



Excellence in Meat and Meal Solutions



final report

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Top Cut - Collaborative Innovation Program Innovation Manager

- *Industry Version* -

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Executive Summary

In January 2015, Top Cut and MLA agreed to progress to Stage 1 of the Collaborative Innovation Strategies Partnership (CISP) Program with an expanded focus to encompass the full range of Top Cut strategic business areas. The expanded Collaborative Program incorporated the full range of Top Cuts and MLA marketing, innovation and R&D activities (See Fig 1). To establish strategic direction for the program, a joint Top Cut-MLA Steering Group was formed to provide strategic direction to a more comprehensive approach to improvement across the business.

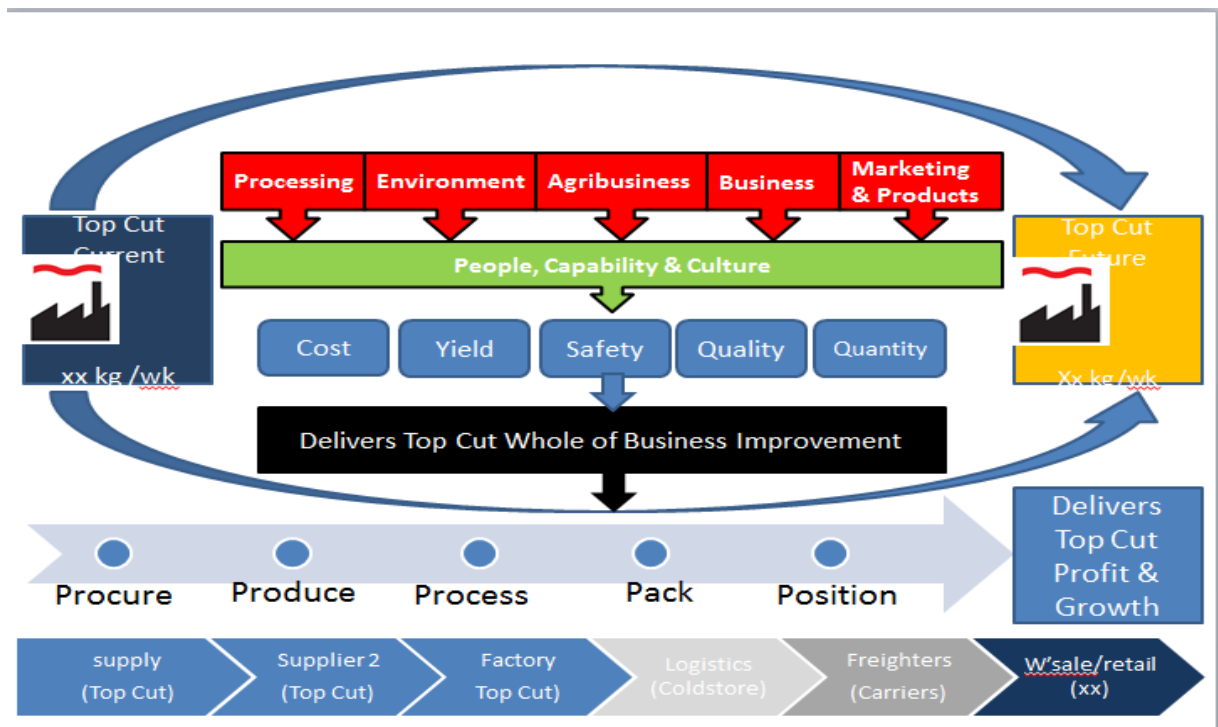


Figure 1: Top Cut Whole of Business Improvement & Growth Plan

The Top Cut Innovation Manager was responsible for contributing to the overall success of the Top Cut Innovation program by way of managing and reporting on projects ensuring timelines and budgets were met, participating in the Innovation Managers Network and assisting with implementation of the Top Cut innovation strategy.

The following activities were completed by the Innovation Manager during the two-year program:

* Innovation approaches have adapted to changes in the business. Since the commencement of the program, there has been significant evolution and subsequent re-structuring across the business in the areas of finance, sales and operations at Top Cut Foods.

