that we are proud of. Quality is more important than speed. We will start implementing the nationwide digital auction at Eelde in late 2021/early 2022. We then roll out the nationwide, digital auction across the export locations.

## 2.3 What will change at the nationwide, digital auction?

At the moment, we still hold auctions at Royal FloraHolland's three export locations: Aalsmeer, Naaldwijk and Rijnsburg. We are (gradually) moving to a nationwide, therefore location-independent, digital auction. This will bring supply and demand from our three export locations together in one digital (worldwide) marketplace.

A digital auction will be available at Floriday. Growers will therefore be able to offer their products in one place via the various trade channels and thus reach more buyers. And through Floriday, buyers have access to the full broad and deep assortment of all affiliated growers. In addition, they can purchase from different export locations. When they make their purchase they can see the time slot when the product will be delivered.

By concentrating supply and demand in Floriday, we will optimise pricing, make the purchasing process more efficient, clearer and easier, and significantly reduce administrative burdens.

A number of things are also changing:

- We are harmonising the naming of the auction groups in plants;
- We have opted for entering quantities;

- There will be a harmonised start time for auctions at export locations;
- There will be a new auction schedule.

## **2.4 What is meant by entering quantities?**

When entering quantities, buyers will state their buying intentions by entering a number. Entering quantities will reduce the number of disruptions during the auction process. Background noise, queries or comments can no longer interfere with the auction's rhythm. Two-step purchasing, with the price first being established and then the number of packaging units is selected, will no longer be possible soon.

## **2.5 Why have we opted for entering quantities?**

Since the merger in 2008, we have used different purchasing methods at the Royal FloraHolland export locations. In Aalsmeer and Rijnsburg, it is currently still possible to purchase through audio or by entering quantities. In Naaldwijk, this is only possible by entering quantities. In the run-up to nationwide, digital auctioning, the various buying methods will be aligned. We have opted for entering quantities. This means buyers are no longer able to state their purchase intention at the Royal FloraHolland auction clocks by audio (speech). This will apply to all auction groups.

## **2.6 When will we be starting entering quantities?**

An exact (start) date is not yet known. However, this is now already possible at all export locations. Do you still use audio (speech) to buy via the Auction? This will no longer be possible in a number of months. Be well prepared and start switching to entering quantities now.

## **2.7 What will be the start times of the auctions at the export locations?**

This is not known at this time.

## **2.8 Will there be new functionalities available at the nationwide, digital auction in the future?**

The development of the digital auction is in full swing. We are going through this process step by step. We are examining, among other things, which functionalities and design will best support the auction process and purchasing process, and how we can guarantee a good customer experience. We will subsequently test this with buyers, suppliers and auctioneers. After that, we will implement improvements and we will test once again. The digital auction will first be implemented in Eelde. A demo version of the digital auction will be available soon.

And yes, we are also offering some new features on the nationwide digital auction and you will get a better overview of the current auctions:

- A different 'look and feel' in which clocks can be selected with the mouse in addition to keys.



- Reduced number of Auctions (currently 32) and maximum auction time.
- Smart filtering by type, delivery times, packaging, suppliers, etc.
- Option to automatically display Auctions with marked lots.
- Being able to set a minimum bid for which a lot is automatically bought (pre-bids).
- Option to automatically mark up based on purchase history or linked purchase lists.
- Time slots for delivery known before transaction (ETA).

## **2.9 How many Auctions will there be in the digital auction? And won't the concentration of supply lead to much longer auctions?**

It is not yet known how many Auctions there will ultimately be. New features such as entering quantities and multi-transaction auctioning will increase the auction speed. This will reduce the turnaround time of an auction.

## **2.10 How do I keep an overview when buying via 32 Auction?**

Buyers can filter Auctions in the digital auction and also filter on delivery time. In this way, they will maintain an overview of the supply. It is also possible to mark supply in advance. For example, they will get a pop-up when their marked lot is auctioned.

## **2.11 Can a buyer see at which location(s) their purchase is?**

No, the buyer can filter the digital auction according to delivery time and thus see at which locations products are on display.

## **2.12 Can a road carrier see what location(s) the products are in?**

If the road carrier has a customer box at a location, he will see when the product is delivered to the customer box. If the stated delivery time is later than the road carrier wants, then it is wise not to buy this product. The road carrier can use a filter in the new digital auction though.

**Example:** 'All delivered by 10:30.' For example, he sees the products of deliveries before 10:30, and not the delivery orders after 10:30. And in this way he can get a better overview of the supply.

## **2.13 What can buyers do that don't mark?**

Instead of marking, buyers can upload their purchase list. The buyer can also set filters. For example, preferred grower(s) or the opposite. Or a buyer can make a selection on delivery times, so you only see what is delivered before or after a certain time. By making smart selections, you as a buyer can keep a good overview.

## 2.14 Will we be auctioning on location in the future?

We recognise this need, but this is not (yet) within the scope of our programme.

# 3 New type of logistics

## 3.1 What is meant by 'New Logistics'?

New Logistics is the smart and bundled logistics service of Royal FloraHolland, which delivers products to buyers reliably and quickly.

