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Final report

Evaluation of the Integrity Systems Company Co-Funded Resources Program

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Executive Summary

Background

In 2017 the Integrity Systems Company (ISC) board approved funding for up to 15 co-funded Supply Chain Feedback Extension Officer (SCFEO) positions. The purpose of these positions was to support the development and implementation of feedback systems and associated extension materials to improve producer decision making and management practices for enhanced farm productivity. The program evolved to also include Digital Supply Chain Officer (DSCO) and Digital Marketing Officer¹ (DMO) roles to provide the specific support required within individual partner businesses to improve data use and insights for decision making, and to support data integrity systems.

Project Objectives

In November 2020, ISC engaged Beattie Consulting Services, Inspiring Excellence and Warren Straw Consulting to undertake an evaluation of the co-funded resources program as a first step toward redevelopment of a business case to guide future program investment. The main aims of the evaluation were to review the performance of each role, to assess the triple bottom line impacts of the program, to identify internal MLA contribution to impact, and to recommend changes for program improvement.

Methodology

The evaluation involved two key stages. The first stage involved a review of all project milestone reports, associated data and background information relevant to each of the roles. The second stage consisted of 41 stakeholder interviews to provide a 360-degree perspective on each of the 13 incumbent roles reviewed (2 roles were unable to be reviewed due to early stages of delivery).

Key Findings

The main conclusion from the evaluation is that the program has been very successful in supporting partner companies to drive digital innovation capability across the supply chain. The key findings supporting the continuation of the program include:

- There is evidence to show that companies supported through the co-funded resources program have implemented new, innovative digital solutions to collect, integrate, analyse, store and visualise data across different parts of the supply chain, from livestock procurement through to marketing the end product.
- The incumbents in the co-funded roles have tested, trialled and adapted new digital innovations within their companies. This has led to improvements in feedback provided to buyers and suppliers, and has created efficiencies for the company via improved use of data to gather insights for decision making.
- The incumbents have been instrumental in driving the process to embed new digital innovations into day-to-day company operations by building capability to support utilisation of digital innovations to deliver on company priorities.
- The SCFEO roles have made progress in developing feedback systems to suppliers/producers to enable carcass quality and disease/defect data to be provided on an individual carcass

¹ A generic term allocated by the evaluation team to digital roles with a specific focus on marketing. These roles have different titles within each partner company.

basis. While this is still an area that requires further work to link feedback to on-farm practice change and improvements in carcass quality, the foundations have been built to further progress impact in this area over coming years.

Benefits of the co-funded roles to date have largely been within the confines of the partner companies, with some benefits extending to customers, primarily through the DMO roles, and to buyers and producers, primarily through the SCFEO roles. Potential value from the roles to producers has been hampered by several key issues, including limitations to producer engagement due to COVID-19 and extensive drought conditions across many regions, a reported reticence among some producers to be engaged as individual ‘producer champions’ for case study purposes, and the cancellation of one of the SCFEO roles part way through the employment term.

It is expected that greater benefits will be delivered to producers in the future as many of the companies have needed time and resources to develop internal tools, systems and capability before being in a position to deliver more useful and timely feedback to producers. An ongoing challenge for achieving adoption and impact among suppliers will be developing a clearer understanding of what changes are required to cost effectively improve specific carcass characteristics within the context of a whole farm business.

The review found that seven of the 10 companies included in the analysis would still have, or very likely still have, employed someone in the same role without ISC co-investment. However, many of these companies noted that this would have happened later (between one and three years later), or that the quality of the incumbent employed was higher than it otherwise would have been without the co-funding. It was also recognised that the outcomes achieved through the roles to date have been greater than what would likely have been achieved by the incumbents without the support, knowledge and experience provided by MLA/ISC through the partnership.

It was identified that most companies intend to continue the roles beyond the current round of funding regardless of on-going investment by ISC, however are willing to continue the partnership with MLA/ISC if the opportunity arises.

While the program has been successful in driving digital innovation across the supply chain, the evaluation process identified areas of weaknesses in the current program governance structure:

- There is no overall program manager to provide leadership and create strong internal linkages with other relevant MLA/ISC programs;
- There is no program strategy to provide clear direction around investment in terms of number and types of roles per partner company, relative investment in role types (SCFEO, DSCO, DMO) and their alignment with the strategy, and diversity in demographics of partner companies (e.g. species, location, vertical integration);
- There are no clear key performance indicators (KPIs) around expected target outcomes for each of the role types and how they relate to the overall program objectives and achievement of MLA and ISC strategic objectives;
- There is no plan for the program to guide both internal and external communication and engagement around the roles;
- There is no plan for the program to identify ‘adoption ready’ outputs and to extend program learnings and findings for adoption by the industry beyond partner companies;
- There is a lack of specific criteria for assignment of MLA/ISC role managers to each incumbent;

- Beyond the milestone reporting requirements, there are no clear guidelines around the requirements for MLA/ISC relationship managers in managing the roles, including the use of steering committees, in terms of form and frequency of engagement;
- The milestone reporting process is considered by some partner companies to be cumbersome and/or not fit for purpose; and
- There is no monitoring and evaluation plan to define required data/information capture for assessment of industry impact from the program to measure and demonstrate success.

Attempts were made during the review process to obtain quantitative data to measure the impact these roles are having across industry, however required data was either non-existent, has not been actively collected or collated, it is too early for data to be available, or the company was unwilling to share relevant data. In the absence of this data, a subjective assessment of the contribution of these roles as enablers/tools to a range of identified areas of industry impact was made.

The subjective assessment identified that the co-funded roles have supported more informed and timely decision making in four key areas: marketing, processor company efficiency, livestock procurement and supplier efficiency. The co-funded program has accelerated the level of data use to assist decision making across these four areas by between 27 and 41 percentage points. In addition, four of the roles have contributed to environmental and sustainability outcomes, many roles have contributed to improved animal well-being, and all roles have contributed to the development of digital capability and development of company digital strategies. Most importantly, there was a strong case to show that ISC investment has accelerated the establishment of these roles and thereby fast-tracked digital capability building across the supply chain.

Recommendations

A range of opportunities for improving program governance and delivery have been identified during the review process, which mainly focus on providing a greater degree of structure, planning and accountability around the program. Addressing these opportunities will assist MLA to create a more targeted approach to achieving impact for industry and ensuring appropriate measurement and reporting of that impact for MLA/ISC, partner companies and the industry more broadly. The following recommendations have been made to improve the effectiveness of the co-funded resources program:

Recommendation 1: MLA to appoint an overall program manager to lead the program, drive the strategic direction and implementation of the program, and to manage all positions, along with a network of internal MLA/ISC mentors who are assigned to individual roles according to specific knowledge and skill areas required to add maximum value to each role.

Recommendation 2: Increased strategic planning around where investment is targeted to achieve program objectives.

Recommendation 3: Develop a program Communication and Engagement Plan to support a more strategic approach to communication and engagement.

