



# final report

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## **Teys Australia Business Accelerator Final Report**

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**Table of Contents**

1	Executive Summary.....	3
2	Strategic Context .....	4
3	Background.....	6
3.1	Partnerships .....	6
3.2	Long List Opportunity Generation & Shortlisting .....	6
3.3	Selection of the Starting Concepts .....	8
3.4	Outcomes .....	9
4	Methodology .....	10
4.1	The Accelerator Model .....	10
4.2	Lean Launchpad.....	10
5	Governance .....	11
5.1	Steering Committee .....	11
5.2	Scope .....	11
6	Project Design .....	13
6.1	Objectives.....	13
6.2	Approach .....	13
6.3	Stage 1 – Pilot & Accelerator .....	14
6.4	Stage 2 – Commercialisation .....	14
6.5	Resourcing and Timeframes.....	15
7	Outcomes .....	16
7.1	Snacking.....	16
7.2	Foods for Healthy Ageing (FFHA) .....	16
7.3	Mince and Sauce (M&S) .....	16
7.4	Deli 2.0 .....	16
7.5	Online Butcher.....	17
7.6	Lessons Learned.....	17
8	Legacy Program of Work.....	18
8.1	Strategic Portfolio .....	18
8.2	Business Model Innovation & Corporate Venturing.....	18
8.3	Capability.....	18
9	Bibliography.....	19
10	Appendix 1 .....	20

## 1 Executive Summary

- In the context of the Teys Australia strategy, Teys Australia Food Solutions (TAFS) developed a set of strategic growth goals to become a leading provider of innovative red meat supply chain solutions, linking Australian producers to global customers. As part of these growth goals, TAFS undertook a Strategic Portfolio Review to develop and refine a process for identifying, analysing and recommending new growth options, with associated governance and reporting activities. The review produced a shortlist of twelve opportunity areas of growth, a set of recommended portfolio management and governance processes, and a program of projects for further exploration.
- The Accelerator project was established, in conjunction with MLA's Collaborative Innovation Strategies Partnership program, to achieve a demand-pull approach to new business development, contrasting the supply-push approach which has characterised much of Teys' recent growth as a dominant player in mature markets. The twelve-month program explored four concepts: 'Snacking', 'Healthy Ageing', 'Mince & Sauce', and 'Deli 2.0'.
- The project model was derived from the 'skunkworks' concept pioneered at Lockheed Martin, and the Lean Launchpad program developed by Steve Blank, and educators from Stanford University and the University of California – Berkeley. The benefits of separation from the existing business combined with the scientific approach of the Lean Launchpad framework has the potential to increase the returns from innovation while at the same time reducing financial risk to the red meat industry.
- Each concept was successively developed over a dedicated eight-week cycle, including two trials involving MBA students from The University of Queensland Business School. During a cycle, the team ran weekly sprints to test hypotheses conducting interviews with prospective customers and partners, as well as running a range of experiments to prototype offerings and business models. Agility and fast learning was paramount to the overall success of the project as it allowed the team to build on learnings and to leverage them in the following cycle.
- At the conclusion of the first stage, a review was held to assess the program against interim goals, and to determine which concept or concepts would continue during the second stage. The remaining period of the twelve month program was used to continue the Lean Launchpad development process with a greater focus on commercialisation options including potential joint ventures, contract manufacturing, exploring capex requirements and integration with the existing Teys business.
- Following the completion of the twelve-month project, a legacy program of work has been developed to allow Teys to continue developing their innovation capabilities. Examples of legacy projects includes: developing a comprehensive marketing strategy, developing a new, agile new product development process and the establishment of a talent and resourcing strategy.

## 2 Strategic Context

### Overview

In the context of the Teys Australia (Tey) strategy, Teys Australia Food Solutions (TAFS) has developed a set of strategic growth goals to become a leading provider of innovative red meat supply chain solutions, linking Australian producers to global customers.

The Teys Accelerator was established with the overarching aim to achieve a demand-pull approach to new business development, contrasting the supply-push approach which has characterised much of Teys’ recent growth as a dominant player in mature markets.

As shown in Fig 1, the basic concept for defining a strategically aligned portfolio is the Three Horizons through time. These time horizons have been translated into a 2x2 matrix relevant for the current revenue base and focus areas of the TAFS business (see Fig 2).

