



# Final report

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## Developing Australian Country Choice's capability to implement a marketing strategy using data and insights (Markets)

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## Abstract

This project was undertaken to develop ACC's capability to implement a marketing strategy using data and insights. Specifically, the project would enhance digital capability and assist in leading the company's transition to a data led business that would then inform what path ACC would take in developing a branded beef program or programs. This approach would better inform the upstream business units in how their performance influences the result and how ACC could best utilise its supply chain to deliver desired outcomes.

This project partnered with other MLA co funded roles (P.PSH.1159 & P.PSH.1223) in building capabilities around data capture, data management, report building, and translating that data into actionable information for decision making.

This role was able to leverage the data systems to take a whole of supply chain approach to the analysis of results and subsequently influence decision making across the ACC Group which was previously impossible. As a result, ACC is now able to make more considered and evidence backed decisions relating to Group strategy and performance of individual business units to deliver a branded beef program.

Reporting and insights that has been generated through this program have now become embedded in the ACC review culture and feature prominently in almost all decision making from monthly financial reviews with the Senior Leadership Team to daily decisions on the production floor. The project has been an overwhelming success, has added, and continues to add significant value to the ACC business.

## Executive summary

### Background

ACC's business is transitioning with an opportunity for ACC to develop new business underpinned by a branding strategy to supply new customers with a range of beef products. An ACC brand would need to be established and what markets to target would need to be identified. A review of the market, with MLA's assistance, would be required.

Historically, ACC has operated as three separate business units which, while related, operated mostly independently of each other. With the introduction of a branded beef program a higher level of scrutiny across all levels of the supply chain, along with a better understanding of how business decisions at one end affect the performance of the brand is required.

Developing ACC's digital capability and data driven decision making is crucial to the transition of the business. Working in tandem with the other co-funded roles, P.PSH.1159 & P.PSH.1223, ACC would build the capability to deep dive on issues using data captured throughout the supply chain. This would ultimately result in having a thorough understanding of the data, enabling better decisions to be made throughout the business.

### Objectives

1. Implementation of ACC's Marketing strategy.
2. Implementation of ACC's marketing data capability and systems to achieve alignment with that of the farm / feedlot and factory roles creating end to end capability in the business.
3. Achieve quantifiable improvements in triple bottom line indicators following the below categories:
  - a. Financial
  - b. Social
  - c. Environmental

The project achieved the desired goals and objectives which are further detailed in the report.

### Results/key findings

An end to end data capability was created along with the implementation of a suite of reports leading to the company being able to make data driven business decisions.

Further, the ACC branded beef marketing strategy was developed and implemented, supported by the Business Intelligence tools that were created.

### Benefits to industry

By dedicating capable resources and capital it is possible to transition a business to data driven decision making. Further, once established it is surprising how quickly and how positively a business adopts the reporting and embraces the new approach.

### Future research and recommendations

Business Intelligence skills require time and investment to reach capable levels. Incorporating these skills into more roles will reduce the dependence on a few key staff by providing redundancy for capabilities and will also increase the depth of possible improvements.

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## 1. Background

ACC's business as a dedicated supplier to a single client is transitioning with an opportunity for ACC to develop new business underpinned by a branding strategy to supply new customers with a range of beef products.

ACC Processing will remain, primarily, as a provider of slaughter and bone services to external customers. However, there is a business need to process and sell some amount of beef from an ACC brand to:

- help balance the processing schedule
- reduce risk to ACC from customer volume variations
- keep abreast of market changes; and
- get first hand feedback on service level performance assisting in maintaining customer confidence.

The ACC brand would need to be established and what markets to target would need to be identified. A review of the market, with MLA's assistance, would be required.

Historically, ACC has operated as three separate business units which, while related, operated mostly independently of each other. With the introduction of a branded beef program a higher level of scrutiny across all levels of the supply chain, along with a better understanding of how business decisions at one end affect the performance of the brand is required.

Developing ACC's digital capability and data driven decision making is crucial to the transition of the business. Working in tandem with the other co-funded roles, P.PSH.1159 & P.PSH.1223, ACC would build the capability to deep dive on issues using data captured throughout the supply chain. This would ultimately result in having a thorough understanding of the data, enabling better decisions to be made throughout the business.

## 2. Objectives

### 2.1 Overview

The major activities to be undertaken by the ACC's Marketing and Insights Supply Chain Manager include:

- Implementation of ACC's market data capability and systems strategy to achieve alignment with that of the farm / feedlot and factory roles.
- Participation in MLA's Category Growth Driver analysis. Where to play? How to win?
- Conduct market and insights intelligence and analysis in targeted high value domestic and export markets.
- Implementation of design-led approaches for customer services – in particular value propositions that consider desirable-viable-feasible criteria.
- Scanning exercises of new innovative product, packaging, technology and processes and business model designs.
- Capture, collate and analyse consumer and market trend data to provide insights to new products and packaging to meet customer demand and create a POD for the business.
- Attend Trade shows and industry events to evaluate new innovative products.
- Insight and data analytics capability and skill development.
- Participate in MLA's capability building modules and network meetings.