Recommendation 4: Improve the ability of both MLA and partner companies to measure and report on the success of program investment through defined monitoring and evaluation processes that are aligned to the MLA Triple Bottom Line (TBL) Monitoring and Evaluation Framework, including use of case studies for evaluation and communication purposes.

Recommendation 5: Review and clarify role employment criteria and employment terms.

Recommendation 6: Identify opportunities for increasing the value of the network of co-funded roles.

Recommendation 7: Work with partner companies to review opportunities to increase adoption of available feedback by buyers and suppliers to improve livestock procurement and farm management decision making.

Further details around each of the above recommendations is provided in section 12.0 of the report. All key findings are provided in Appendix A.

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List of Terms and Acronyms

AMPC – Australian Meat Processor Corporation

COVID-19 – Coronavirus Pandemic

CRM – Customer Relationship Management

DMO – Digital Marketing Officer

DSCO – Digital Supply Chain Officer

eNVD – electronic National Vendor Declaration

IMF – Intra Muscular Fat

ISC – Integrity Systems Company

KPI – Key Performance Indicator

LDL – Livestock Data Link

LMY – Lean Meat Yield

MSA – Meat Standards Australia

SCFEO – Supply Chain Feedback Extension Officer

TBL – Triple Bottom Line

VBM – Value Based Marketing

1.0 Background

In 2017 the Integrity Systems Company (ISC) board approved funding for up to 15 co-funded Supply Chain Feedback Extension Officer (SCFEO) positions. The purpose of these positions is to support the development and implementation of feedback systems and associated extension materials to improve producer decision making and management practices for enhanced farm productivity. The program evolved to also include Digital Supply Chain Officer (DSCO) and Digital Marketing Officer² (DMO) roles to provide the specific support required within individual partner businesses to improve data use and insights for decision making and to support data integrity systems. In November 2020, ISC engaged Beattie Consulting Services, Inspiring Excellence and Warren Straw Consulting to undertake an evaluation of the co-funded resources program as a first step toward redevelopment of a business case to guide future investment in the program.

2.0 Terms of Reference

The objectives for the ISC co-funded resources program evaluation involved completion of the following activities:

1. Review the performance of Digital Supply Chain Officers and Supply Chain Adoption Officers to date, including:
 - Alignment of co-funded resources with Integrity Systems 2025 (IS2025) Strategy and contribution of impact
 - Assessment of performance to assist employers in supporting Livestock Data Link (LDL) development and/or integration within supply chain (this can include third-party LDL systems)
 - Assessment of benefit co-funded resources are delivering along the specific supply chain, including:
 - benefit delivered directly to producers within these supply chains
 - Assessment of current structure of role and evaluation of whether roles and responsibilities of resources are currently meeting objectives, including:
 - career level/position within company to influence its digital strategy and implementation of digital resources
2. Review of internal contribution to impact of co-funded resources, including a review of internal value creation being developed through co-funded resources and recommendation of any changes to current structure and management for maximum impact.
3. Impact Assessment: Assess and define the predicted triple-bottom line impacts of investments made to date. The economic impact will be based on measuring the contribution to adoption and impact for key outputs (products) as noted above. Social and sustainability benefits (such as improving a processor's general innovation capability) will also be measured

² A generic term allocated by the evaluation team to digital roles with a specific focus on marketing. These roles have different titles within each partner company.

via the Meat and Livestock Australia (MLA) triple-bottom line impact assessment framework, which will be provided.

4. A brief analysis of each of the 15 Supply Chain Feedback Extension Officer positions will be included, including commentary on the level of success achieved in each position against the above impact criteria.

3.0 Approach and Methodology

The evaluation methodology involved two key stages:

Stage 1: Assemble and review available project information and data for each role.

Stage 2: Complete a 360-degree stakeholder engagement process for each role via a series of phone interviews.

Stage 1 primarily involved assembly of project milestone reports and obtaining the most recent reports delivered in the interim, along with other background information relevant to each of the roles.

Stage 2 involved development of a series of questionnaires for a range of stakeholders for the 360-degree review in consultation with MLA/ISC. These questionnaires were initially piloted with a small number of stakeholders, and reviewed and revised as required. Of the 16 positions identified in the project evaluation objectives, 13 were included in the review as the remaining three had only just commenced or been contracted.

The 13 co-funded roles reviewed are currently at various stages of delivery relative to their contract term of employment, with one role being cancelled by the industry co-partner partway through the contracted term. Therefore, the number and type of stakeholders engaged for the 360-degree reviews varied depending on the stage of delivery of each co-funded role.

In addition to interviews with each of the 13 incumbents, interviews were conducted with 8 MLA/ISC stakeholders, and with representatives from industry partner organisations (13 interviews) and a range of related beneficiaries and service providers (7 interviews).

4.0 Program Objectives

Review of available internal documentation indicates that the original purpose of ISC investment in the co-funded resources program was to support MLA technical investment in moving toward more objective measurement systems. The intent was to support producer adoption of practice changes required to increase carcase value (i.e. increasing lean meat yield while maintaining or increasing eating quality). This was to be achieved by partnering with willing companies/supply chain groups to co-fund (through MLA Donor Company (MDC)) employment of up to 15 Supply Chain Feedback Extension Officer (SCFEO) roles for a period of three years. The objective of these roles was to support and develop feedback systems and associated extension materials to support producers in using feedback and data to improve decision making and management practices to enhance on farm productivity.

The initial project investments were in SCFEO roles as intended, however as MLA engaged with potential industry partners, it became evident that there were also opportunities to coinvest in roles at different levels of the supply chain. Potential partners were at various stages of development and implementation of a whole of value chain digital strategy, such that some were not ready for a SCFEO role to focus on the producer end of the supply chain as they did not yet have the internal tools and systems in place to effectively support such a role, or had higher priorities for improved data systems elsewhere within the business. Based on this development, two additional roles were included in the program, being the Digital Supply Chain Officer and the Digital Marketing Officer roles.

The stakeholder engagement process revealed that there is no overall strategy around relative investment in these three role types. Instead, investment has been aligned with the needs of individual companies who were willing to co-invest in the program. There is also no guidance around how many co-funded roles are desirable within individual partner companies. Among the roles assessed during the review, four are SCFEO roles, three are DMO roles and six are DSCO roles. These 13 roles are located within 10 partner companies, with one company co-investing in three roles and another in two roles.

While the overall objective of the SCFEO roles is articulated in internal ISC documentation, no such clarity exists around the intended purpose of the DSCO and DMO roles and how they relate to the original purpose of the program. According to MLA/ISC stakeholder feedback provided during the interview process, the purpose of each of the co-funded role types involves:

- **Supply Chain Feedback Extension Officer:** Providing meaningful feedback data to producers to support decision making as the basis for driving practice change to increase carcass value and compliance.
- **Digital Supply Chain Officer:** Assisting partner companies to build internal digital capacity and capability and to support development of company whole of value chain digital strategies that align with the strategy of ISC.
- **Digital Marketing Officer:** Assisting partner companies to provide evidence of integrity and provenance, to support improved customer relationship management and marketing management and to assist with product branding systems.

