

Business case ID Card

Title: When the Swedish oyster diver does not give up

Name of the company: Klemmings ostron

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Video links: <https://www.youtube.com/watch?v=bQICfbrorv8>

Background

Lotta Klemming, one in the family business Klemmings ostron, is a wild oyster harvester in Sweden. Around 30 years ago, Lotta's father and her uncle started to harvest oysters in Grebbestad (Västra Götaland County) in their spare time. During time, the company grew.

Since Lotta had an employment in a Swedish fashion company (clothing chain) from the beginning, she only had time to be partly engaged in the oyster harvesting. However, thanks to her father and uncle, who are the first-generation oyster divers in Sweden, she had learnt everything about oysters. She soon realized that her father and uncle were completely alone in their own branch. Hence, considering that people were very curious about the job, and in order to do something that can give her a purpose, she left the fashion industry to continue her family profession.

Lotta started her main activity in 2016. She soon found out that her father and uncle were not so good at marketing, showing little interest in being seen and accessible to restaurants and consumers. They were a bit ambiguous, at the same time quite happy with the business but also felt sorry for themselves and argued that no one cared about them and that they did not grow because they are a minority. Critically with this mindset, Lotta tried to understand where all this come from. The first step was to talk to local fishermen. She realized that it was hard, as a small business owner, to sell directly to the local market and local customers due to food security and food traceability. According to the Swedish Food Agency, you are only allowed to sell 400 kilo oysters per year and not more than 10 kilo oysters per week directly to a consumer.

With this in mind, she started with many difficulties but has never given up. Stubborn; is how she labels herself. She wanted to work hard, make her own money, and get paid, but not be dependent on state support. And she was able to create a



market for invasive oysters cooperating with restaurants. As Lotta notes, it has taken her 5 years to make a living from this job because when it comes to food, one has to be able to combine constantly acquiring new knowledge and capital in order to survive.

Main activities

The company works with two kinds of oysters: “*Ostrea Edulis*” also called European flat oysters and “*Crassostrea Gigas*” or so-called Pacific oysters (also called Japanese oysters). Oysters can be found from the shoreline down to a depth of fifteen meters. They are wild and need to be collected through diving. *Ostrea Edulis* are picked when they are at their smallest size, while Japanese oysters are picked when they are about 1-year old. The latter are less sensitive to salinity and temperature and grow faster, making them a competitor to space and food. As Lotta notes, she only picks very big oysters when it comes to native ones so as not to impede the reproduction of smaller ones. However, when it comes to Japanese oysters, it is necessary to pick them otherwise they might take over from the native ones.

Oysters belong to the person who has the fishing rights, usually the landowner. So, to be able to harvest oysters, one needs to have the permission of the land right holders. The oysters are picked from the first week of September until midsummer when the oysters have their reproductive period during July-August.

As Lotta says, she can harvest oysters much faster than and better than her father and uncle. She harvests 2-3 times a week which takes about 1.5 hours each, but this is not the whole story. 1.5 hours of harvesting mean a full working day due to all the preparations and taking care of the equipment both before coming to the oyster bank and after diving. Oysters like all other kinds of seafood are fresh products and must be delivered to the restaurants the same day they are harvested.

Generally, both types of oysters are very sensitive to cold and heat and should be handled very carefully which needs time and effort. After harvesting, oysters need to be stored in the sea. Then, the day after, they should be prepared and packed before delivery. So, the oysters are cleaned of algae and rocks, separated if they grow in clusters. In addition, they need to be counted and reported to all authorities such as the Food Agency, the Agency for Marine and Water Management, and not least the landowners. Besides, before taking orders, oysters must be tested by the Food Agency. Overall, between September and June, they collect 1,000 to 1,500 oysters per week, depending on demand.

Local people’s opinions about oysters vary since oysters were not used to be eaten in the region, but just to use as bait. Regardless of her father’s position as one of the starters of the oyster’s academy, the company celebrates the “oyster day” when the seasonal oyster fishing starts in September. Furthermore, the company organizes oyster safaris, summer activities for kids, and other experiences for customers.



These not only attract visitors from all over Sweden but also foreign tourists. As Lotta says, over time the local people may change their mind about the oysters since the visitors and the summer homeowners appreciate it. She also plans to attract people to come to the area in the middle of the winter, not just in summers.

Restaurants can visit the company in Grebbestad on working days. This helps them to see what is behind this food and for what reason Lotta's oysters cost more than the imported ones. This fall she will also attend in a special day; farmers' dinner, where the restaurants that she has been working with, are coming. Of course, in addition to these sittings, she corresponds with her customers via email or phone calls and tries to answer all questions.

Market

As Lotta says, the local community of Grebbestad county does not value what the company does and, therefore, is not sufficient to help Lotta make money from her business. However, summer guests and people who have summer houses in the area are so positive and proud. They come to the company a lot, especially retired people who spend time in the village, buy oysters, and talk to Lotta. Moreover, she has direct contact with all buyers and knows exactly who is getting oysters in each week.