## 2.2 Objectives

This project supports the development and implementation of ACC's marketing strategy in both the domestic and global markets. It also supports alignment of the marketing data capability and systems with that of the farm / feedlot and factory systems. These objectives will be achieved by trialing, and where relevant and achievable implementing the following initiatives:

- Participate in MLA's Category Growth Driver analysis review
- Utilise MLA data for market insights on global beef markets to assist in developing ACC's branded beef strategy – where to play and how to win,
- Review the potential for ACC brands to be underpinned by the MSA Cypher as opposed to dentition,
- Model the profitability of branded programs utilising the full supply chain data,
- Develop close out reporting for branded programs to show true profitability and assess profitability model accuracy,
- Develop carcass quality reporting on ACC branded program production runs,
- Develop Boning Room yield reporting for ACC branded program production runs
- Develop Offal yield reporting for ACC branded program production runs.
- Develop Stock on Hand and Inventory days reporting for ACC product to identify opportunities for improvement and cost saving,
- Identify opportunities for new revenue streams and perform cost/benefit analysis to commence production,
- Identify new products or further processing opportunities to upsell existing products,
- Develop sales forecast to identify what forecast production has been sold/unsold,
- Development of a market optimisation tool to
  - identify the most profitable markets for carcass disposal outside of regular customer commitments.
  - Identify opportunities within co-products and non-traditional cuts – i.e. at what \$/kg is it profitable to collect XYZ product,
- Develop an exception report which highlights major variations from baseline for market indicators which can be reviewed by the business to understand why the variation is occurring and the potential impact to business – i.e. loss of sales, product claims / rejections based on microbiology / quality specs, stock on hand (inventory) and carrying value/ cost.
- Ensure business rules exist to validate data accuracy prior to inclusion in databases.
- Ensure that ACC data capture, transfer, integration, and reporting functions are adopted and used across the ACC commercial team.

## 2.3 Outcomes

Project outcomes include;

4. Implementation of ACC's Marketing strategy as per objectives above,
5. Implementation of ACC's marketing data capability and systems to achieve alignment with that of the farm / feedlot and factory roles creating end to end capability in the business.
6. Achieve quantifiable improvements in triple bottom line indicators following the below categories:
  - d. Financial
  - e. Social
  - f. Environmental

### 3. Results

The structure of this Agreement enabled the delivery of any objective at any time throughout its length. As such reporting by Milestone is neither relevant nor the most effective way of presenting the results. The results below are separated by each individual objective per the Agreement.

The objectives and outcomes are measurable ways of assessing the success and progress of the project.

#### 3.1 Objectives

##### 3.1.1 Category Growth Drivers

- Participate in MLA’s Category Growth Driver analysis review

Successful collaboration with MLA to perform the CGD assessment. This process allowed us to gain valuable insights into markets and branding opportunities that exist and what drivers will determine a brand’s success.

**Category drivers – ‘non-product’ consumer attributes that are;**  
**1) considered when identifying category growth drivers**  
**2) aligned with ACC 120 brand attributes**

Growth Driver	Peace of mind	Peace of mind	Best for me/my family	Simply the best	Make my life easier	Make my life easier
Country/market	SEA	MENA	SEA	MENA	SEA	MENA
Key words	Safety Product guarantee COO	Safety Halal, Fresh	Health/nutrition Natural Family	Quality Family Enjoyment	Easy solution quality, nutrition	Ease/Quick Quality
<b>Consumer trend and needs</b>						
Safe to consume	✓✓✓	✓✓✓	✓		✓	
Naturally farmed		✓	✓	✓✓		
Low in fat		✓	✓	✓✓		
HGP free	✓	✓	✓	✓		
Consistent quality	✓	✓✓	✓✓	✓✓	✓	✓
Product assurance/guarantee	✓✓✓	✓✓✓	✓	✓✓	✓	
Country of Origin (being Australian)	✓✓	✓	✓	✓✓	✓	
Beef is lean		✓	✓			
High quality packaging				✓✓	✓✓	✓
Appealing meat colour	✓	✓✓		✓✓		
Meat is never frozen	✓	✓	✓	✓✓		
Convenient - to cook at home			✓		✓✓✓	✓✓✓
Supply chain innovation	✓✓	✓✓				

Halal requirement: Indonesia, Malaysia  
 Halal requirement



The primary outcome of the CGD assessment was that upon reflection ACC has no desire to directly compete with any current processing service customers. As a result, the options that exist for ACC’s branded program/s are limited and resulted in the adoption of the current 120 day grain fed program. Further, this market provides the largest customer base for export, enabling ACC to best move stock and build relationships.

##### 3.1.2 Utilise MLA Data

- Utilise MLA data for market insights on global beef markets to assist in developing ACC’s branded beef strategy – where to play and how to win,



The MLA data does not necessarily provide significant insights to build a strategy. The available data is a picture of what everyone else is doing – not how to do something different or better. Further, the data available is volume and does not include value. Developing a financially secure strategy relies on having accessible information on probable revenues which further reinforced the decision to target commodity markets and their increased visibility.