There was much less awareness and clarity among MLA/ISC interviewees around the purpose of the DMO roles compared to the other two roles. Many respondents were unsure of what outcomes these roles are expected to deliver. Others commented that they were almost a means to an end in terms of supporting partner companies to build an internal digital resource, with the intent that eventually the company would build digital capacity further along the supply chain to support suppliers at the other end.

Finding 1: *The purpose of the Supply Chain Feedback Extension Officer role is articulated in internal ISC documentation. However, there is a lack of clarity around the intended purpose of the Digital Supply Chain Officer and Digital Marketing Officer roles and how they relate to the original purpose of the program.*

Company representatives were asked what their purpose was in co-investing in the digital roles with ISC. Key themes raised included:

- To provide better and more transparent feedback to producers and buyers for improved decision making;
- Carcase optimisation of purchased stock/for service kill clients;
- To build collaborative relationships with producers/increase producer engagement;
- To develop transportable digital data and communication platforms/standardised feedback systems;
- Digital transformation of the business/improve data management/improve data integration/increase data analytics;
- Improve digital capability to provide accurate and timely information through the supply chain for improved decision making;
- Improve forecasting of product requirements, predictive modelling capacity and reduced waste to optimise business operations;
- Improve ability to report on business performance by expanding reporting and data analytics activities;
- Bring new insights into the way the business uses data and to 'ramp up' digital engagement from a marketing perspective; and
- Enhance the ability of the company to take advantage of opportunities in the digital space.

A sample of respondent quotes that align best with the intended purpose of the program from MLA/ISC's perspective are provided below:

We were pretty keen to build our collaborative relationships with producers, it's not only the money you provide via the price grid, it's also about the information you provide to producers to help them improve the performance of their animals from both a quality perspective and an animal health perspective.

We saw a pretty good opportunity with the money on offer through these co-funded roles to add to what we were already trying to do with producers anyway. So, it was adding value to and speeding up what we were already going to do, and the extra value too in the training provided for the role was a plus, so capacity building and the networking through MLA in terms of being able to know who to call for help.

With the changing of the times with lots more producers being computer literate, it was exciting moving forward with MSA feedback and we wanted to give producers more feedback so that they can improve their product.

Company Representative Quotes

Finding 2: *Company motivations for co-investing with ISC in the co-funded roles varied reflecting the types of roles employed, ranging from providing increased feedback at the supplier end of the value chain through to improving digital marketing at the customer end. Common motivations were to improve data integration, data analytics and data visualisation to support internal decision making, and to improve internal digital innovation capability.*

MLA could seek to identify company motivations for co-investment during the expressions of interest/application process by requesting information around why companies wish to be involved and what benefits they see the project providing to their company, and to suppliers, buyers, customers, consumers and the broader industry. It would be useful to request company digital strategies or other evidence indicating that the use of digital data will play a significant part in the future direction of each potential new partner company.

5.0 Program Governance

The co-funded resources program is delivered under the MLA Capability Building Program. Each of the incumbent roles reports to an internal company manager according to company governance procedures, and to an MLA or ISC relationship manager via a quarterly milestone reporting process. Assignment of MLA or ISC role relationship managers has been based on a combination of staff willingness and availability to undertake the role, and in some cases the existence of an ongoing relationship with the partner company through past and present project investments. There are currently three MLA/ISC role relationship managers, with several other managers prior.

Outside of the required milestone reporting process, there is no specific protocol for additional contact or meetings between partner companies, incumbents and the MLA/ISC relationship manager, with this level of governance being driven by each relationship manager as they see fit. Some of the roles have involved establishment of a steering committee with members from both MLA/ISC and partner companies, however there has been no standard approach to utilisation of a steering committee, or committee composition, frequency of meetings, committee objectives/purpose or reporting of minutes.

The review process has identified the following weaknesses in the current program governance structure:

- There is no overall program manager to provide leadership and create strong internal linkages with other MLA/ISC programs of relevance;
- There is no program strategy to provide clear direction around investment in terms of number and types of roles per partner company, relative investment in role types (SCFEO, DSCO, DMO) and their alignment with the strategy, and diversity in demographics of partner companies (e.g. species, location, vertical integration);
- There are no clear key performance indicators (KPIs) around expected target outcomes for each of the role types and how they relate to the overall program objectives and achievement of MLA and ISC strategic objectives;
- There is no plan for the program to guide both internal and external communication and engagement around the roles;
- There is no plan for the program to identify 'adoption ready' outputs and to extend program learnings and findings for adoption by industry beyond partner companies;
- There is a lack of specific criteria for assignment of MLA/ISC role managers to each incumbent;
- Beyond the milestone reporting requirements, there are no clear guidelines around the requirements for MLA/ISC relationship managers in managing the roles, including the use of steering committees, in terms of form and frequency of engagement;

- The milestone reporting process is considered by some partner companies to be cumbersome and/or not fit for purpose; and
- There is no monitoring and evaluation plan to define required data/information capture for assessment of industry impact from the program to measure and demonstrate success.

It was acknowledged by many stakeholders that some of these issues were difficult to define during the first round of program investment given that the program was essentially a pilot to assess the potential value of building a more robust and strategic program for future investment. Moving forward, these issues will need to be addressed to create a more targeted approach to achieving impact for industry and ensuring appropriate measurement and reporting of that impact for MLA/ISC and partner companies.

While there was consistent feedback from stakeholders regarding the need for an overall manager for the program, there was less clarity around where that role best sits within MLA. As noted above, the original purpose of the program was around engagement of SCFEO roles with outcomes aligned to improving feedback provided to producers and supporting effective use of that feedback to increase carcase value, which aligns with ISC strategic objectives. This changed as the program developed and expanded to include DSCO and DMO roles and the types of benefits generated from these latter types of roles align more broadly with MLA strategic objectives, particularly the DMO roles, which align with the work of the MLA Marketing and Insights area of focus.

Whether overall management of the program fits best within ISC or MLA is an issue to be determined by MLA internally, however regardless of where the role sits, greater alignment and communication will be required across MLA to ensure that people with the right skills and experience, whether they are employed by ISC or MLA, are utilised as either direct role managers or mentors/advisors. Furthermore, all relevant teams within MLA need to be well informed and regularly updated about the program's purpose, activities and achievements to ensure that opportunities to collaborate or provide support to the program are identified and actioned.

Finding 3: *A range of opportunities for improving program governance and delivery have been identified during the review process which mainly focus on providing a greater degree of structure, planning and accountability around program delivery. Addressing these opportunities will assist MLA to create a more targeted approach to achieving impact for industry and ensuring appropriate measurement and reporting of that impact for MLA/ISC, partner companies and the industry more broadly.*

6.0 Strategic Alignment

The Australian red meat industry has a shared vision to double the value of red meat sales as the trusted source of the highest quality protein³. MLA has identified a range of key areas of strategic focus to support delivery against this vision. ISC, as a wholly owned subsidiary of MLA, has also identified key areas of strategic focus which align with those of MLA and with the broader goals of the red meat industry. Figure 1 presents a summary of alignment of the expected outcomes from the ISC co-funded resources program with the strategic objectives of MLA and ISC.