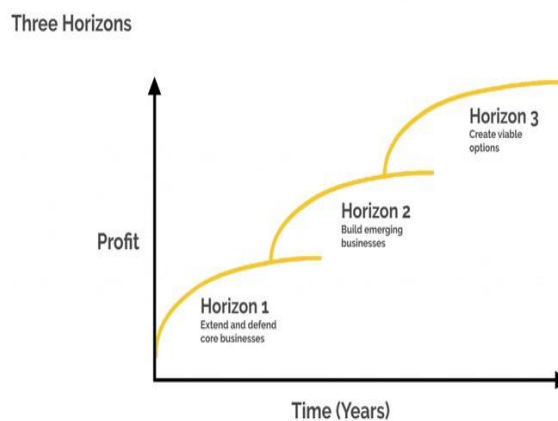


Fig 1: Defining the Three Horizons <sup>1</sup>

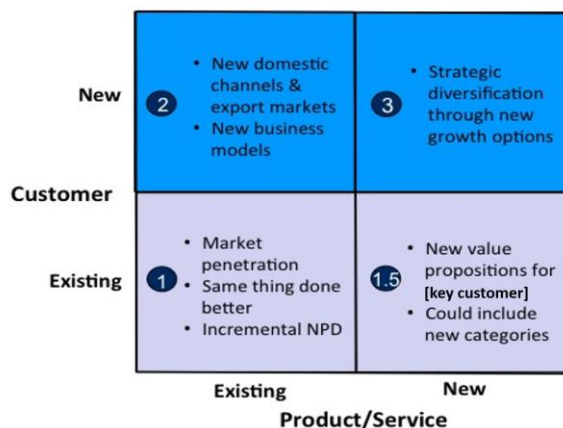
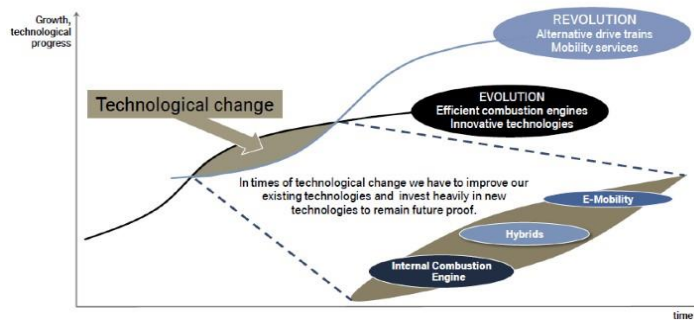


Fig 2: TAFS Portfolio Horizons

<sup>1</sup> Baghai, Coley and White (2000).

### Grow earnings from value-add

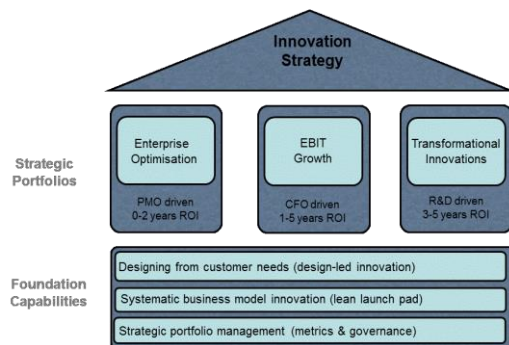
The purpose for developing a portfolio of growth initiatives is to ‘future proof’ the business, by extending the value of the current business model/technological trajectory (often depicted as a S curve or logistic diffusion curve as shown in Fig 3 below), and to simultaneously drive and shape the development of new growth paths.



**Fig 3:** The Double S Curve Model of ‘Future Proofing’ through a Strategically Diversified Portfolio <sup>2</sup>

### Learn about specific growth opportunities

When implemented systematically, the Strategic Portfolio Review approach generates a well-aligned set of strategic options, underpinned by foundation capabilities that maintains agility and responsiveness of the organisation to ongoing change within and across the portfolios, as depicted in Fig 4 below.



**Fig 4:** Portfolio Based Strategic Innovation Management (example content only)

The TAFS Strategic Portfolio Review project produced a ‘short list’ of twelve opportunity areas as promising sources of growth for the business. This short list was narrowed down from a ‘long list’ of thirty-six potential growth areas covering new markets, segments, categories and products.

<sup>2</sup> Adapted from Foster (1986), Tushman et al. (1986), Tushman & O’Reilly (1997), Handy (1994), Morrison (1996) Grove (1996) and Pietersen (2002).