Further, at present ACC is still managing transitioning from being a single customer business and overcomplicating the ACC brand could be too much too early. The 120 day grain fed program is positioned as a slightly higher quality than commodity (100 day) beef as a point of difference but still plays in the same markets which are relatively stable and known which reduces the risk.

As referenced above in the CGD assessment ACC does not want to directly compete with customers and as a result this was the most easily accessible market that has the largest pool of available customers.

### **3.1.3 MSA Cypher**

- Review the potential for ACC brands to be underpinned by the MSA Cypher as opposed to dentition

This was reviewed but as all of ACC and all of ACC's customers operate in export markets which recognise dentition this approach will not progress.

### **3.1.4 Profitability Modelling**

- Model the profitability of branded programs utilising the full supply chain data.

The modelling tool has been completed however it is not integrated into any system and thus requires weekly updating. The model looks at profit across the ACC supply chain and allows the business to understand how we can best make decisions to improve profitability across the whole supply chain rather than just one area.

Decision making across the Group has become imperative in a difficult market as decisions to maximise profit at a business unit level can have a greater detrimental effect on the supply chain. By providing increased visibility and actively managing the supply chain it has allowed the ACC brand to be more profitable than would otherwise have occurred. Further, the program allows all parts of the supply chain to operate at close to maximum production levels which again assists the Group's profitability by reducing overheads on a per head basis.

### **3.1.5 Close Out Reporting**

- Develop close out reporting for branded programs to show true profitability and assess profitability model accuracy.

This has been completed. The functionality was developed within Power BI and has the same benefits as the Profitability Modelling above. Allowing a retrospective look is important to hold ourselves accountable to our decisions based on expected returns.

### 3.1.6 Carcase Quality Reporting

- Develop carcase quality reporting on ACC branded program production runs,

A number of reports have developed in Power BI to assess carcase quality based on the information gathered in our MES. This has allowed our team to identify and investigate possible and potential loss of value events such as dark cutters and dentition.

Having the data available which is hard to dispute has allowed a more robust discussion with operations on the events that detract from value.

Further, any improvements or issues identified by analysing the ACC program can be carried across to customer programs which adds value to our service offering providing a benefit to more than just ACC.

GRADING DATA			Customer	Kill Date		Week Ending																
			ACC 120	12/10/2022	14/11/2022	All																
KillDate	Customer Name	Producer	Body	CurrentRFID	HGP	Sex	Condemn	Dark Cutter	Head	HSCW	MC	PH	Dentition	Non-Halal	EMA	FatColor	LoinTemp	Hump	MSAIndex	MSAMb	AuMb	P
14/10/2022	ACC 120	ACC- Opal Crk	657	982 123754384479	N	M	FALSE	0	404.20	1C	5.48	0		0	88	0	4.80	120	52.18	440	2	
14/10/2022	ACC 120	ACC- Opal Crk	658	982 123744884721	N	M	FALSE	0	399.40	2	5.48	2		0	84	0	4.80	135	49.21	330	1	
14/10/2022	ACC 120	ACC- Opal Crk	659	982 123754386330	N	M	FALSE	0	405.80	2	5.43	2		0	90	0	4.80	95	53.50	330	1	
14/10/2022	ACC 120	ACC- Opal Crk	660	982 123744360001	N	M	FALSE	0	378.00	2	5.47	4		0	95	0	4.80	135	49.33	370	1	
14/10/2022	ACC 120	ACC- Opal Crk	661	982 123754386229	N	M	FALSE	0	395.80	3	5.45	0		0	96	1	4.90	125	49.90	300	1	
14/10/2022	ACC 120	ACC- Opal Crk	662	982 123754385521	N	M	FALSE	0	394.40	3	5.48	0		0	89	0	4.70	135	47.59	220	0	
14/10/2022	ACC 120	ACC- Opal Crk	663	982 123754386575	N	M	FALSE	0	369.00	3	5.46	2		0	90	0	4.70	110	48.94	250	0	
14/10/2022	ACC 120	ACC- Opal Crk	664	982 123754385565	N	M	FALSE	0	416.20	2	5.46	0		0	95	0	4.70	125	50.51	370	1	

### 3.1.7 Boning Yield Reporting

- Develop Boning Room yield reporting for ACC branded program production runs.

A number of Power BI reports have been developed to provide visibility over boning room yields. Apart from the report below which provides information on boning room product we have developed reports on:

- Piece yields
- Yield trends
- Trim reporting
- Bin usage

Visibility over these areas is crucial to ensure that carcase utilisation is maintained and the full value of each carcase is achieved.