³ Red Meat 2030

The co-funded resources program aligns directly to Pillar 3 (Leveraging integrity data to add value through the chain) of the IS 2025 Strategic Plan, which in turn aligns with the MLA strategic focus on more effective use of data and insights for decision making across the supply chain. The ISC co-funded roles are supporting the delivery of impact for industry in this focus area by assisting to increase the efficiency with which data is collected, integrated, analysed and visualised for use by decision makers across the supply chain. These benefits apply to not only producers, but also to the companies themselves, to livestock buyers and to customers and consumers.

In terms of triple bottom line areas of impact, the improved ability to make more timely and informed decisions across the supply chain has generated, and is expected to continue to generate, economic benefits, primarily for partner companies to date. The program has also contributed to building industry capacity and capability around digital systems, and for some partner companies, has also contributed toward environmental outcomes, for example around climate change mitigation, and to improving animal well-being.

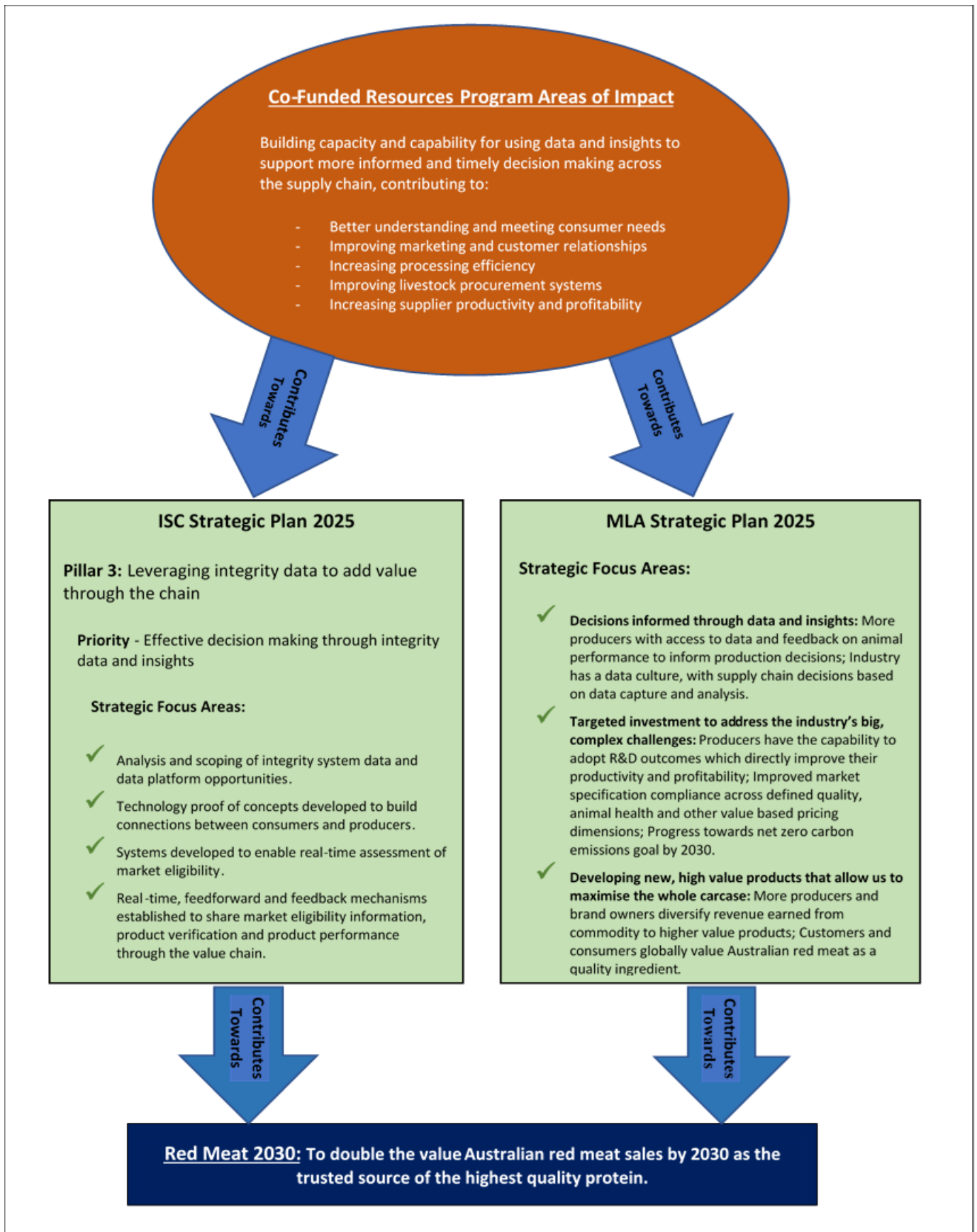


Figure 1: Contribution of ISC co-funded resources to achievement of ISC, MLA and Red Meat 2030 strategic objectives

Three of the co-funded roles are focused specifically on development and delivery of company digital marketing strategies with a focus on gathering market insights, customer relationship management (CRM) and brand awareness. The work of incumbents in these DMO roles aligns with the intent of MLA's Industry Insights and Strategy group to increase demand for Australian red meat and to maximise carcass value across the supply chain by better meeting consumer needs. The review process identified the following key benefits of the DMO roles which have contributed toward MLA strategic focus areas:

- Their work in building customer relationships and brand awareness assists to increase awareness and promote the value of Australian red meat to consumers both within Australia and internationally;
- The sharing of information between MLA and the co-funded roles assists MLA in developing marketing strategies on behalf of red meat levy payers to increase demand for Australian red meat, and assists the partner company to develop and deliver more informed digital marketing strategies;
- The information sharing process on market insights assists MLA to assess industry appetite for new products and services and to identify opportunities for R&D investment;
- The value adding service provided to customers internationally supports the position of Australia as a preferred supplier of red meat; and
- Improved market insights and CRM among partner companies assists to bring the consumer and producer ends of the supply chain closer together to support delivery of end products that meet consumer needs and to more rapidly take advantage of emerging trends in consumer needs and preferences.

Further identification and assessment of areas of benefit generated from the co-funded resources program is provided in subsequent sections of this report.

Finding 4: *The areas of industry benefit generated from the co-funded resources to date are aligned to both MLA and ISC strategic objectives focused on effective use of data and insights to support more informed and timely decision making, and increased data integrity and product traceability. The co-funded resources program benefits also support delivery against broader MLA objectives around climate change mitigation, increasing animal well-being and increasing the value of Australian red meat sales.*

7.0 Program Delivery Within Partner Organisations

7.1 Role Objectives

Stated objectives for each of the three role types are relatively generic and broad in scope. According to stakeholder feedback, this was a deliberate approach given the exploratory nature of the roles during the initial phase of the program. Incumbents were essentially assessing the current status of their company around data collection, storage, analysis and reporting, with follow-on identification and prioritisation of investment in projects to address identified gaps and opportunities.