## **3 Background**

### **3.1 Partnerships**

#### **Meat & Livestock Australia Collaborative Innovation Strategies Program**

The Teys Australia partnership was established under the Meat Livestock Australia (MLA) Collaborative Innovation Strategies Program (CISP) as initial three-year agreement with the opportunity to extend for an additional two years of engagement.

### **3.2 Long List Opportunity Generation & Shortlisting**

The Strategic Portfolio Review Project was designed to refine a process for identifying, analysing and managing a portfolio of new growth options for the TAFS business, with associated governance and reporting activities. The goals of the project were to:

- Adapt world's best practice frameworks for portfolio design, management and governance to reflect TAFS' current needs;
- Identify gaps in growth prospects from current revenue streams against stated growth targets;
- Generate a 'Long List' of potential growth opportunities;
- Develop an appropriate screen to filter the Long List to a specific a 'Short List' of growth opportunities;
- Establish recommendations for an ongoing management and governance model to support the TAFS innovation portfolio process;
- Provide a high-level definition of requirements for portfolio management tools.

#### **Working Group**

The Project undertook its work through the establishment of a Strategic Portfolio Working Group, comprising the responsible TAFS executive, subject matter experts from within TAFS, an external innovation specialist and an industry representative from MLA. The Group was designed to represent a valuable cross-section of multi-disciplinary knowledge, including the Teys and TAFS business environment, broader industry dynamics and expertise in the management of the innovation process.

The Group focused on two key streams of work:

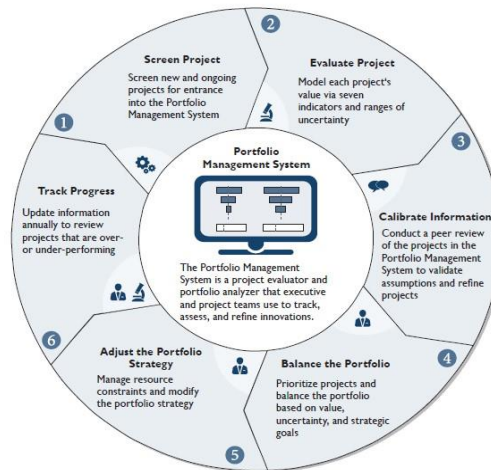
1. Design and definition of related suite of Teys-MLA value added projects: focused discussion to identify additional potential projects that may further support or expand the emerging TAFS Strategic Portfolio
2. Development of the TAFS Strategic Portfolio: focused discussion to identify and refine potential innovation initiatives

#### **Portfolio Framework**

The second element listed above – development of the Strategic Portfolio - was approached through review and adaptation of several established Portfolio Design and

Management Processes, including frameworks in use by several large, multinational businesses. These established frameworks were customised to reflect the specific strategic needs of the TAFS business, and applied to identify a short list of twelve opportunity areas and associated information gaps.

An example of a best practice portfolio design and management framework used for the customisation is shown in Fig 5 below.



**Fig 5: Portfolio Management System: Key Components** <sup>3</sup>

Portfolio Management is defined as a dynamic business process by which a mix of active projects are planned, invested in and prioritised with an aim to achieve diversification and balance in meeting strategic goals. The vital question it tries to answer is “What is the value of the investment the organisation is making?” Or, put more simply, “How can an organisation most effectively invest resources in solutions to meet business strategy?”

### Portfolio Scope

The primary design question to address in development of a new portfolio is its scope. An evaluation framework such as that shown in Fig 6 can be used to define the scope of a specific group of projects or initiatives – in particular, whether they should be classed as Innovation Initiatives, or Projects.

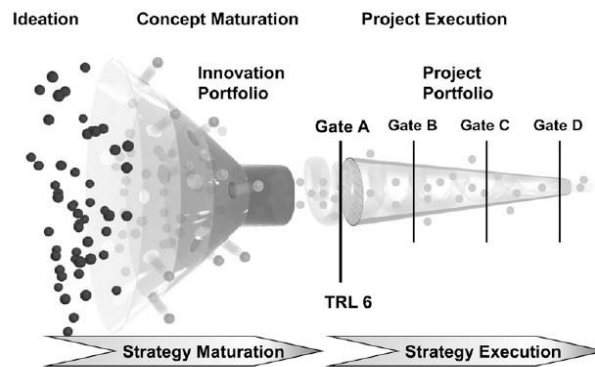
*Table 1.—Innovation portfolios and project portfolios have significant differences.*