Bonning Yield Report		Head:	1080.0	AVG HSCW:	411.5	Shrink:	-0.57%	Yield:	79.49%																																																																																																																																																																																																															
Customer Selection		<table border="1"> <thead> <tr> <th>Category</th> <th>Cartons</th> <th>Kgs</th> <th>Pieces</th> <th>Yield</th> <th>Pc Yield</th> <th>Planned Pc Yield</th> <th>Planned Pieces</th> <th>Piece Variance</th> </tr> </thead> <tbody> <tr> <td><b>Back Ribs</b></td> <td><b>134</b></td> <td><b>2,548.90</b></td> <td><b>0</b></td> <td><b>0.57%</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>AC23324 - "YP" BACK RIB GF</td> <td>134</td> <td>2,548.90</td> <td>0</td> <td>0.57%</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Body Fat</b></td> <td><b>246</b></td> <td><b>6,143.20</b></td> <td><b>0</b></td> <td><b>1.38%</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>AC23088 - "A-FAT/TRMG" BP FROZEN</td> <td>246</td> <td>6,143.20</td> <td>0</td> <td>1.38%</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Bolar Blade</b></td> <td><b>930</b></td> <td><b>17,839.94</b></td> <td><b>2193</b></td> <td><b>4.01%</b></td> <td><b>3.95%</b></td> <td></td> <td></td> <td><b>2,19</b></td> </tr> <tr> <td>AC22413 - CHILLED "YP" BOLAR BLADE GF</td> <td>118</td> <td>2,715.16</td> <td>324</td> <td>0.61%</td> <td>4.07%</td> <td></td> <td></td> <td>32</td> </tr> <tr> <td>AC23013 - "YP" BOLAR BLADE IW/VAC 120 DAYS GRAIN FED FRZ</td> <td>767</td> <td>14,163.58</td> <td>1740</td> <td>3.19%</td> <td>3.96%</td> <td></td> <td></td> <td>1,74</td> </tr> <tr> <td>AC42113 - CHILLED "S" BOLAR BLADE GF</td> <td>31</td> <td>633.68</td> <td>89</td> <td>0.14%</td> <td>3.46%</td> <td></td> <td></td> <td>8</td> </tr> <tr> <td>AC43413 - CHILLED "S" BOLAR BLADE GF NONMK</td> <td>14</td> <td>327.52</td> <td>40</td> <td>0.07%</td> <td>3.98%</td> <td></td> <td></td> <td>4</td> </tr> <tr> <td><b>Bottom Sirloin Triangle</b></td> <td><b>134</b></td> <td><b>2,801.34</b></td> <td><b>2139</b></td> <td><b>0.63%</b></td> <td><b>0.64%</b></td> <td></td> <td></td> <td><b>2,13</b></td> </tr> <tr> <td>AC23487 - "YP" TRI TIP MW/VAC GF FZN</td> <td>127</td> <td>2,669.96</td> <td>2045</td> <td>0.60%</td> <td>0.63%</td> <td></td> <td></td> <td>2,04</td> </tr> <tr> <td>AC42127 - CHILLED "S" TRI TIP GF</td> <td>7</td> <td>131.38</td> <td>94</td> <td>0.03%</td> <td>0.68%</td> <td></td> <td></td> <td>9</td> </tr> <tr> <td><b>Brisket Navel End</b></td> <td><b>643</b></td> <td><b>12,355.56</b></td> <td><b>2142</b></td> <td><b>2.78%</b></td> <td><b>2.80%</b></td> <td></td> <td></td> <td><b>2,14</b></td> </tr> <tr> <td>AC22435 - CHILLED "YP" NAVAL END BRISKET GF</td> <td>140</td> <td>2,418.00</td> <td>420</td> <td>0.54%</td> <td>2.80%</td> <td></td> <td></td> <td>42</td> </tr> <tr> <td>AC23635 - "YP" NAVAL END BRISKET GF GEN EXP FRZ</td> <td>473</td> <td>9,415.66</td> <td>1629</td> <td>2.12%</td> <td>2.81%</td> <td></td> <td></td> <td>1,62</td> </tr> <tr> <td>AC43295 - "S" NAVAL END BRISKET GRAIN FED</td> <td>30</td> <td>521.90</td> <td>93</td> <td>0.12%</td> <td>2.73%</td> <td></td> <td></td> <td>9</td> </tr> <tr> <td><b>Brisket Point End Deckle Off</b></td> <td><b>870</b></td> <td><b>17,834.76</b></td> <td><b>2154</b></td> <td><b>4.01%</b></td> <td><b>4.02%</b></td> <td></td> <td></td> <td><b>2,15</b></td> </tr> <tr> <td>AC22455 - CHILLED "YP" PEB DECKLE OFF GF</td> <td>132</td> <td>3,057.40</td> <td>364</td> <td>0.69%</td> <td>4.08%</td> <td></td> <td></td> <td>36</td> </tr> <tr> <td>AC23015 - "YP" POINT END BRISKET DECKLE OFF IW/VAC 120 DAYS GRAIN FED FRZ</td> <td>689</td> <td>13,997.58</td> <td>1692</td> <td>3.15%</td> <td>4.02%</td> <td></td> <td></td> <td>1,69</td> </tr> <tr> <td>AC42155 - CHILLED "S" PEB DECKLE OFF GF</td> <td>49</td> <td>779.78</td> <td>98</td> <td>0.18%</td> <td>3.87%</td> <td></td> <td></td> <td>9</td> </tr> <tr> <td><b>Chuck Eye Roll</b></td> <td><b>916</b></td> <td><b>15,779.32</b></td> <td><b>1830</b></td> <td><b>3.55%</b></td> <td><b>4.19%</b></td> <td></td> <td></td> <td><b>1,83</b></td> </tr> <tr> <td><b>Total</b></td> <td><b>16,072</b></td> <td><b>353,273.00</b></td> <td><b>61103</b></td> <td><b>79.49%</b></td> <td><b>2.81%</b></td> <td></td> <td></td> <td><b>61,10</b></td> </tr> </tbody> </table>								Category	Cartons	Kgs	Pieces	Yield	Pc Yield	Planned Pc Yield	Planned Pieces	Piece Variance	<b>Back Ribs</b>	<b>134</b>	<b>2,548.90</b>	<b>0</b>	<b>0.57%</b>					AC23324 - 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"YP" NAVAL END BRISKET GF GEN EXP FRZ	473	9,415.66	1629	2.12%	2.81%			1,62	AC43295 - "S" NAVAL END BRISKET GRAIN FED	30	521.90	93	0.12%	2.73%			9	<b>Brisket Point End Deckle Off</b>	<b>870</b>	<b>17,834.76</b>	<b>2154</b>	<b>4.01%</b>	<b>4.02%</b>			<b>2,15</b>	AC22455 - CHILLED "YP" PEB DECKLE OFF GF	132	3,057.40	364	0.69%	4.08%			36	AC23015 - "YP" POINT END BRISKET DECKLE OFF IW/VAC 120 DAYS GRAIN FED FRZ	689	13,997.58	1692	3.15%	4.02%			1,69	AC42155 - CHILLED "S" PEB DECKLE OFF GF	49	779.78	98	0.18%	3.87%			9	<b>Chuck Eye Roll</b>	<b>916</b>	<b>15,779.32</b>	<b>1830</b>	<b>3.55%</b>	<b>4.19%</b>			<b>1,83</b>	<b>Total</b>	<b>16,072</b>	<b>353,273.00</b>	<b>61103</b>	<b>79.49%</b>	<b>2.81%</b>			<b>61,10</b>
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### 3.1.8 Offal Yield Reporting