The review process identified that incumbents' activities were generally well aligned with the stated role objectives. However, some incumbents and company representatives commented that not all of the objectives were relevant to their role, and that it was an opportune time to review the role objectives with MLA to ensure that expectations for both parties are aligned moving forward.

Stakeholder feedback also suggests that while it was useful initially for the role objectives to be generic and broad, it is now more difficult to assess value for MLA against those objectives. There is one exception to the generic role description, a DMO role, where there are 19 role objectives. While this may help with specificity, arguably there are too many to be manageable. This role is relatively new and it is suggested that the objectives should be reviewed and refined after the initial scoping phase of the role has been completed and priorities for future areas of focus have been identified.

It was noted by many stakeholders both within MLA/ISC and among company representatives, that there is no process to identify and capture impact associated with achievement of role objectives. It was noted that while the milestone reports provide regular updates on what work is being conducted, they do not specifically provide data or information aligned to KPIs for measuring impact or adoption. It was also noted by stakeholders that the role performance monitoring process has not provided a formal opportunity for revising role objectives as the direction of roles has evolved during the course of program delivery. This has meant that incumbents are unable to report against objectives that more accurately reflect the work they are actually undertaking.

Finding 5: *Role objectives are relatively generic and broad in scope, and while they broadly align with incumbent areas of work, as the roles have progressed company representatives suggest that there is now an opportunity to review the role objectives with MLA to ensure that expectations for both parties are aligned moving forward.*

Finding 6: *The generic and broad role objectives have made it more difficult to assess value for MLA against the objectives. The review also identified that there is no reporting against KPIs for measuring impact and adoption for each role that are specifically aligned to achievement of MLA/ISC strategic objectives.*

7.2 Alignment of Role Incumbent Skills and Experience to Role Requirements

The time in the co-funded roles for the 13 incumbents engaged during the review process ranged from 2 months up to 2.5 years at the time of interview. Prior to commencing in the co-funded roles, 62% of incumbents were already employed by the partner company and 38% were new company employees. Of the new company employees, all but one was previously employed in the agriculture industry, with the one incumbent moving into agriculture from the financial services industry. It is unclear as to whether some of the previous internal roles held by incumbents were rolled into the new role, or whether they were filled by other employees, either in part or in full.

Finding 7: *Around 60% of role incumbents included in the evaluation were sourced from within the partner company, compared to 40% recruited externally. All but one incumbent was previously employed in the agriculture industry.*

Some stakeholders noted that it would be preferable for more of the incumbents to be sourced from outside of partner companies. On the one hand, new people can bring fresh ideas and skills,

however current employees may have greater levels of trust, corporate knowledge and respect within the organisation to create change more rapidly. A potential risk with shifting internal people into these roles is that they are more likely to be diverted to other tasks as needed given their familiarity with other areas of the business.

It is suggested that where the incumbents are sourced from is less important than ensuring that they have the required level of base skills coming in to the role and are willing and able to build on those skills as the role develops over time. In some cases, the necessary skills were not already available within the company, thus external incumbents were required, while in other cases the required skills were identified within the company.

At the time of commencing employment, incumbents rated their level of skills and experience relative to the skills and experience required to effectively fulfill all aspects of the role at a 3.8 out of 5, so a fairly good alignment. At the time of interview, on average incumbents rated their current level of skills and experience relative to those required for the role as a 4.5 out of 5, representing around a 20% increase in incumbent skills/experience since role commencement. Company representatives reported that at the time of commencing employment, the skills and knowledge of all incumbents aligned either 'extremely well' or 'very well' with what was required for effective delivery of role requirements.

Specific areas where incumbents reported an increase in skills and knowledge since role commencement included:

- Report writing
- Extension skills
- Technical aspects of meat quality and yield measurement i.e. DEXA, Health 4 Wealth
- Public speaking
- Internal stakeholder engagement/communication skills/negotiation skills
- Data management and analysis
- Understanding of MSA from processor perspective i.e. boning runs and retail
- How to mesh supply and retail ends of the value chain
- Back and front end of visual systems and predictive analysis
- Process mapping skills
- Project management/contract management/financial management
- Systems and processes involved in providing producer feedback

Finding 8: *According to both incumbents and company representatives, incumbent skills and experience at the time of employment was fairly well aligned to role requirements. Since role commencement, on average, incumbents have increased their skills and knowledge by around 20% across a range of identified areas, including both soft and hard skills.*

Incumbents were also asked to identify any new skills/knowledge requirements, with the range of topics raised including:

- Understanding meat categories all the way through boning to in store marketing/ understanding boning runs and how carcasses are graded for boning;
- More contacts with ISC to understand more about data analysis processes;
- Meat science course to understand influences on meat quality;

- Data analysis tools/business intelligence tools e.g. Power BI;
- Excel training around analysis and reporting data/use of pivot tables;
- Understanding in-plant use of MSA;
- Software training for increased understanding of programming language/IT related training;
- Financial training to tie operational and financial information together;
- Understanding carcass components/market description/industry language;
- Change management - the psychology of change;
- Increased understanding of the technical aspects of processing; and
- Involvement in more industry events to reduce professional isolation within company.

Finding 9: *Incumbents identified a range of current training needs on topics including software and IT, technical aspects of processing systems and change management, along with increased opportunities to attend relevant industry events and to engage with MLA/ISC data experts.*

The vast majority of incumbents interviewed during the stakeholder engagement process reported that their company had supported them either ‘extremely well’ or ‘very well’, with only one respondent reporting that they had only been supported ‘moderately well’. The latter respondent commented that at the time of their initial engagement they were largely left to their own devices and had to utilise their own initiative in the role. They also commented that the operational side of the business at the time was very unaware of what the role involved and what the outcomes were intended to be, and thus support for the role at higher levels of management was not as strong as it could have been. This was due to a lack of overall alignment of the role with the company strategy at the time. It was, however, noted that this initial situation has been turned around over the course of role delivery such that the company and senior managers are now very supportive of the role and perceive high value from the investment. It was noted that, moving forward, it would be useful for partner companies to consider digital awareness and understanding for new senior management appointments, to provide increased managerial support for the co-funded roles.

Company representatives also reported a high level of company support for incumbents when commencing their roles, with the only negative comments being around the less-than-ideal level of support at times when the company was extremely busy, for example over the Christmas period. A number of company representatives reported a certain level of scepticism among some company employees as to the value of these roles when they first commenced, but that this has largely waned as value has been demonstrated. However, it was raised by some company representatives that there are still aspects of their company which need to better understand the value of data and data analysis to facilitate the work of the co-funded role, but that these companies are aware of and working towards addressing this issue.