Growers currently handle the transport of their products themselves and our auction locations have separate logistics processes and delivery chains for direct trade and Auction trade. Currently, the location where growers deliver their products is also the location where these products are auctioned. Customers have less influence on when the purchased products are delivered. This requires many transport movements. By combining these, logistics and transport flows in the chain become less fragmented and more efficient.

We will soon unburden growers and buyers with smart, efficient logistics and transport from nursery to customer. We are gradually transforming our current distribution process into demand-driven order picking. This enables us to organise the logistics fulfillment of direct trade and Auction trade in a combined process. The national digital auction will enable growers to trade their products from any Royal FloraHolland location in the future. If necessary, we will provide transportation between the locations.

We will also handle the transport between the growers and Royal FloraHolland and collect the products in combined flows from the grower's garden, at a time chosen by the grower. Buyers can then indicate in which time windows they want their products delivered. They can follow their orders via track and trace, which enables them to optimise their business operations. Growers and buyers gain insight into their total logistics costs. By combining these flows, fewer transport movements in the chain are required, which allows us to reduce costs and make the chain more sustainable.

## 3.2 Why are we moving to new type of logistics?

Suppliers want to be able to focus on their product and sales and not have to worry about logistics. With the new logistics approach of Royal FloraHolland and partners, we will make this possible in the coming years. By looking at the sales and logistics from our logistics network, we can collect the products in bundled streams from the grower's nursery. We will maintain the starting quality of the product through fewer operations and better (temporary) storage of products. And we can deliver the product where and when the buyer wants it.

## 3.3 How does this new type of logistics work?

We collect the products in bundled streams from the nursery, at the moment the grower chooses. Buyers can indicate the time slots during which they would like their products to be delivered. They can follow their orders via track and trace, which enables them to optimise their business operations. Growers and buyers gain insight into their total logistics costs.

### **3.4 What is the advantage of the new type of logistics?**

By combining these flows, fewer transport movements in the chain are required, which allows us to reduce costs and make the chain more sustainable.

We will maintain the starting quality of the product through fewer operations and better (temporary) storage of products. And we can deliver the product where and when the buyer wants it.

### **3.5 Can I still supply my own products?**

Yes, you can.

### **3.6 Who pays for the cost of transportation between locations? And what will that cost approximately?**

We're still looking into that.

### **3.7 When will we switch to the new type of logistics?**

We have started preparations for a major and complex transformation of our logistics services. We are moving from our traditional distribution process to a new type of logistics, This will change both the way we work for Royal FloraHolland and the way we work for (some) customers. We will tread carefully along the path of change. We will adapt our design and infrastructure, provide training and carefully map out what the new way of working means for adjacent processes and systems.

On Monday 15 February 2021 we transferred the first auction group Alstroemeria to the new logistics. On Monday 19 April 2021, the Gypsophila auction group (280) will be the first to move to our location in Rijnsburg. If successfully implemented, auction groups 950 and 952 (Large Mixed Package) will also transition on Thursday, 22 April 2021.

Of course, we do this carefully and in small steps. We will only proceed when we are sure that we can guarantee you a reliable and quality process. You may already be able to use the new logistics services.

### **3.8 What will change for buyers with this new logistics?**

The following will change for buyers of the auction groups concerned:

- The distribution slips will be replaced by one packing slip. Instead of receiving separate distribution slips, you will receive one packing slip per load carrier on which all transactions on that load carrier are listed per line.
- The trolley load will change temporarily, because you will receive these products on a separate trolley. When loading the trolley, we are careful to ensure that the batches you have bought are carefully sorted, with any packaging tags facing forward.
- Inspections will be possible until 30 minutes before the start of the auction, but a number of practical matters will change. Because the logistics will be organised efficiently, the products will no longer be in the correct auction order. To help you

find your products easily, the notice boards in the refrigerated cells will announce which products are on display there. Products will remain stored in the same location whenever possible.

### 3.9 What will change for suppliers with this new logistics?

The draw method will change to 'random grower draw' for the auction groups concerned.

- With random grower lottery, the order in which lots are auctioned per grower number per auction group will always be from low to high;
- When creating your delivery form(s), please ensure that the products you wish to be auctioned first have the lowest form number;
- If a supplier has several nurseries and uses one grower number, he can influence the way/order in which lots appear at the Auction. This can be, for example, in order of nursery, length, weight and quality;
- If a supplier has several nurseries and uses several grower numbers and does not want to auction together/consecutively, the above will apply. The grower numbers will then be drawn separately and may appear differently in the auction group. For example, opting for risk spreading;
- If a supplier has several nurseries and uses several grower numbers and would also like these to be auctioned off consecutively, the additional service 'cluster' auctioning can be used. For more info on this service, please see your Auctioneer.

As you can see, practices/needs can vary per individual grower. If you have any questions, please contact the Auctioneer about how best to proceed.