- Develop Offal yield reporting for ACC branded program production runs.

A number of Power BI reports have been developed to provide visibility over offal room yields. Apart from the report below which provides information on offal room product we have developed reports on:

- Animal health
- Vendor health
- Offal Trends

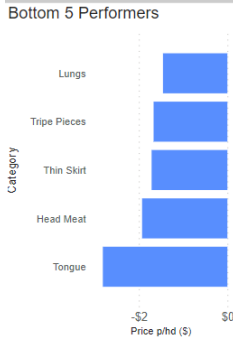
Visibility over these areas is crucial to ensure that carcass utilisation is maintained and the full value of each carcass is achieved.

**Primary Processing  
Offal Report**

Date Selection  
6/1/2023 7/27/2023

Customer Selection  
ACC

Production Status  
 Non-Verified  
 Verified



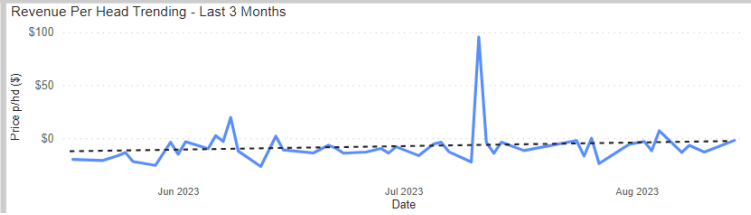
Head 9,834 HSCW 4,043,908.10 Customer Revenue (p/hd) \$0.00 ACC Revenue (p/hd) -\$8.47

**Production Details - For Selected Date Range**

Ownership	Cartons	Weight	Pieces	Condemned	Standard Yield	Actual Yield	Yield Variance
ACC	25,833	408,646.64	91,399	24,533	10.74%	10.11%	-0.63%
Abomasum	104	1,528.60	20			0.04%	0.04%
Aorta	74	1,110.00	0		0.03%	0.03%	0.00%
Bibles	313	7,354.94	0		0.19%	0.18%	-0.00%
Cheeks	632	9,807.60	4,786	179	0.20%	0.24%	0.04%
Diaphragm	137	2,055.00	0		0.03%	0.05%	0.02%
Forequarter Tendon	376	5,640.00	0		0.18%	0.14%	-0.04%
Head Meat	288	4,320.00	0	208	0.23%	0.11%	-0.12%
Heart	1,614	24,193.76	12	239	0.70%	0.60%	-0.10%
Hindquarter Tendon	282	4,230.00	0		0.07%	0.10%	0.04%
Kidney	108	1,620.00	3,240	13,133	0.22%	0.04%	-0.18%
Large Intestine	1,214	19,547.76	6,256		0.50%	0.48%	-0.02%
Ligamentum Nuchae	427	6,405.00	0		0.20%	0.16%	-0.05%
Lips	591	8,037.60	0	139	0.23%	0.20%	-0.03%
Liver	4,134	71,500.46	8,229	1,581	1.85%	1.77%	-0.08%
Lungs	1,057	15,195.96	0	3,836	0.61%	0.38%	-0.23%
Other Offal				266	0.00%	0.00%	0.00%
<b>Total</b>	<b>25,833</b>	<b>408,646.64</b>	<b>91,399</b>	<b>24,533</b>	<b>10.74%</b>	<b>10.11%</b>	<b>-0.63%</b>