Finding 10: *Incumbents and company representatives reported that most incumbents have been well supported by their company in undertaking their roles. It was noted by both stakeholder groups that it is important for senior levels of company management to be supportive of the role. There is an opportunity in some companies to increase the understanding and value of data and data analysis to facilitate the work of the co-funded roles. These companies are aware of this issue and are working toward addressing it.*

When asked about future career aspirations, most incumbents expressed a willingness to continue working in the same industry, though some were open to a shift to another industry if a suitable

opportunity arose. Many commented on a desire to progress themselves and their careers by taking on higher levels of responsibility and new challenges. Several were mindful of maintaining an appropriate work/life balance and receiving appropriate remuneration reflective of the value they are contributing to the company. Some of the incumbents and company representatives also commented on high role workloads.

Finding 11: *Most incumbents wish to continue working in the same industry, though some were open to a shift to another industry if a suitable opportunity arose. Many commented on a desire to progress themselves and their careers by taking on higher levels of responsibility and new challenges, while several were mindful of maintaining an appropriate work/life balance given high current workloads.*

It will be important for both MLA and partner companies to incentivise retainment of incumbents over time by considering factors such as appropriate salary increases based on performance review processes, increased role responsibilities, providing new challenges and variety, and ensuring that incumbent workloads are not excessive.

7.2 Alignment of Roles to Partner Company Strategy

Figure 2 reveals that according to incumbents and other company representatives, there is strong alignment between the co-funded roles and the strategic direction of their company, though for some companies this has evolved since initial commencement of the roles. Some company representatives commented that they were already working in the digital space so the role was not a new direction for the company, and others commented that they structured the role to make sure that it aligned with the company strategy, or that the role was included in the company business plan. MLA/ISC stakeholder feedback suggests that where roles are well aligned to company objectives, they appear to be having more impact.

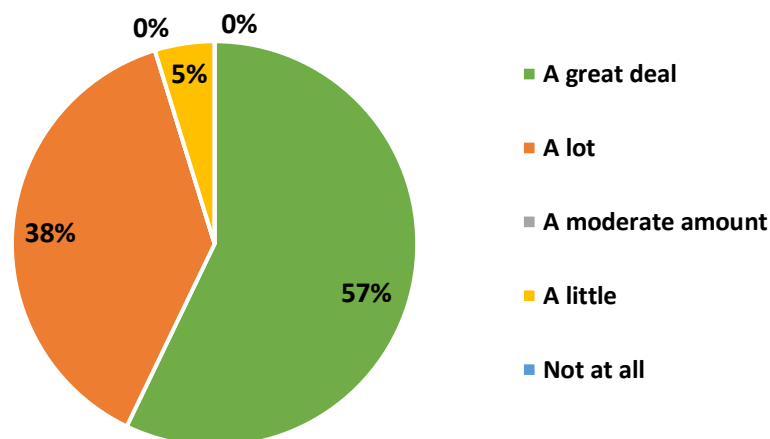


Figure 2: Degree of alignment between role objectives and company business strategy – Company representative and incumbent responses

One company representative reported that the co-funded role aligned ‘a little’ with company strategy, stating that:

The company is fairly heavily focused on productivity efficiency of our plants and we sell bulk product to wholesalers so it's a bit outside the square for us, so it's not that it doesn't align, it's just a new direction for us so it's part of a journey.

Company Representative Quote

Another incumbent commented that:

(Company name) understand that they need data and information to give them a competitive edge. They want and need it, but they just don't understand it. So they really need these digital roles.

Incumbent Quote

Finding 12: *According to incumbents and other company representatives, there is strong alignment between the co-funded roles and company strategic direction for most partner organisations, though for some companies this has evolved since initial commencement of the roles.*

7.3 Alignment of Actual Role Activities with Stated Role Responsibilities

The evaluation process also involved reviewing how well actual activities undertaken by role incumbents aligned with the original stated role responsibilities. Figure 3 presents incumbent and MLA/ISC role manager responses to this issue.

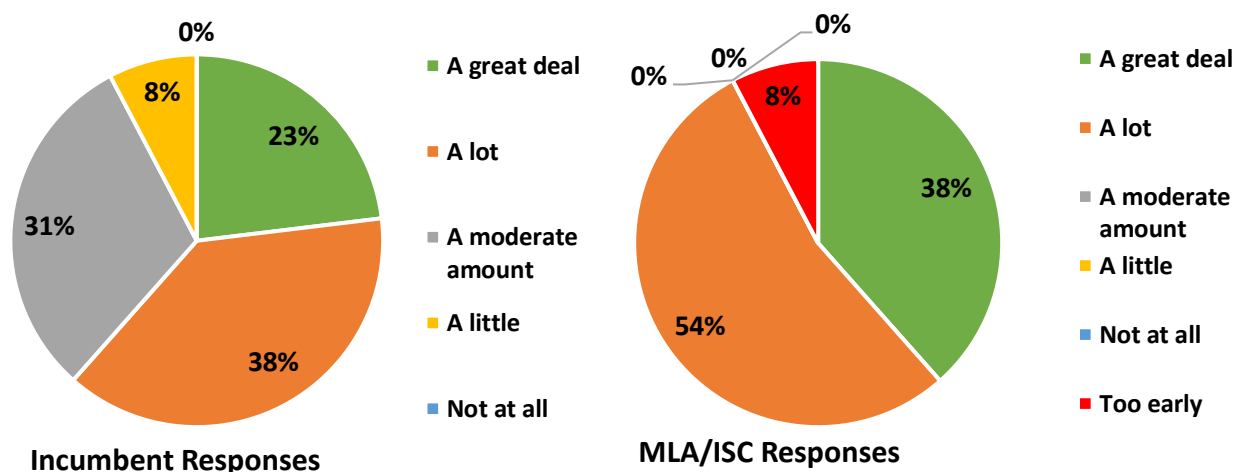


Figure 3: Degree which incumbent activities align with stated role responsibilities

The results in Figure 3 suggest that there is perhaps more divergence from intended role responsibilities occurring than MLA/ISC is aware of. Example quotes from incumbents around this issue are provided below:

We tried to foresee the future as much as you can when we originally created the role, and obviously the future doesn't always pan out as planned, but for the most part it is moving with the process of the business.

The stated objectives are a little bit ambiguous. Some of that kind of resonates with what I do, but I'm not actually working on some of those things.

Many of the list of duties in the position description are similar i.e. there are probably too many listed and there's an opportunity to consolidate.

The position description is too big to achieve.

There has been an enormous amount of other work that wasn't in the contract.

Milestone objectives are moderately aligned to the work done or that needs to be done. It would have been better to focus on the digital work first and getting the tech implemented first but having the connection with producers is useful too.

I have spent part of my time filling in for another role so there has been conflicting objectives a bit.

Internally there was quite a bit of work involved with the change management of it e.g. changing plant boning runs, so the technical process of making improvement takes a long time.