Portfolio Type	Innovation/Strategic	Project
Process Type	Complex adaptive; exploratory	Deterministic; goal-oriented; exploitative
Objective	Superior strategy selection aligned with a set of matured concepts	Efficient allocation of resources to a fixed set of project deliverables
Planning Horizon	2–20 years	6–24 months
Time Units	Quarterly/Annually	Daily/Weekly/Monthly
Task Units	Concept	Project work breakdown structure (WBS) levels
Resource Units	Concept investment/cost	Individual staff member
No. in Portfolio	>50 maturing concepts	<15 defined projects
Technology Readiness Level (TRL)/ Value	≤TRL6; <\$500k (avg.)	≥TRL6; ≥\$500k (avg.)
Attrition Rate	>80%	<20%
Decision Criteria	Concept value; business strategy	Staff flexibility; critical path tasks
Scenario Planning	Multifaceted; opportunistic	Risk mitigation

**Fig 6: Different Attributes of Innovation Portfolios vs. Project Portfolios**

<sup>3</sup> Adapted from Frost & Sullivan (2012)

Fig 7 below shows the logical relationship in terms of initiative/project maturity between the two types of portfolios – including the inclusion of stage-gate project management.



**Fig 7: Logical Relationship Innovation Portfolio and Project Portfolio** <sup>4</sup>

This distinction highlights the following key strategic questions in defining the scope of the portfolio:

- Should the portfolio be limited to innovation and/or research and development efforts, or be inclusive of other key projects across the organisation?
- Is there sufficient organisational capacity to define and manage multiple portfolios addressing different types of strategic need?

In general, portfolio management literature recommends the importance of avoiding a ‘one size fits all’ approach and instead adopting a ‘horses for courses’ perspective, which recognises that different timeframes, skill sets, project management approaches, metrics and expectations of success will apply to different portfolios within a business.

### 3.3 Selection of the Starting Concepts

#### Initial Evaluation: First Screen

Within the design phase of a new portfolio, an early-stage ‘first screen’ is applied for each individual potential project, exploring potential opportunity areas to determine if they should officially enter the portfolio as projects or initiatives. This involves definition of a minimum set of evaluative questions specific to the business objectives of the relevant organisation. An example of an initial evaluation screen is shown in Fig 8.



**Fig 8: Example of Generic First Screen to Determine Initial Entry to the Portfolio** <sup>5</sup>

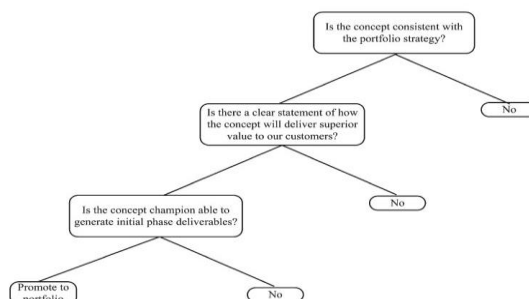
<sup>4</sup> Mathews (2010)

<sup>5</sup> Adapted from Frost & Sullivan (2012)



### Initial Evaluation: Fast and Frugal Decision Tree

Companies may alternatively (or in addition) use a decision tree to evaluate potential entrants to a portfolio. This method is preferred if the data available related to the potential initiative was limited, and/or if its future value is difficult to accurately forecast (e.g. due to lack of existing market data for a brand-new category of product). The ‘Fast and Frugal’ Decision Tree shown in Fig 9 was developed by Boeing Aerospace for this purpose.



**Fig 9:** Example of a ‘Fast and Frugal’ Decision Tree <sup>6</sup>

Flexibility in the criteria and method used allows a business to consider both financial and non-financial criteria for entry to a specific managed portfolio:

- Financial Criteria may relate to a minimum economic impact on the business, such as addition to top-line revenue, cost reduction e.g. through new technology capex or expansion of the existing business model.
- Non-Financial Criteria can be assessed through use of a simple decision tree, such as that shown in Fig 9 above.

### 3.4 Outcomes

The analysis described above provided a comprehensive program for the development of a balanced Innovation Portfolio for TAFS. In terms of outcomes, the project was successful at three levels:

- 1. Short List of Opportunity Areas:** The project produced a ‘short list’ of twelve opportunity areas as promising sources of growth for the TAFS business. The analysis also identified key information gaps and additional data requirements.
- 2. Best Practice Management and Governance Process:** The project developed and recommended best practice portfolio management and governance processes, customised to the current needs of the business, for implementation on an ongoing basis. (These are commercial in confidence).
- 3. Integrated Program of Work:** The project identified a program of related projects, to be undertaken in partnership with MLA, to provide maximum integration and alignment with the overall Teys Australia business strategy, existing programs of work and MLA priorities.