Products Not Packed

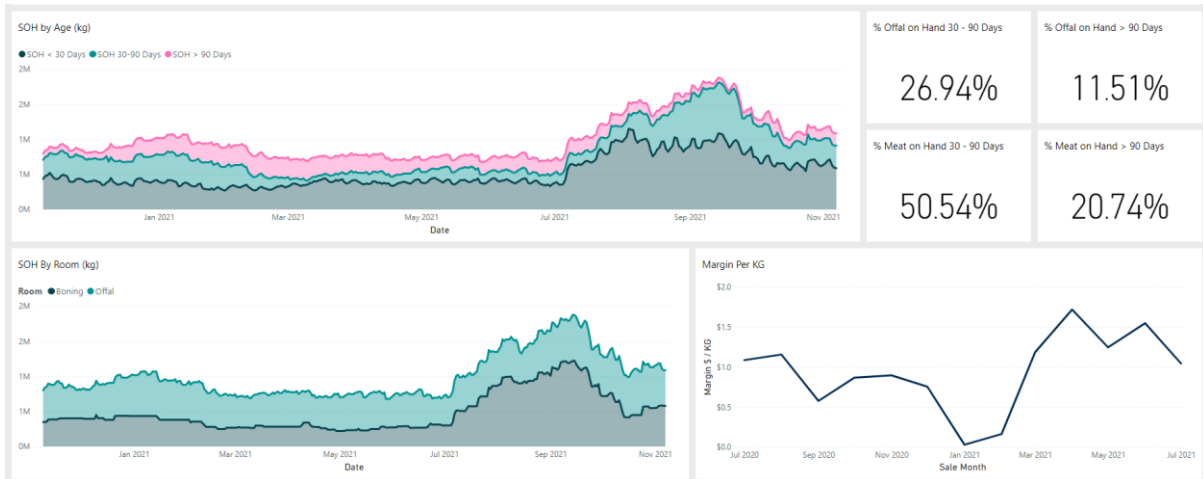
Category	Standard Yield
Thymus	0.00%
Trachea	0.03%



**3.1.9 Stock on Hand Reporting**

- Develop Stock on Hand and Inventory days reporting for ACC product to identify opportunities for improvement and cost saving.

Stock on Hand reports have been developed in Power BI.



ACC AGED STOCK LISTING		Days Remaining		Production Room		State	
		-1,092.00	10,000.00	All		Multiple selections	
Code & Description	Warehouse	State	PackDate	ShelfLife	Days Remaining	Cartons	Weight
AC42017 - *S* FOREQUARTER MIXED CUTS GF MW/VAC	AC	chilled vac primals b/less	18/05/2021	69	-203.00	1	9.20
AC42017 - *S* FOREQUARTER MIXED CUTS GF MW/VAC	AC	chilled vac primals b/less	31/05/2021	69	-190.00	1	13.60
AC42017 - *S* FOREQUARTER MIXED CUTS GF MW/VAC	FM	chilled vac primals b/less	27/09/2021	69	-71.00	20	200.00
AC10997 - BEEF CHEEK (DENUDED) MWVAC GEN EXPORT	FM	Chilled	30/12/2021	59	13.00	1	24.50
AC42108 - CHILLED *S* STRIPLOIN GF	LDR	chilled vac primals b/less	3/12/2021	119	46.00	1	16.54
AC42113 - CHILLED *S* BOLAR BLADE GF	FM	chilled vac primals b/less	3/12/2021	119	46.00	2	40.32
AC22200 - *YP* OUTSIDE FLAT IW/VAC GRAIN FED	FM	chilled vac primals b/less	7/02/2022	69	62.00	8	129.53
AC22202 - *YP* INSIDE CAP OFF IW/VAC GRAIN FED	FM	chilled vac primals b/less	7/02/2022	69	62.00	8	115.78
AC22205 - *YP* KNUCKLE IW/VAC GRAIN FED	FM	chilled vac primals b/less	7/02/2022	69	62.00	6	98.99
AC22206 - *YP* CUBE ROLL IW/VAC GRAIN FED	FM	chilled vac primals b/less	7/02/2022	69	62.00	6	106.51
AC22208 - *YP* STRIPLOIN IW/VAC GRAIN FED	FM	chilled vac primals b/less	7/02/2022	69	62.00	8	91.83
AC22209 - *YP* TENDERLOIN SIDE STRAP OFF IW/VAC GRAIN FED	FM	chilled vac primals b/less	7/02/2022	69	62.00	3	43.52
AC22213 - *YP* BOLAR BLADE IW/VAC GRAIN FED	FM	chilled vac primals b/less	7/02/2022	69	62.00	8	131.43
AC22227 - *YP* D-RUMP IW/VAC GRAIN FED	FM	chilled vac primals b/less	7/02/2022	69	62.00	11	124.03
AC22233 - *YP* OYSTER BLADE IW/VAC GRAIN FED	FM	chilled vac primals b/less	7/02/2022	69	62.00	3	42.58
AC22235 - *YP* POINT END BRISKET DECKLE OFF IW/VAC GRAIN FED	FM	chilled vac primals b/less	7/02/2022	69	62.00	9	99.09
AC22252 - *YP* CHUCK ROLL IW/VAC GRAIN FED	FM	chilled vac primals b/less	7/02/2022	69	62.00	10	148.50
AC22253 - *YP* CHUCK TENDER MW/VAC GRAIN FED	FM	chilled vac primals b/less	7/02/2022	69	62.00	2	24.92
AC22267 - *YP* TRI TIP MW/VAC GRAIN FED	FM	chilled vac primals b/less	7/02/2022	69	62.00	2	21.84
AC22403 - CHILLED *YP* EYE ROUND DENUDED GF	FM	chilled vac primals b/less	21/12/2021	119	64.00	1	22.92
AC22406 - CHILLED *YP* CUBE ROLL GF	C2	chilled vac primals b/less	29/12/2021	119	72.00	1	13.46
AC42104 - CHILLED *S* SHORT RIB GF	FM	chilled vac primals b/less	13/01/2022	119	87.00	2	21.56
AC22323 - *YP* EYE ROUND GF IW/VAC	FM	chilled vac primals b/less	7/02/2022	119	112.00	3	44.41
<b>Total</b>						<b>117</b>	<b>1,585.06</b>

