

HOW TO DEVELOP BUSINESS IN THE AGRO-FOOD SECTOR ?

A practical management training

WHAT CAN YOU EXPECT

- The training
- Business development in agro-food
- Management capacity in rural areas
- Development and quality of the product
- Financial aspects
- Internationalization
- Business cases
- The virtual game

THE TRAINING



THE TRAINING

Objectives of the training

✓ ENTERPRISING COMPETENCES

Company and entrepreneur go through a transition

✓ IMPLICATIONS OF THE DEVELOPMENT OF YOUR BUSINESS ON

- Marketing and distribution
- Management of the company
- Product development and quality of the product
- Financial aspects of the development
- Internationalization

THE TRAINING

Objectives of the training

- ✓ CASES
- ✓ VIRTUAL



THE TRAINING

THE BUSINESS CASES

- ✓ The cases are based on the everyday experience of companies in the agro-food sector
- ✓ The cases illustrate that developing your business covers all aspects of management
- ✓ The approach is practical
- ✓ The cases can be done individually or in group
- ✓ A debriefing in group is to be advised

THE TRAINING

TRAINING METHOD

QUESTIONING

- ✓ Use of variety of questions to invite trainees to take part in the discussion and avoid only closed questions (yes/no answer)

FEEDBACK

- ✓ Where are we now and how can we make following (positive) step?
- ✓ Feedback is not on a person, but on behavior

REVIEW

- ✓ Looking back at the situation in a objective way
- ✓ Follow up of the process we are going through
- ✓ Is no evaluation on behavior

BUSINESS DEVELOPMENT IN AGRO-FOOD

CONFRONTATION WITH

- ✓ Environmental issues
 - Use of the (scarce) resources as efficient as possible
- ✓ Social Issues:
 - The whole social chain should be a winner
- ✓ Consumer issues
 - The demand-side of the market (the consumer side) takes the initiative
- ✓ Globalization
 - The world is more and more our market

BUSINESS DEVELOPMENT IN AGRO-FOOD

RECONCILIATION OF ECONOMIC

- ✓ Efficiency
- ✓ Marketing
- ✓ Social & environmental expectations



DEVELOPMENT & QUALITY

INNOVATE

Why to companies innovate?

- Sustained growth in revenues and profit
- Good image

DEVELOPMENT & QUALITY

INNOVATE

There are 3 types of companies (Kottler)

- Companies that wonder what things happen
- Companies that realize that things happen
- Companies that make things happen

DEVELOPMENT & QUALITY

INNOVATION

Creating a new product or process with and added value to the costumer

It can be innovation on

- ✓ Product
- ✓ Production process
- ✓ Packaging
- ✓ New approach in distribution and market (business model)
- ✓ Techniques and equipment

DEVELOPMENT & QUALITY

INNOVATION

For the agro business, innovation on product level is most frequent

- ✓ Line extensions
Expanding a group of products
- ✓ Me-Too
Copying products
- ✓ New product/concept
Totally new

DEVELOPMENT & QUALITY

INNOVATION

Be aware of

- The life cycle of a product
- Competitors have the same interest

DEVELOPMENT & QUALITY

MANAGING PRODUCT DEVELOPMENT

Stages in the development process

STEP 1 : GATHERING AND JUDGING IDEAS

STEP 2 : STUDYING THE MARKET

STEP 3 : PRODUCT SPECIFICATION

STEP 4 : FEASIBILITY CHECK

STEP 5 : PROTOTYPING

STEP 6 : TESTING THE PRODUCT

STEP 7 : THE PRODUCT LAUNCH

STEP 8 : POST LAUNCH EVALUATION



DEVELOPMENT & QUALITY

MANAGING PRODUCT DEVELOPMENT

STEP 1 : GATHERING IDEAS

- ✓ Market research
- ✓ Brainstorming
- ✓ Mind mapping
- ✓ Media
- ✓ Inspiring books and media
- ✓

DEVELOPMENT & QUALITY

MANAGING PRODUCT DEVELOPMENT

STEP 1 : JUDGING IDEAS

- ✓ A multi-discipline activity
- ✓ Criteria are
 - Financial
 - Process
 - Product features
 - Marketing
 - Company
 - Legal
 - Ethic

DEVELOPMENT & QUALITY

MANAGING PRODUCT DEVELOPMENT

STEP 2 : STUDYING THE MARKET

- ✓ Confrontation of the market with an idea
- ✓ Is there potential and how do we estimate it?
- ✓ Information gathering
- ✓ Result of the market study
 - A lot of information
 - A more objective picture of the product
 - Information we cannot use now, can perhaps be used in other