*A suite of R&D projects have been undertaken and consistent with the business's improvement priorities. Some detailed investigations of products, processes and packaging formats has been undertaken in generic areas.

*Evolving roles and responsibilities of the Innovation Manager as the program progressed.

*The Innovation Manager was involved in developing an integrated business plan for the Top Cut cooked meat and sauce brand. The brand has been re-launched and is seen as an integral part of the Top Cut value added business unit.

* One of the MLA/Top Cut Innovation programme KPI's was to improve red meat knowledge within the group. The Innovation Manager developed a draft meat capability programme.

*Another of the MLA/Top Cut KPI's was to develop relationships with customer and suppliers.

* The Innovation Manager co-ordinated new product development in the areas of American style barbeque products such as cooked brisket and ribs). Specifically the Innovation Manager provided technical assistance to various Top Cut teams in the areas of pulled meat production; sous vide cooking and quality assurance systems.

*The Innovation Manager attended various industry workshops including the MLA Industry Trends workshop, the MSA forum and the Ernst and Young co-ordinated industry project on sustainable packaging.

*Engaged in MLA Wet Aged/Dry Aged Japan program.

*Continued with some National QA activities including involvement in the Simplot Food Safety Governance committee, producing national guidelines for the use of transglutaminase, product labelling requirements and national specification development.

* Active interest in MLA's Value Chain Mapping industry study co-ordinated by KPMG.

The Innovation Manager had attended a series of training and development courses and industry events. The Innovation Manager facilitated the alignment and creation of innovation strategies with the company's business strategies working closely with key managers including the National Marketing Manager. The recommendation for the next phase of the program was:

* Strategic study tours to determine whether a study tour of international meat industry organisations and/or other food industries to review new and emerging technologies is beneficial to the development of the programme.

*Consider further management courses that may assist with personal development in the areas of management, implementation of business strategies or similar.

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1 Background

MLA and Top Cut agreed to progress a Stage One of the Collaborative Innovation Strategies Program (CISP) over a three year period commencing in 2014. The focus of the program was to support the development of Top Cut's red meat high value growth strategies in both the domestic and global markets via the development of a range of innovative products, packaging, processes and value chain concepts. It is noted that in addition to supporting the development of innovation capability of key Top Cut personnel, the program was designed to integrate and extend more broadly into the Simplot business where opportunities to innovate red meat offerings are identified.

The Collaborative Innovation Program was overseen by a joint Simplot/Top Cut/MLA Steering Group and implementation was managed by a team of Top Cut/MLA Innovation Managers (with additional internal and external resources as required). This project provided support for a full-time Top Cut Innovation Manager for an initial period of two years with an option to extend to an additional third year based on overall progress of the program and projects. As the program strategy evolved, it was anticipated that specific R&D projects were developed, and additional resources to support these projects were considered on an as needed basis. Each individual R&D project was contracted via a separate schedule to be attached to the Collaborative Head Agreement.

2 Project Objectives

The Top Cut Innovation Manager was responsible for contributing to the overall success of the Top Cut Innovation program by way of managing and reporting on projects ensuring timelines and budgets were met, participating in the Innovation Managers Network and assisting with implementation of the Top Cut innovation strategy.

3 Methodology

At the commencement of the program in 2015, the following metrics and measures were determined by key MLA, Simplot and Top Cut Foods personnel for the Top Cut/MLA Business Innovation programme.

- 1) Identify a suite of opportunities to increase growth and profitability of red meat products for the group
Measure: Contract 3-5 projects with Meat and Livestock Australia per year and contracts are completed within 3 months of schedule.
- 2) Develop a programme for fore sighting customers and suppliers.
Measure: Develop deep stakeholder relationships with at least 2 QSR and 2 retail customers and 1 supplier (branding).
- 3) Develop a programme to improve red meat competency within the group.

Measure: Design and deliver a minimum of two activities that upskill and increase competency in red meat knowledge.

- 4) The Innovation Manager will be the conduit between Meat and Livestock Australia and the group.

Measure: Produce a quarterly report for the Top Cut Foods senior leadership team and the key senior leaders in the Simplot Q&I team.