### 3.10 Where can I find more information about new logistics?

In the coming period, Royal FloraHolland will publish more information about the new fulfilment logistics in both its (logistics) newsletter and on its website.

Online information sessions will also be organised shortly, during which the new logistics will also be discussed. These Online Information Sessions have not been scheduled yet. You will soon receive an invitation by e-mail.

We also developed a video in which we explain in a few minutes what the new fulfilment logistics entails. [You can find this video here >>](#)

Any questions? Then you can also contact our Contact Center. They will be happy to help you! They are [available by phone, email or Whatsapp](#) 5 days a week.

### 3.11 When will Royal FloraHolland switch over completely to this new type of logistics?

We started in Aalsmeer in mid-February to transfer Alstroemeria to the new logistics (order picking). If this first step goes well, we will gradually convert more auction groups to the new logistics. And we are scaling up to all three export locations.

# 4 Attention to quality and customer experience

## 4.1 What do we mean by 'Attention to quality and customer experience'?

In the run-up to a nationwide, digital auction – where physical products are no longer always present at one of our locations – reliable product photos and information become even more important. That is why we will continue to work with growers and buyers in the coming period to improve product information, product photos, the Quality Index and the complaints process

Where necessary, we'll be helping growers to improve the product information they provide. In this way, growers who have difficulty doing so will be supported in supplying good product information themselves (including the correct product photos). We are also improving the current Quality Index. This is the indicator on the clock front that displays a grower's reliability level. This will also include the data from corrections to supply information.

Despite the fact that there is still a possibility to inspect and the supplied product information is correct, things can still go wrong. In order to handle your complaints quickly and efficiently, we are standardising the complaints process at the three export locations and making it more accessible.

We are working with growers and buyers to improve the purchasing experience. This will allow buyers to have greater confidence in the product information that growers provide. And growers will have an increasingly better and more reliable marketplace where they can differentiate themselves based on quality, sustainability and reliability.

## 4.2 Why won't there be plant carts for the Auction soon?

One of the consequences of our new logistics is that trolleys will no longer physically appear at the Auction. Flowers are already no longer physically auctioned. And this summer the plant trolleys will no longer physically appear at the Auction either. In Aalsmeer and Naaldwijk we will be offering the option of projecting photos of the plants on the clock fronts in the coming period. In addition, a stream will be available for all Remote Buying (KOA) users where you can view the growers' picture in high resolution on a separate screen

## 4.3 When will there no more plant trolleys physically appear at the Auction?

In the summer of 2021, the plant trolley will no longer physically appear at the Auction. This will apply to all export locations. Flowers are already no longer physically auctioned.

#### **4.4 How will Royal FloraHolland maintain the customer experience now that physical products will no longer physically appear at the Auction?**

We are currently working on:

- A new photo app
- Control and improvement of the product information and photo
- Inspections remain an option, but will change
- Workstation for buyers

#### **4.5 What's the photo app?**

Reliable, true-to-life product photos are crucial. Buyers must be able to trust that they will receive what they have seen in the photo. The current method where we show photos before and during the auction needs to be improved. And that is why we are developing a photo app together with growers and buyers. Growers can easily create and assign multiple product photos (including detail and mood photos). And in due course, buyers can view the photo of the current or next product to be auctioned in high resolution on a second screen, such as their phone. In the future, these photos will also be available for the auction preparation.

#### **4.6 When can I use the photo app?**

We will start with a 'basic version' of the app. We will constantly expand it on the basis of feedback and requests from growers and buyers. Around May 2021, the photo app for growers will become available for a number of product groups in plants. We are testing the photo app for buyers with a group of first-time users. After that, it will also become more widely available.

#### **4.7 Is work also being carried out to check incorrect supply information?**

The vast majority of the supply information provided is correct and reliable. A lot, therefore, is actually going well already. However, the supply information and the photos are often still incorrect or not representative. And in absolute numbers, this still involves many batches. This causes plenty of problems for buyers.

Every day, before the auction begins, our inspectors specifically check for possible anomalies such as quality and grading marks and product photos. If a discrepancy is found during inspection, the inspectors adjust it so that we show the correct information on the clock front. After the auction, we contact the supplier. Together we are working to reduce incorrect and irregular supply information.

#### **4.8 Can I continue inspecting?**

You can do it, but a number of practical things will change. Because we are organising the logistics more efficiently, the products will no longer be arranged in order of auction. To help buyers find their trade items to be inspected more easily, we will announce the position of the products. Auctioning can be done until 30 minutes before the start of the auction. We are working on a solution for the future.

## 4.9 What will change about the workstation for buyers?

We believe it is important that buyers, who come to our locations to purchase, have a good workstation. Together with buyers we investigate what a 'buyer's workstation' should look like. A survey of buyers has shown that an overview of Auctions in the auction room, getting a feel for the market and inspecting the products are important to them. Seeing physical products at the Auction also plays an important role. With the further digitisation of the auction, product photos and correct product information become even more important when making a purchase decision.

We are now looking at how we can continue to support buyers to trade in our locations. However, the results of the survey give us a lot to go on.