Incumbent Quotes

Company representatives were also asked this question and, with one exception, agreed that the daily activities of incumbents aligned reasonably well with the stated responsibilities, but that some changes in direction have occurred as new opportunities have arisen or redirection of resources was required to address issues/problems within the business. One company representative noted that it was a risk for both MLA/ISC and partner companies that these roles can get diverted to more operational activities if care is not taken to ensure that the work undertaken remains closely focused on the intended purpose of the role, notwithstanding that some variation may occur as the roles evolve.

Finding 13: *Stakeholder feedback suggests that there may be more divergence occurring between incumbents' daily activities and their intended responsibilities than MLA/ISC is aware of. In general, company representatives commented that the daily activities of incumbents aligned reasonably well with the stated role responsibilities, but that some changes have occurred as new opportunities have arisen or redirection of resources was required to address issues/problems within the business.*

7.4 Role Structure and Delivery

Company representatives (excluding incumbents) and MLA/ISC representatives were asked to rate their level of satisfaction against a range of aspects associated with the co-funded role structure and delivery, with the results presented in Figure 4.

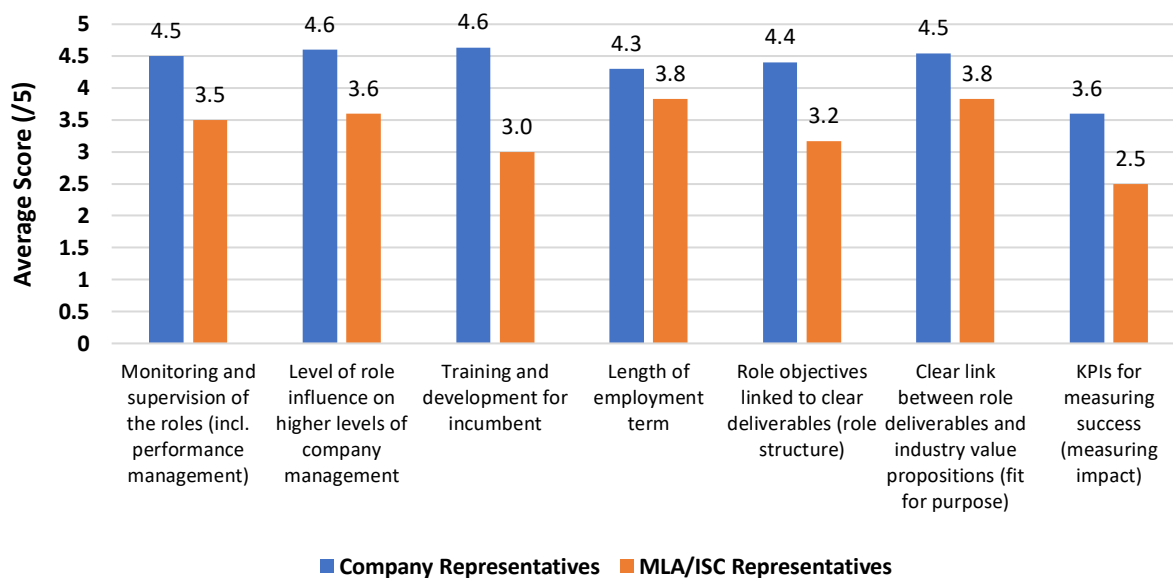


Figure 4: Stakeholder satisfaction with a range of aspects of the co-funded roles (score out of 5)

These results suggest that partner companies are more satisfied with the co-funded role structure and delivery than MLA/ISC. This reflects a general view among many MLA/ISC staff interviewed that the companies are receiving good value from these roles but that there are opportunities for greater value to be gained by MLA/ISC and the broader industry, and for greater clarity around what these roles deliver in terms of specific MLA/ISC objectives.

Stakeholder feedback indicated that there was value in collaboration between two roles⁴ within one company across the supply chain for two of the partner companies. Synergies achieved through teamwork enabled the outcomes achieved by individual roles to be greater than they would likely otherwise have been without the other role. In light of this feedback, further consideration of how multiple roles within individual companies may create synergistic value across the supply chain is warranted, including the type of roles and the type of companies with multiple roles, in terms of targeting future investment to achieve program objectives. However, despite this finding, there is still the question of how many is too many roles within one company given equity and coverage considerations for MLA industry investment.

Finding 14: *Partner companies are more satisfied than MLA/ISC with the co-funded role structure and delivery. This is consistent with the views of MLA/ISC staff that the companies are receiving good value from these roles. MLA/ISC also see more opportunities for value to be gained by MLA/ISC and*

⁴ One company has three roles however one of these roles had only recently commenced at the time of review so no comment is able to be made on the value of integrating all three roles within one company.

the broader industry, and for greater clarity around what these roles deliver in terms of specific MLA/ISC objectives.

Company representatives rated the level of role influence on higher levels of company management as being fairly high. This is in contrast with some MLA/ISC stakeholders who expressed concern that some roles were not high enough in the management hierarchy to have appropriate influence on business strategy and to drive adoption of digital innovations and systems. Moving forward, providing partner companies with clear expectations around the level of role influence on company higher management levels would assist to clarify a shared understanding on this issue.

There is variation among partner companies around the openness of higher levels of management to explore and adopt digital value chain solutions. While some senior company managers are already actively embracing new digital technology, all companies commented that it is gaining momentum as a priority in order to remain competitive in the industry.

Several MLA/ISC stakeholders felt that some of the incumbent employees are ‘too junior’ and that more experienced individuals should be in the roles to have more influence on company strategy. Others felt that it was positive for the program to have younger, less experienced incumbents in some roles as it presented an opportunity to build skills and capability within the roles. Greater clarity and direction are therefore needed to determine if incumbent experience coming into the roles is an important employment criterion, and if so, what are the priorities and requirements relative to program objectives.

Finding 15: *Company representatives rated the level of role influence on higher levels of company management as being fairly high. This is in contrast with some MLA/ISC stakeholders who expressed concern that some roles are not high enough in the management hierarchy to have appropriate levels of influence on business strategy and to drive adoption of digital innovations and systems.*

Incumbents were asked to rate the extent to which they felt their position is at the right level to effectively influence the digital strategy and implementation of digital resources within the company. All but two reported that they had an appropriate level of influence to achieve their objectives, while one incumbent had only recently commenced in the role and was unable to provide a meaningful response. The review process also revealed that several incumbents have increased their level of access to higher levels of company management since they were first employed in the roles, due to an increase in the perceived value of their roles within the company and the high quality of the incumbents themselves.

One incumbent, who felt that they do not have an appropriate level of influence on the digital strategy and implementation of digital resources within the company, commented that their direct manager is almost too high up as they are very busy and too far removed from the operational activities of the co-funded role to be able to provide the support required to ‘get things done’. The other incumbent commented that they felt they had good influence over some elements of the company, but that the structure of the organisation made it difficult for them to have an ideal amount of influence across the whole business.