<sup>6</sup> Mathews (2010)

## 4 Methodology

### 4.1 The Accelerator Model

The Accelerator model evolved from the concept of the 'skunkworks' originally pioneered by Lockheed Martin, designed to encourage the employees of large organisations to come up with original ideas. Programs consist of a small team taken out of their normal working environment and given freedom from the organisation's standard management constraints.

The skunkworks model has since evolved into different variations including Incubators and Accelerators. In Australia, most corporate accelerators are focused on investment in Startup companies whose technologies may provide a future source of competitive advantage for the investing company.

The Teys Accelerator is differentiated in two ways:

- it is based on partnership with an external innovation services provider and The University of Queensland (UQ) Business School; and
- Its core is a dedicated team following a structured framework (Lean Launchpad) over a twelve-month period.

### 4.2 Lean Launchpad

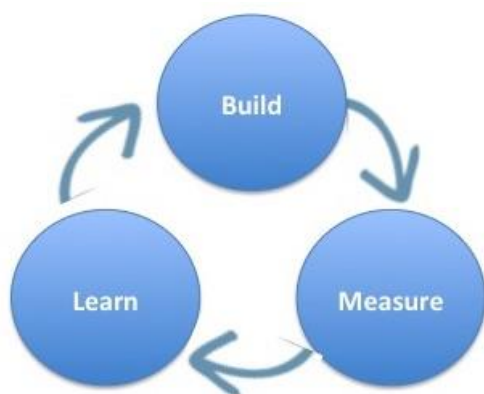
The Lean Launchpad (LLP) program was designed to assist entrepreneurs to improve the success rates of technology startups. Developed in 2011 by entrepreneur Steve Blank, in collaboration with Stanford University and the University of California Berkeley, LLP draws on elements of agile software development and has an intensive focus on customer development and business model design.

The core activity is to use extensive interviews (on average more than 100) with potential customers, suppliers and stakeholders for startups to develop a validated, data driven business model. Agile engineering and other rapid prototyping approaches are used in parallel to test and build products and evolve the business as a result.

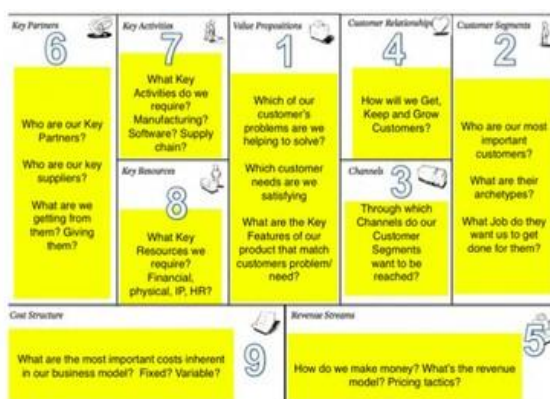
Fig 10 below visualises the cyclical process of Lean Startup. The outcome for participants is a validated business model canvas (see Fig 11 below), which can be used to launch the business, attract funding, apply for grants or incubators, and ultimately scale a business.

### 4.3 Methodology in Practice

Displayed in Appendix 1 is an overview of the methodology used by the accelerator team in investigating snacking and meat and sauce



**Fig 10:** The Lean Startup process diagram (Blank, 2015)



**Fig 11:** Business Model Canvas Osterwalder & Pigneur (2010)

## 5 Governance

### 5.1 Steering Committee

The Teys Accelerator Steering Committee (the Committee) was established to provide whole-of-project strategic direction and oversight of critical decisions and progress of the project. The Committee's overarching objectives were:

1. To align the development and oversight of the implementation of the commercialisation activities recommended at end of Stage 1 and;
2. To provide strategic direction and oversight of critical “pivot” decisions with commercial and research design inputs to meet Teys and MLA’s requirements.

### 5.2 Scope

Teys determined that the first iteration of the Accelerator should focus on program-level commercial outcomes in addition to learning about the model itself. Specifically, Teys’ goal was for the development of 1-2 commercially viable new products or services, ideally with an identified customer with a demonstrated willingness to pay for the product or service. In addition, Teys’ focus was on the learnings that emerged from the first twelve months of the program, in terms of:

- The effectiveness of the commercialisation framework;
- The suitability of the partners;
- The optimal scope of concepts to be developed in this way;
- Effective mechanisms for engagement of existing Teys and TAFS employees;
- Customer perceptions of the initiative;
- The potential for return on investment.

