

## Business case ID Card

**Name of the company:** Blue Lobster

**Country:** Denmark

**Size of the business:** two co-owners and an employee handling sales and a part-time logistics coordinator who drives fish from harbor to restaurant

**Website:** <https://bluelobster.app/>

**Contact:**

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**Video link:** [https://www.youtube.com/watch?v=hLFaeWg0\\_cg](https://www.youtube.com/watch?v=hLFaeWg0_cg)

### **Background**

When she arrived in Denmark from the United States, Christine Hebert was surprised by the quality of the fish. Given the proximity of the coast, she thought it would have been much fresher and cheaper than it actually was. Together Christine and her partner Nima Sophia Tisdall conducted six months of market research to find the underlying reasons causing these issues, and they found out that the fish was going through a minimum of five different suppliers after it was caught by the fisherman, taking a minimum of three to four days, and sometimes up to 16, before arriving on a consumer's plate. This long supply chain going from auction, distribution centers and retailers to finally reach the customers results in significantly higher prices and less fresh seafood. In these conditions, only industrial fishing vessels were able to earn enough money to survive in the industry, and many harbours had to close down because small-scale fishermen could not compete anymore.

To solve this issue, Blue Lobster founders decided to create a new digital marketplace, enabling local fishermen to sell their fish directly to their customers. Through an app and logistics system currently dedicated to local restaurants, fishermen can discover the orders of the day and fulfil. The fish is then delivered directly from the docks to the customer who placed the order. Blue Lobster was founded in September 2018 and started generating revenue in April 2019. The concept recently caught the attention of the Obama Foundation, praising it as a “global role model” for coastal areas.

### **Main activities**

Blue Lobster is a digital platform connecting local fishermen with consumers, allowing the latter to receive the fish they ordered on the day it was caught. The service is currently offered to restaurants, but a app will be made available for private customers very soon (launch expected at the end of 2019). The online marketplace allows customers to get



transparent information on the fisherman who caught the fish, the fishing techniques used, the time their purchase arrived at the docks and the way it was transported to them.

### **Market**

Today in Denmark, most of the fish is caught by industrial ships, catching large amounts of fish to sell them at the lowest price. By acting as the only intermediary between fishermen and their customers, Blue Lobster allows local fishermen, whose way of fishing is more respectful towards the environment and biodiversity, to offer the fishermen higher prices. Moreover, as a majority of the fish caught off Danish coasts is currently transported to central Denmark for processing before being sold, the direct sale system deployed by Blue Lobster allows transportation costs and greenhouse gases emissions to be cut, connecting the fish directly from Copenhagen's docks to the city's delicious restaurants.

Beyond a simple online marketing platform, Blue Lobster provides fisherman with the tools they need to sell their fish at the best price, from the administration to the logistics. They help with the marketing and advertisement, transport the fish directly from the docks to their final customers, and take care of distributing receipts for each order. In that sense, part of the revenues coming from the sales are going back to Blue Lobster to cover those services and develop them even further. The business started targeting local restaurants, but it will soon open to individuals.

### **Challenges and solutions**

The most critical aspect for Nima and Christine was to gather enough own capital and man power to launch Blue Lobster. They started developing the online marketplace internally, but as the business grew, they decided to outsource the development until they could hire a team with the right technical profile, although an advisor is already advising on these aspects. A lot of knowledge was also necessary to get through all the current regulations related to fishing and food safety, but since they studied very closely the fish supply chain before launching their business, Blue Lobster co-founders were already well informed.

Selling only fresh fish from local fishermen also means that their product selection remains dependent on the day's catch, unlike supermarkets or industrial ships. Nonetheless, the primary appeal drawing customers to use Blue Lobster is the access to fresh fish from the day, together with transparent information on where and how it was caught.

### **Funding**

Approximately 6.500 euro of own savings were necessary to launch Blue Lobster, together with personal time investment from the owners. As the business concept started raising interest, the young company also benefitted from start-up grants and financial rewards received through competitions, that were used for the development of the technology. Blue Lobster is now a private limited company, owned at 50% by each of its two partners.



**What makes this case innovative?**

Blue Lobster is making a real difference by drastically cutting down the supply chain between fishermen and their customers. This allows them not only to decrease the costs related to intermediaries, transport and waste along the way, but also to provide customers with transparent information on the food they eat. By reconnecting local fishermen with their customers, Blue Lobster brings back the benefits of their activity to the local community.

**Lessons learnt**

Preliminary knowledge on the fish supply chain and its current issues have led Blue Lobster owners to launch their own business, but it was also what enabled them to be successful when they started. Entrepreneurial courses from business schools have made the owners well prepared to conduct their market study and develop a sound business concept, which they are planning to expand internationally, but they are also well aware of the different types of expertise they need to follow their dream, and are thus paying particular attention to hiring the right profiles to complete their team as the business grows.