DEVELOPMENT & QUALITY

MANAGING PRODUCT DEVELOPMENT

STEP 3 : PRODUCT SPECIFICATION

- ✓ The full description of the product
- ✓ A combination of the expectations of the customer and the abilities of the company
- ✓ Specifications have to include haps be used in other
 - Production method
 - Ingredients
 - Cooking process
 - Packaging
 - Quality aspects
 - Target group(s)

DEVELOPMENT & QUALITY

MANAGING PRODUCT DEVELOPMENT

STEP 4 : FEASIBILITY CHECK

- ✓ Is the specification realistic
- ✓ Do we have the technical ability to make the product?
- ✓ Do we have (or can we organize) the appropriate production process?
- ✓ Do we have all the equipment to guarantee an efficient production
- ✓ Financial consequences of the development

DEVELOPMENT & QUALITY

MANAGING PRODUCT DEVELOPMENT

STEP 5 : PROTOTYPING

- ✓ In food context, prototypes are mostly called samples
- ✓ Types of prototypes
 - Proof of concept
 - Forms and visual representation
 - User Experience and interaction of prototype
 - Functional prototypes

DEVELOPMENT & QUALITY

MANAGING PRODUCT DEVELOPMENT

STEP 5 : PROTOTYPING

- ✓ Test productions is not the same as industrial production
 - Ingredients can behave differently
 - Dosing can be different
 - Length of production process
 - Storage conditions
 - Packing

DEVELOPMENT & QUALITY

MANAGING PRODUCT DEVELOPMENT

STEP 6 : TESTING THE PRODUCT

- ✓ We go deeper into the market
- ✓ In food business it is not a matter of copy-paste between segments
 - Flavors differs from one country to the other
 - Children's products are not adults' products
 - Ingredients are not allowed in particular segments and countries
- ✓ Testing the product allows fine-tuning of the development



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MANAGING PRODUCT DEVELOPMENT

STEP 7 : PRODUCT LAUNCH

- ✓ The marketing mix will help us to launch the product efficiently
- ✓ Follow the introduction of a new product closely. Use facts and figures to do that (perception is not a good adviser)
- ✓ Give the product enough time in the market

DEVELOPMENT & QUALITY

MANAGING PRODUCT DEVELOPMENT

STEP 7 : PRODUCT LAUNCH

✓ Important cluster of customers in this stage

Lead users – Innovators (and early adaptors)

They will help you to identify future opportunities and evaluate emerging concepts

DEVELOPMENT & QUALITY

MANAGING PRODUCT DEVELOPMENT

STEP 8 : PRODUCT LAUNCH EVALUATION

- ✓ Organize temporary evaluations once the product has been introduced and draw conclusions
- ✓ The development of products and concepts may cost a lot of money
- ✓ At the end of every step, you should leave time for evaluation with 'GO' or 'STOP' as result

DEVELOPMENT & QUALITY

CHANGE MANAGEMENT

Innovation or the process of product development brings about changes in the company. In order to have staff motivated for these changes, you should

- ✓ Increase the urgency of the development (ability to spend time)
- ✓ Set up strong steering and guiding/work teams
- ✓ Start from the correct vision and information
- ✓ Organize regular communication
- ✓ Empowerment of the action
- ✓ Create short term wins
- ✓ Don't give up if facts and figures give hope

DEVELOPMENT & QUALITY

CHANGE MANAGEMENT

How to work in teams

- ✓ Definition of the roles in the project team
- ✓ The best results come from a multi-disciplinary team
- ✓ A variety of personalities in the team is favorable
- ✓ There should be regular reporting to management
- ✓ There is always a cost involved – see that you can stop in time



DEVELOPMENT & QUALITY

OPEN INNOVATION

There is tendency to co-creating (creating products in alliances) because

- ✓ Skills and competences are not always present in the company/country that wants to develop products
- ✓ Networking multiplies the information
- ✓ Risks can be spread

Who works alone adds up, who works together multiplies



DEVELOPMENT & QUALITY

QUALITY OF THE PRODUCT

Quality assurance is a pro-active instrument to guarantee the product is according to the food standards.

✓ HACCP

- Identifying potential risks

- Setting up procedures

- Training of staff

- Monitoring and reporting procedure

DEVELOPMENT & QUALITY

QUALITY OF THE PRODUCT

Quality assurance is a pro-active instrument to guarantee the product is according to the food standards.

- ✓ Risks that have to be taken into accounts according to the Critical Control Points (CCP)
 - Physical
 - Chemical
 - Biological
- ✓ QA procedures have to be checked now and then
- ✓ External audits: BRC, IFS, Customer audits