Over time, Teys will consider the implementation of a set of metrics for the Accelerator, linked to innovation and performance metrics that have been implemented within the wider Teys Australia business.

The Accelerator design presents a detailed plan for setting up a separate entity with the specific goal of identifying new products, services and associated business models for future commercialisation. Without the constraints of existing business processes and the

pressure to execute the current business model, the development process will move at a much faster pace while identifying new strategic growth opportunities. The benefits of separation from the existing business combined with the scientific approach of the Lean Launchpad framework has the potential to increase the returns from innovation while at the same time reducing financial risk to the red meat industry.

## 6 Project Design

### 6.1 Objectives

The primary objective of P.PIP.0489 is to design and deliver the Teys Accelerator program to create and validate new business opportunities that grow red meat demand and to report on lessons learned. The specific objectives of the project were to:

- Demonstrate the Accelerator approach as an innovation model –including: developing an Accelerator team and model for innovation capability development; partnership development; metrics for success; and lessons learnt analysis.
- Deliver four concepts in line with TAFS' business priorities using an appropriate accelerated learning framework such as Lean Launchpad
- Demonstrate the value in strategic “future proofing and diversifying” a business via a portfolio of growth initiatives that will extend the value of current business model / technological trajectory, and to simultaneously drive and shape the development of new growth paths, often linked to new technologies or business model paradigms.
- Future proof the business by systematically searching for growth opportunities (i.e. business models) in H2 and H3
- Explore options for capability development through partnership and to create a deep talent pool able to operate across H1, H2 and H3

### 6.2 Approach

The twelve-month program used the Lean Launchpad commercialisation framework and Agile project management to develop four concepts: ‘Snacking’, ‘Healthy Ageing’, ‘Mince & Sauce’, and ‘Deli 2.0’. Further details about each concept are available in Table 2 below.

Concept	Potential Value Prop	Initial Target Segments	Drivers/Evidence of Growth
Snacking	Jerky 2.0 Meat snack bars	Australians on the go Kids	Increased mobility Proliferation of meal occasions
Healthy Ageing	Meal solutions (as a service) Fortified foods (e.g. Omega 3)	Australians aged 55+	Ageing population Increased desire for good nutrition
Mince + Sauce	Cooked range for at-home heating, potential channels via retail, foodservice, web	Busy people Value shoppers Institutions	Convenience Weeknight easy meals Carcass utilisation
Deli 2.0	Future business model and category/product scope associated with new in-store deli formats. Platform for collaboration (e.g. virtual reality simulation)	[Key customer] as target audience Showcase TAFS capabilities	Labour cost pressures on supermarkets Merchandising limitations behind the glass De-risk sudden switch to hang-sell

**Table 2: Concept List**

### **6.3 Stage 1 – Pilot & Accelerator**

The Accelerator concept was initially piloted with MBA students from UQ Business School, with two teams of five-students applying the Lean Launchpad method to developing the Snacking and Healthy Ageing concepts in an intensive six-week cycle.

Using learnings from the UQ Accelerator, each concept was successively developed over a dedicated eight-week cycle. This process allowed the required critical focus of a small team to achieve an outcome in a short span of time. Agility and fast learning was paramount to the overall success of the project as it allowed the team to build on learnings and to leverage them in the following cycle.

During a cycle, the team ran weekly sprints to test hypotheses for different parts of the business model canvas by conducting interviews with prospective customers and partners, as well as running a range of experiments to prototype offerings and business models.

A lessons learned process was conducted with key stakeholders who participated in structured interviews to inform future commercialisation project design. To support knowledge development and maximise learnings from the project, a weekly 'light touch' lessons learned process was established, to capture and share insights to inform continuous improvement in project methodology and approach.

### **6.4 Stage 2 – Commercialisation**

A review was held at the conclusion of the Stage 1, to assess the program against interim goals, and to determine which concept or concepts would continue during the second stage. The remaining period of the twelve-month program was used to continue the Lean Launchpad development process with a greater focus on commercialisation options including potential joint ventures, contract manufacturing, exploring capex requirements and integration with the existing Teys business. See Investment Readiness Level 6-9 in Table 3.

#### **Investment Readiness Level**

A serious constraint to developing business opportunities is often the lack of robust business model development to support technology, product or service development. To measure progress, the Accelerator team used the Investment Readiness Scale below.