SOH requires regular monitoring to ensure that it is at an acceptable level. The reporting has been fine tuned to the point of acceptance and regular weekly meetings occur to manage and control the SOH levels. Results of stock on hand levels are below:

	Stock on Hand	Reduction
<b>Milestone 7</b>	864T	N/A
<b>Milestone 8</b>	731T	133T
<b>Milestone 9</b>	979T	-248T
<b>Milestone 10</b>	1,436T	-457T
<b>Milestone 11</b>	1,810T	-374T
<b>Final</b>	2,023T	-213T

While the above reflects an increase in stock on hand levels it is important to note that throughout this period the number of head processed in the ACC brand has increased significantly.

The reporting has been a success for the business.

### 3.1.10 New Revenue Streams

- Identify opportunities for new revenue streams and perform cost/benefit analysis to commence production.

New opportunities are constantly reviewed and assessed for their possible profitability. Throughout a large section of this agreement a large challenge to possible opportunities was the record high price of Meat and Bone Meal. High MBM prices meant that it was more profitable to render

products rather than pack them. Collection involves costs such as labour and packaging whereas MBM costs are relatively fixed.

### **3.1.11 New Products**

- Identify new products or further processing opportunities to upsell existing products,

The push to move product from ACC branded beef to further processing has been successful and as a result a number of products are being regularly produced which creates value through the ACC supply chain. Products include:

- Burgers
- Marinated Brisket
- Sausages
- Roasts
- Mince

All of the above have increased the value the ACC brand has to the Group and provides increased productivity for processing assets.

### **3.1.12 Sales Forecasting**

- Develop sales forecast to identify what forecast production has been sold/unsold,

A forecasting tool has been completed to manage forward sales and commitments. This has become a valuable tool for the sales team to sell ACC branded beef in advance and to reduce stock on hand. The downsides of the tool are that it is a manual process involving excel.

Previously sales orders were not being entered proactively into any system until orders were being processed for logistics. This has now been updated and better information is being used in the manual process.

It was explored to use ACC's MES to manage forward sales however the development of this system hit a roadblock around programming capacity and this was stopped. The manual process is not as efficient as a system based alternative but for now it suffices and achieves its intent.

### **3.1.13 Market Optimisation**

- Development of a market optimisation tool to
  - identify the most profitable markets for carcase disposal outside of regular customer commitments.
  - Identify opportunities within co-products and non-traditional cuts – i.e. at what \$/kg is it profitable to collect XYZ product,

A number of small calculators have been developed to manage these decisions. Often offsetting the profitability is the demand for a product which needs to be considered in tandem with what is most profitable. There is no desire to pack or collect a product that there is no market for.

### 3.1.14 Exception Reporting

- Develop an exception report which highlights major variations from baseline for market indicators which can be reviewed by the business to understand why the variation is occurring and the potential impact to business – i.e. loss of sales, product claims / rejections based on microbiology / quality specs, stock on hand (inventory) and carrying value/ cost.

Exception reporting is included in the Power BI reports above which have separate KPI reports attached to highlight when results are under or over expectations.

### 3.1.15 Business Rules

- Ensure business rules exist to validate data accuracy prior to inclusion in databases.

Business rules exist throughout the production process to ensure that data integrity is maintained. ACC also has a well developed process and experienced staff working with our data to identify when data capture may have been compromised and how to resolve any issues.

### 3.1.16 Adoption of Data

- Ensure that ACC data capture, transfer, integration, and reporting functions are adopted and used across the ACC commercial team.

The Commercial team and the wider business including the Senior Leadership team, processing, agribusiness, and finance all rely and trust the information that is provided from the suite of products that have been developed.

The reporting has become integral to review meetings and to making decisions throughout the business and has been a fantastic success.