It has been 5 years that she has gone to Gothenburg every week to deliver oysters to her customers. As she points out, this gives a lot of added value for being available and be seen in the cities as well as helps her to communicate on the chef's level, especially in the last 1.5 years. These dialogues have been a learning tool for both Lotta and restaurants. On the one hand, chefs see these Japanese oysters with different sizes in their kitchen which can help to develop their culinary. On the other hand, Lotta knows how to market her oysters (to be cooked or served in a different way). For example, a restaurant in Stockholm makes flavor for its dishes from the oysters' shells, or with her Japanese oyster, Lotta has had close communication with a well-known master chef at Gothenburg. Together, they have been working to make a market for this kind of oyster in Sweden and sell more Japanese oysters than the native ones. Overall, customers from Norway, as well as restaurants in Gothenburg and Stockholm, are contributing to helping the company to make money and having a job.

The company has two competitors; where one works with the wild oysters, the other works with the farmed ones. Lotta would like to collaborate with them to make the Swedish oysters strong, but it has so far been difficult as they seem to see her as a threat. She emphasizes that there is a huge difference between them as the market is extremely good for farmed oysters. The biggest problem is that buyers do not have a clue about the difference between farmed or wild oysters! In Lotta's opinion, farmed and wild oysters are two different things, but for many people, Swedish oysters are Swedish oysters.



Challenges and solutions

For Lotta, delivering oysters needs much time and is extremely annoying due to the traffic jam, but it is worth it since it has helped her to create her own brand, something that no one ever did before. Apart from that, the overall management of the family business may be the hardest part of Lotta's journey because she is afraid that they will not be happy with what she is doing.

She is also unhappy that many people attribute her success to her gender. In her own view, she owes her success to her personality and the way she talks to chefs or meets people. Although it is time-consuming showing the work process to people who come to the village, it is the biggest investment for her.

Lotta, referring to the district municipality, believes they can come to aid her more. She wants to be independent and have a destination and a place with its own rules. As she states, many houses and industrial buildings are empty, and she can acquire them to promote her business since her competitors have already received various aids from their municipality. But even though Lotta does not see the competitive atmosphere around her as positive, she believes that her competitive edge is her youth, which will allow her to imagine a bright future against her 60-year-old competitors.

Lotta will need to invest in new suitable diving clothes to work in the cold as well as a more secure boat with modern equipment. To be able to finance her first equipped fishing boat, she hopes to collaborate with a boat company rather than getting state subsidies. She aims to do marketing for the boat company which can allow her to pay less.

Financing

Lotta started with an empty bank account! And although she is paid for a computer and diving suits by her customers, but for the first three years, she has used her own savings. The first three years the business did not generate sufficiently to allow her to get a salary from her business.

This year is the first year that she has money in her company account left and can pay herself a decent salary. In addition to restaurants, she has a number of private customers who regularly come to the company and buy her products, and even get a nice lunch, which has given her economic stability. As a businesswoman who builds a business from the ground up, she has not afforded to have employees. She is self-employed while her father and uncle have their business together (without employees). However, they help each other, for example, when a bigger group comes to pick oyster, she uses her father and uncle's boat since it is bigger.



What makes this case innovative?

Lotta Klemming has worked hard to increase the demand for her products, especially the Japanese oysters because they have led to a high variety of food for chefs as a new product. What sets her apart from her competitors is that she is available and accessible with high communicative skills where the other two competitors are not. In addition, Lotta's company does not have the same buyers since she tries to differentiate between farmed and wild oysters. According to her, these Swedish products help to create a variety of dishes on the menu and lead to more demand for restaurants, which in turn adds value to local areas instead of importing from other countries.

Key takeaways / Lessons learnt

Lotta's life is a story about how you can go from feeling bad about everything to finding what you are best at. She could find the reason that did not let her father and uncle be seen in the market. She never complained of cold working conditions and today, her oysters are served in some of the best restaurants. As she notes, she should have started with her oyster safari trips earlier because the margins are better.

According to Lotta, if she had not created her availability feature from the beginning, she would have never been able to create a market for her products. Informative conversations and learning dialogues in which she and the chefs help each other exchanging information have led to the advancement of knowledge. Such genuine curiosity and communication skills as well as interest in understanding the needs of chefs and solving their problems have helped her to introduce the right product to them. At the same time, it is important to provide services with a timely schedule to deliver the latest fresh products to the restaurants.

Lotta has not been visiting as many restaurants during the Covid-19, but her goal is to be able to meet more restaurants to grow her business. Since she aims to scale up her business and makes this area to be known as an oyster place, soon or late she will need employees even though she loves her lifestyle (being alone). She is interested in sharing her culinary skills by attending Grebbestad primary school and states that as a young entrepreneur, she can give a lot to the village. Although she now has a stable income, she sees that financial support has given her competitors more freedom of action. Therefore, believes that she should had more self-confidence to approach the municipality as well as other official bodies earlier to find any support.



Impact

Storms in fall come with many plastics in the sea. In addition, sometimes people empty their trashes in the sea. However, the company takes care of them and cleans the beaches when they pick oysters. Moreover, they handle the seafloor with care and look after it by thinning and picking up the large oysters and making room for the smaller ones. Sustainability is important for the company, and the harvesting is done with consideration to the surroundings. Apart from those, Lotta dives and harvests per order and does not put pressure on the oysters.

Lotta encourages consumers to eat a small number of Swedish oysters, instead of quantities of imported ones. Relatively new types of oysters have high growth that can cause health problems.