Many organisations use NASA's Technology Readiness Level Scale to track their progress in developing effective new technology, products or services. However, successfully building new technologies, products or services is only one part of successful commercialisation – the other critical component is developing an effective business model to support the technology, product or service. The Investment Readiness Scale approach marries both technology, product or service development with business model development.

IRL 1 Complete First-Pass BMC	IRL 2 Competitive Analysis	IRL 3 Problem/Solution Validation	IRL 4 Prototype Low- Fidelity MVP	IRL 5 Validate Product/Market Fit	IRL 6 Validate Revenue Model	IRL 7 Prototype High- Fidelity MVP	IRL 8 Validate Value Delivery	IRL 9 Identify and Validate Metrics that Matter
BMC filled in	Detailed map of total addressable market	All least one potential market segment invalidated	Market hypotheses and tests development to guide learning from MVP	Map of customer ecosystem and flow	Map money flow	Market hypotheses and tests developed to guide learning from MVP	Partnership ecosystem mapped	Key growth metrics identified
Describe assumptions that must be true for each entry into the BMC	Sub-sections of the market	First target segment identified (60-100 interviews)	MVP is built (sample data, financial model etc.)	Get-Keep-Grow loop outlined	Revenue model validated (20+ interviews)	Actual market-based prototype is built	Funding and growth model built	Measurement system in place
Outline how each assumption will be tested & measured, and how success will be identified (Test Card)	First risks we will address (in terms of \$ we can earn, not total value of each segment)	Customer problem validated (60-100 interviews)	Prototype solution (20+ interviews)	Market channels and customer relationships validated (20+ interviews)		Prototype solution validated (20+ interviews)	IP requirements identified and secured	Some customers acquired (may happen in IRL 6)
	Competitor map (Petal Diagram)	Solution validated (60-100 interviews to do this)					Assumptions in the left four blocks are tested/validated (30+ interviews)	Idea ready for launch/ safety license etc.

**Table 3: Investment Readiness Level**

## 6.5 Resourcing and Timeframes

During the 12-month project, three different resourcing models were used:

- During the pilot, ten UQ Business School MBA students (two teams of five) participated in the Accelerator pilot, mentored by the Era Innovation Partners and Consultants.
- During the Accelerator, Era Innovation Partners and Consultants led the cycles together with an embedded MLA technical lead, and supported by Teys and MLA management.
- During Commercialisation, two Teys employees were seconded to the project and worked with Era Innovation partners and consultants, and were supported by Teys and MLA management.

Project teams consisted of 2-5 core team members with the following skill mix:

- A deep understanding of the organisation and industry (e.g. a food technologist)
- Customer-focus (e.g. a background in marketing, sales or business development)
- Analytical or financial (e.g. a background in collecting user requirements, sizing markets, developing financial projects)
- An outsider perspective (e.g. a person from outside the industry or organisation to challenge assumptions)

### Secondments

Michael Lee (MLA Program Manager, Food Innovation) was seconded by MLA to work with Era Innovation for an initial 6-week term, as Technical Director for the Teys Accelerator.

During the commercialisation phase, a further two staff members were seconded into the Accelerator team from Teys Australia.

## 7 Outcomes

### 7.1 Snacking

**Background:** Snackification' is providing the \$2.4Bn Australian snack food manufacturing industry with potential tailwinds for growth.

**Key finding:** The search for product-market fit identified that while Outdoor Adventurers have a need for a healthy, high protein snack, they are already hacking current solutions.

### 7.2 Foods for Healthy Ageing (FFHA)

**Background:** Two critical inputs were identified as the drivers of the FFHA megatrend: firstly, Baby Boomers (born 1946-64) are beginning to retire, reaching critical mass in terms of their size, growth and spending power. Secondly, a broadly held view is that Baby Boomers have vastly different economic resources and social expectations than those held by previous generations.

**Key finding:** Ageing Australians are only likely to change their behaviour in response to a challenging life event such as illness or death of a spouse, therefore Teys' existing model of supplying red meat to supermarket channels is not under threat from behavioural changes from an ageing demographic.

### 7.3 Mince and Sauce (M&S)

**Background:** Cattle supply numbers in Australia are forecast to fall in the next two years to lows not seen in more than twenty years, driving higher cattle prices. Considering these threats, it was essential for the Cycle to find ways to increase the value TAFS generates from carcasses.