## 3.2 Outcomes

### 3.2.1 Marketing Strategy

- Implementation of ACC's Marketing strategy

The Marketing Strategy has been completed. It was evident early on that the ACC brand would not compete with existing processing customers and as with limited options available ACC would focus on commodity markets.

The marketing strategy addresses the question of where to play and how to win. In a commodity market the factors that ensure success are consistency of quality and continuity of supply. ACC's marketing strategy prioritises these factors by leveraging the Group's processing capabilities.

### 3.2.2 End to end capability

- Implementation of ACC's marketing data capability and systems to achieve alignment with that of the farm / feedlot and factory roles creating end to end capability in the business.

End to end visibility has been achieved through working collaboratively with the other projects: P.PSH.1159 & P.PSH.1223. There will always be more work that can be done in this space to gain further insights in how all aspects of the supply chain interact however the current projects have achieved the goal.

### 3.2.3 Improvements

- Achieve quantifiable improvements in triple bottom line following the below categories:

#### 1. Financial

- Improvements in management and profitability of ACC branded beef.*

All head processed under ACC branding are modelled through the profitability tool which aims to assist in pricing. Currently this does not help to increase value but to provide clarity around the expected performance of the program. The tool can provide scenario analysis – ie. profitability of different cuts.

At present improvements in profitability are challenging given the high price of livestock. ACC's position is that breakeven on sales is an acceptable result given the company makes money throughout the value chain before the meat is sold which we are achieving.

- Improvements in management of Stock on Hand.*

There has been progress in the management of SOH with reports being built however these have been fine tuned to assist in decision making. Regular meetings occur and SOH is considered appropriately managed as a result.

#### 2. Social

- Demonstrated improvements in participants capability.*

Attendance of MLA workshops, internal learning experiences in factory and on farm, and external study of MBA of the participant.

Further, the outputs of the project are demonstrations of improvements in capability.

- Adoption of participant generated reporting across division and leadership team*

The reports mentioned in the report are used on a regular basis by all levels of the business. Reporting and insights that have been generated through this program have now become embedded in the ACC review culture and feature prominently in almost all decision making from monthly financial reviews with the Senior Leadership Team to daily decisions on the production floor. The project has been an overwhelming success, has added, and continues to add significant value to the ACC business.

- Increased visibility and information within ACC on branded beef potential. Decision made on ACC Branded Beef strategy.*

With the reporting that has been developed over the duration of this project there is visibility over the program to successfully manage ACC's branded beef program. The decision has been made to continue with the 120 day grain fed program for the following reasons:



- help balance the processing schedule

Having an ACC program assists in the scheduling of the processing facility to reduce the impact of variability in customer numbers from week to week. There needs to be a minimum volume of product each week through the ACC program to ensure that market channels remain open and receptive to any possible increases in volume that may be required.

- reduce risk to ACC from customer volume variations

Before having an ACC branded beef program the processing facility was 100% external volume. Covid, especially, brought it to the company's attention that without an ACC program there was nothing to fill the gaps in the processing schedule in the event of customer numbers dropping. The ACC brand reduces the risk of not being at capacity in the processing facility as an alternative to customer volumes.

- keep abreast of market changes; and

Having a constant market presence allows ACC to keep up to date with trends and directions that the market is moving. It allows ACC to proactively manage any possible changes that may occur in the processing space.

- get first hand feedback on service level performance assisting in maintaining customer confidence.

Lastly by processing for ourselves it allows ACC to encounter any issues that our customers face and gives us the opportunity to correct them. Further, it gives customers confidence in knowing that we stand behind our work and trust in our own performance.

Looking ahead there may come a time when ACC processes other types of cattle for an additional brand given the extent and quality of our supply chain. However, in the short term this would put in competition with our customers and that is not something we are entertaining.

### 3. *Environmental*

Not applicable to this project.

## 4. Conclusion

The project has demonstrated that with a focus on data collection and integration across business units, significant value can be created by taking a supply chain approach to decision making. Where decisions were previously made in isolation, an approach that considers the effect on all parts of the business is not only achievable but beneficial.

Challenges exist to:

- capture the data at all relevant areas;
- integrate the data into a system that can manage the information from multiple business units; and
- interpret the information for decision making.

ACC has benefited by using the work done as part of this, and the other related projects, to make better decisions and inform our branded beef strategy and implementation. Utilising data a suite of

reporting has been created which the business now relies on for management of everyday functions and for senior decision making.

A **key finding** for the industry is that by dedicating capable resources and capital it is possible to transition a business to data driven decision making. Further, once established it is surprising how quickly and how positively the business adopted the reporting and embraced the new approach. It can take time but slow and steady progression will ultimately pay off and companies that embrace this approach will benefit from it.

## 5. Future research and recommendations

With a reporting suite and data capture at a reasonable level ACC is well positioned to capitalise on the investment to date. Moving forward the next stage will involve more staff being exposed to how the data interacts across the business and upskilling to leverage the existing progress.

Rather than having a handful of specialised staff to utilise the data, Business Intelligence training can become a core part of more and more roles. This would have the benefit of not only reducing the reliance on a handful of staff to manage the Business Intelligence tools, but the more people with an understanding of what is possible opens up more possibilities of how the company can improve.