4 Findings & Key Achievements

The following activities have been completed by the Innovation Manager during the two-year program:

1. Innovation approaches have adapted to changes in the business. Since the commencement of the program, there has been significant evolution and subsequent re-structuring across the business in the areas of finance, sales and operations at Top Cut Foods. Consolidation of production across the sites in each state is also being reviewed with the aim of optimising facilities, skill sets and procurement activities.
2. A suite of R&D projects have been undertaken and consistent with the business's improvement priorities. Some detailed investigations of products, processes and packaging formats has been undertaken in generic areas:
 - Dry ageing
 - Smart packaging
 - Slicing and cutting methods
 - Shaping of product
 - Carcase break down & utilisation strategy development
 - Sustainable packaging
3. Evolving roles and responsibilities of the Innovation Manager as the program progressed. The Innovation Manager has also undergone a further role change. The new role will focus more on developing meat expertise within the company. The role is now called Meat Capability and Innovation Manager.
4. The Innovation Manager was involved in developing an integrated business plan for the Top Cut cooked meat and sauce brand. The brand has been re-launched and is seen as an integral part of the Top Cut value added business unit.
5. One of the MLA/Top Cut Innovation programme KPI's was to improve red meat knowledge within the group. The Innovation Manager developed a draft meat capability programme. Parts of the programme had commenced with completion of training of all Top Cut Sales staff in the area red meat carcase breakdown and resources provided in other areas of meat science and production.
6. Another of the MLA/Top Cut KPI's was to develop relationships with customer and suppliers. The Innovation Manager had spent some time with two of Top Cut's major national customers working on product development and providing resources to help them improve their operating programmes. This has included producing some meat handling guidelines for their restaurants.

7. The Innovation Manager co-ordinated new product development in the areas of American style barbeque products such as cooked brisket and ribs).
8. Provided technical assistance to various Top Cut teams in the areas of pulled meat production, sous vide cooking and quality assurance systems.
9. The Innovation Manager attended various industry workshops including the MLA Industry Trends workshop, the MSA forum and the Ernst and Young co-ordinated industry project on sustainable packaging. The report on industry trends that was forwarded to Top Cut management is attached.
10. Reviewed the intended suite of MLA projects. The review of technology for the tenderising of red meat products has been contracted to Melbourne University. Top Cut Foods will use the review to determine whether there are technologies applicable to their operations that could be worth further investigation. The active packaging for dry aged export has been put on hold and a new project proposed regarding the moisture enhancement of red meat products – best practice and marketing potential.
11. Engaged in MLA Wet Aged/Dry Aged Japan program.
12. Continued with some National QA activities including involvement in the Simplot Food Safety Governance committee, producing national guidelines for the use of transglutaminase, product labelling requirements and national specification development.
13. Active interest in MLA's Value Chain Mapping industry study co-ordinated by KPMG.

5 Key Outcomes

5.1 KPI 1 – Projects

During 2015 Top Cut/Simplot had a portfolio of collaborative R&D projects contracted with MLA. These projects were completed and the outcomes considered successful. These included work on dry aged beef, shaping of beef products and healthy ageing concepts. Specifically:

5.1.1 Dry aged beef – Design and good manufacturing practices review

The learnings from this project has led to Top Cut Foods producing a high quality and wholesome dry aged product positioning them as one of the premium suppliers of wholesale dry aged meat in the industry. The project has also assisted the industry with knowledge shared on best practices including ideal processing parameters, process flows and finished product specifications. A marketing strategy for dry aged product is under development and will include the use of the collaborative (MLA, Top Cut, Simplot) dry aged video that was produced at the completion of the project.

5.1.2 Smart shape

The SmartShape project showed that the SmartShape technology was successful at improving processing yields that was trialled in this study. A cost benefit analysis carried out by third party consultants, Greenleaf, indicated the return on investment was poor if the technology was purchased purely for production of the trial product. The outcome of the study was that although producing a reasonable finished product, it was not considered to be versatile viable process suitable for the business.