**Key finding (B2B):** Non-premium foodservice providers who desire consistency and the perception of customisation, are a potential market for an improved meat and sauce product. Additionally, emerging supermarket "food halls" present an opportunity for TAFS to explore further development of capability in retail foodservice.

**Key finding (B2C):** Consumers are hesitant to purchase meat and sauce combinations, perceiving these products to use 'bad cuts of meat' and/or 'unhealthy high-in-sugar sauces'. However, the 'urban males' segment, showed promise as 'early adopters' of an improved meat and sauce solution.

### 7.4 Deli 2.0

**Background:** Nationally, supermarket serviced delicatessen meat sales are in decline whilst the sales of chilled pre-packaged smallgoods and specialty service delis are increasing.



**Key finding:** Teys has the opportunity to innovate their relationship with a key strategic customer by better serving the needs of end consumers. A new-look deli environment that enhances service in line with consumer insights would benefit the consumer, Teys, the customer, and grow overall red meat demand.

## 7.5 Online Butcher

**Background:** Teys identified an opportunity to deploy a direct-to-consumer online butcher service. This service would offer online ordering and home delivery of multi protein, centre of plate products to Australian consumers.

The business model is expected to progress iteratively through 3 main stages:

- **Business Model Stage 1:** Serving the domestic market with a relatively small number of SKU's (expected to appeal to consumers of artisan food as well as families and 'micro' food services).
- **Business Model Stage 2:** Incorporates an extended product range and targets a larger proportion of the domestic market.
- **Business Model Stage 3:** Expand the online store to service international consumers.

The chief objective of this project was to validate Business Model Stage 1, moving iteratively from uncertainty to manageable risk.

This stream of work was brought to a close prior to completion due to a shift in Teys' strategic priorities.

## 7.6 Lessons Learned

- **Scoping:** Every application of the method is different, so without this strong foundation all else is weakened.
- **Continuity matters (team and client):** Ultimately this process is about people, and the knowledge / capability we can build in them individually and as team.
- **Commercialisation work is commercial:** Not research, education or consulting - the stakes are real. Direct consumer contact / business development is essential in disproving accepted assumptions and creating new insights.
- **Testing 'megatrends':** Highlighted that food 'megatrends' should not be taken at face value (e.g. foods for healthy ageing).
- **Sprint methodology as a funding option:** The Accelerator has provided MLA with evidence to embrace the sprint methodology as a funding option. It demonstrated that a small amount of funding in conjunction with the business model canvas can allow applicants to answer key questions to prove that further funding is warranted.

## 8 Legacy Program of Work

### 8.1 Strategic Portfolio

Using learnings from the Accelerator combined with the Three Horizons Model, Teys has developed a portfolio of strategic initiatives aligned to the organisation's three-year strategy, and focussed on four key areas of the business.

Examples of the types of initiatives across the three horizons include:

- **H1:** reducing complexity, upgrades, developing value-add capabilities
- **H2:** efficiency, automation, explore/diversify into new channels, talent and capability
- **H3:** new systems, markets and opportunities

### 8.2 Business Model Innovation & Corporate Venturing

For any innovative product or service to be successful it must be embedded within a sustainable business model. Business model innovation requires a cogent understanding of how a business captures and delivers value to the consumer, and how value is in turn extracted from the consumer and returned to the business. Through the Accelerator, Teys has formed an understanding of the many and nuanced ways that they can conceptualise, create, and deliver value to consumers.

### 8.3 Capability

**Agile NPD:** Following an assessment of New Product Development (NPD) processes, Teys have executed a full re-design to align them with best practice in agile project management. The rejuvenated NPD processes are:

- Aligned with overall group strategic considerations.
- Customer-driven.
- Designed to enable quicker speed-to-market, and to reduce risk.

**Strategic Marketing:** Drawing on principles of design thinking, Teys will focus on developing its strategic marketing capability through:

- A stakeholder-focussed approach to brand development and marketing services.
- Gap analysis of current capabilities and focus areas for additional resourcing.
- Governance processes to align marketing activities with the broader Teys strategy.

**Leadership Enablement:** Through the Accelerator project Teys have identified an opportunity to develop a strategic approach to building personal and leadership capability, including providing access to leadership and professional development opportunities, coaching and mentoring.

**Tey Australia-Era Innovation Partnership:** A longer term partnership has since been established as a result of the strong, collaborative relationship developed between Teys Australia and Era Innovation during the Accelerator project.

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# 10 Appendix 1