5.1.3 Healthy ageing

In collaboration with consultants, an innovation jam was carried out to gather ideas around servicing the ageing population with food products. Customers, suppliers and industry experts were invited to present and discuss their ideas answering a series of questions via a website managed by Simplot. The open innovation model was successful with numerous ideas generated. A Simplot workshop then sorted through the ideas, identifying those relevant to the Simplot business and strategy development is in progress. Strategy development includes the role of red meat in delivering food solutions to the ageing sector.

5.2 KPI 2 – Customers and suppliers

The Innovation Manager has carried out product development for key customers. This development has required the Innovation Manager to form relationships with technical and purchasing staff from these companies. The Innovation Manager has also presented Top Cut's innovation programme to a couple of key customers creating stronger collaborative relationships with these customers.

5.3 KPI 3 – Red meat competency

A food safety and quality training programme has been created by the Innovation Manager for delivery to smaller Top Cut sites lacking in technical expertise and/or resources. Delivery of the training has commenced. One of Top Cut's growth drivers is to be the 'Meat Experts' providing sound advice to our customers and offering them a service as well as a quality product.

5.4 KPI 4 – MLA Liaison

At the end of 2015 the Innovation Manager presented the Top Cut/MLA innovation programme and project results to the Top Cut Senior Leadership Team. Top Cut has engaged in other MLA activities in including committing to an industry project looking at Australian Beef dry aged in Japan.

5.5 Other

5.5.1 Training and development

4.5.1.1 Innovation Course

The Innovation Manager completed a five day postgraduate Innovation Management course run by the University of Queensland. Strategies and tools learnt from this course were discussed further and implemented during the Simplot Food for Healthy Ageing project workshops. Tools will also be used to develop innovation strategies for Top Cut in 2016.

4.5.1.2 Project management

Top Cut Foods requested that the Innovation Manager assist with project management. Much of the work consisted of managing the optimisation of production, liaison and engagement of contractors (building and suppliers) and set up of IT systems. Key learnings during this process included process design and mapping, scheduling, stock control, key accounts and functions of different business units within the group.

4.5.1.2 Top Cut business strategy workshops

The Innovation Manager has been involved in Top Cut business strategy workshops as well as developing national procurement and sales models. Such involvement has allowed the Innovation Manager to understand the direction of the business and therefore has engaged in identifying areas where innovation strategies can be aligned.

5.5.2 Industry workshops

The Innovation Manager has attended various industry workshops including the MLA Co-products workshop in Brisbane April 27th and the Understanding Asia for export success, CSIRO seminar on September 17th 2015.

5.5.3 Customer and supplier engagement

The Innovation Manager will work with the GM National Operations and the National Marketing Manager to develop a resource for assisting customers in understanding red meat and Top Cut's product. Work will also be carried out on brand development with key suppliers.

5.5.4 Red meat competency

The Innovation Manager is to put together a comprehensive training programme to improve the red meat competency of the group. This has commenced with meetings held with key sales personnel regarding skills gaps and information required in a 'meat bible'. Further work is being done on developing a training programme for all staff. This will be a key focus for the Innovation Manager this year.

5.5.5 Focus on new enabling technologies (from third party review)

Top Cut has developed a further suite of innovation projects in conjunction with MLA. Consultant, Professor Robyn Warner from the University of Melbourne will be contracted to carry out the three projects listed below. Examples of enabling new technologies are:

- Extension of meat shelf life using new technologies such as cold plasma and pulsed light.
- Use of active packaging to utilise the freight period to dry age beef to Japan.
- The use of new technologies as alternatives to sous vides cooking. I.e. shockwave, HPT.

5.5.6 Alignment of Business Improvement activities across the business

The Innovation Manager facilitated the alignment and creation of innovation strategies with the company's business strategies working closely with key managers including the National Marketing Manager.

6 Recommendations – Areas for growth & Development

- Study tour – Determine whether a study tour of international meat industry organisations and/or other food industries to review new and emerging technologies is beneficial to the development of the programme. Top Cut Senior Leadership have been advised of this funding and asked to consider itineraries.
- Consider further management courses that may assist with personal development in the areas of management, implementation of business strategies or similar.