The aspect which rated lowest among both partner company and MLA/ISC stakeholders interviewed was the existence of KPIs for measuring success/impact associated with role delivery. Some company representatives noted that their incumbent roles did not have specific KPIs against which

to measure success/impact, but rated this aspect reasonably highly anyway as the work of the incumbent was contributing to specific company KPIs, while others were unsure if there were any KPIs or not.

It is evident that if MLA/ISC wish to be able to clearly demonstrate the impact these roles are having across the supply chain, that identification of role KPIs will be required. KPIs will need to align with both company and MLA/ISC objectives, though not all KPIs need align with both, and this process would also assist to align company strategies in the digital area with MLA/ISC strategic objectives.

Finding 16: *MLA/ISC and company representatives both identified a lack of appropriate KPIs against which to measure impact and adoption due to role delivery as an issue that needs to be addressed within the program.*

8.0 Performance of the Co-Funded Resources to Date

8.1 Key Areas of Role Benefit Along the Supply Chain

MLA/ISC stakeholders were asked to rate how well the co-funded resources have achieved impact to date across a range of areas of benefit. The findings presented in Figure 5 indicate that benefits to date have largely been within the confines of the partner companies, with some benefits extending to customers, primarily through the DMO roles, and to buyers and producers, primarily through the SCFEO roles. In some cases, it is too early for benefits to have been generated as the feedback systems were not as 'adoption ready' as first thought and have taken considerable time and resources to embed or test/commercialise within the company.

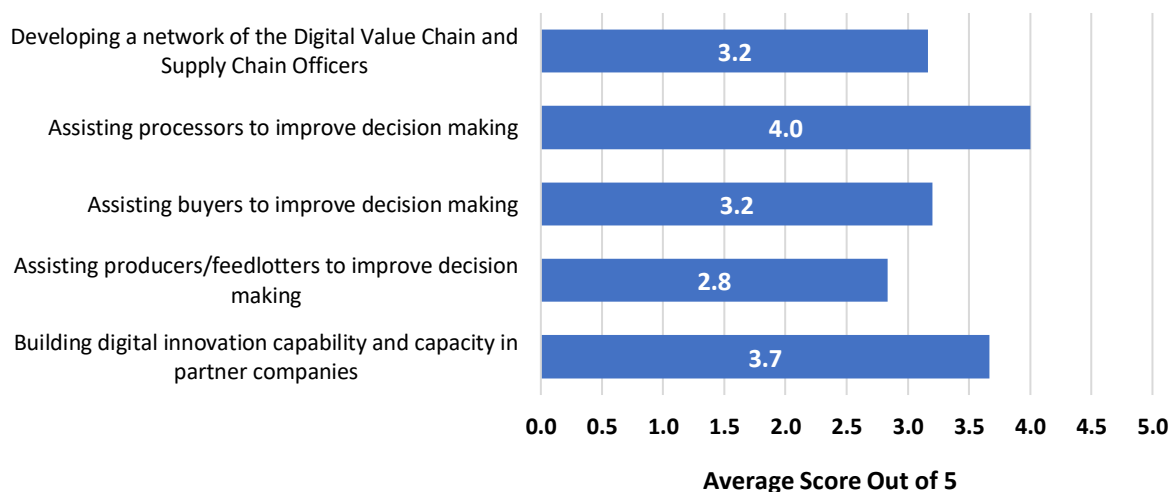


Figure 5: MLA/ISC stakeholder assessment of how well the co-funded resources program investment has achieved impact to date across a range of areas of benefit

Providing data and insights to support supplier decision making was rated lowest by MLA/ISC stakeholders, with much of the commentary noting that the early stages of role delivery has limited what has been able to be achieved in this area to date. The review process has also identified that the potential value from the roles to producers has been hampered by several key issues, including COVID-19 and extensive drought conditions across many regions, which has limited opportunities for

producer engagement. In addition, there has been a reported reticence among some producers to be engaged as individual ‘producer champions’ for case study purposes, and there has also been the cancellation of one of the SCFEO roles part way through the employment term.

Finding 17: *Benefits of the co-funded roles to date have largely been within the confines of the partner companies, with some benefits extending to customers, primarily through the DMO roles, and to buyers and producers, primarily through the SCFEO roles. Potential value from the roles to producers has been hampered by several key issues, including limits to producer engagement due to COVID-19 and extensive drought conditions across many regions, a reported reticence among some producers to be engaged as individual ‘producer champions’ for case study purposes, and the cancellation of one of the SCFEO roles part way through the employment term.*

It is expected that improved feedback will be delivered to producers in the future as many of the companies have needed time and resources to develop internal tools, systems and capability before being in a position to deliver more useful and timely feedback to producers. The adoption of Livestock Data Link (LDL) as the mechanism for delivering feedback to producers has been problematic in some plants and only one has been successful in uploading daily carcass data. This means that companies have spent valuable time on integrating a system that has proven to be incompatible and are now investigating custom building their own feedback systems. This process will take time to develop and implement for these companies.

Some stakeholders also noted that increased clarity around defining the producer target audience and one to one support of producers will be required to achieve practice change adoption as a result of improved feedback systems. The move to work one to one with producers to implement the appropriate management changes on farm is considered to be necessary to effectively utilise feedback and address disease, defect and quality issues. However, it was also identified that there is a current challenge in understanding exactly what practice changes are required by suppliers to improve specific carcass characteristics cost effectively within the context of a whole farm business. In many cases suppliers are being asked to implement changes that are either not fit for purpose or premature.

Finding 18: *It is expected that greater benefits will be delivered to producers in the future as many of the companies have needed time and resources to develop internal tools, systems and capability before they will be in a position to deliver more useful and timely feedback to producers. However, an ongoing challenge for achieving adoption and impact among suppliers will be developing a clearer understanding of what changes are required to cost effectively improve specific carcass characteristics within the context of a whole farm business.*

MLA/ISC stakeholder feedback regarding the most positive aspects of the program to date included:

- The ability of role incumbents to help drive strategy and/or adoption within their supply chains;
- MLA being more closely engaged in influencing the strategic directions of partner companies;

- Raising awareness of the opportunities in this area for other organisations not involved in the program;
- Employing young people in the industry, building their capability and encouraging them to remain in the industry;
- Partner companies wanting to engage more around digital innovation;
- Building closer relationships between producers and other parts of the supply chain, including processors, feedlots, wholesalers/retailers and consumers;
- Giving young up and coming industry professionals increased opportunities for contact with MLA/ISC and each other through the program role networking activities to provide opportunities for learning and sharing of experiences;
- Opportunity for role incumbents to be involved in the ALMTech program and to take their new knowledge and experience back to their company managers;
- Increased contact from partner companies requesting data and information to support their planning. Due to this program, many partner companies come to MLA first as a single source of information;
- The impressive level of development of digital capacity and infrastructure among partner companies since the roles commenced; and
- The high quality of the incumbents employed in the roles and the rapid speed of development of their skills and knowledge.

Finding 19: *MLA/ISC stakeholders reported that the most positive aspects of the co-funded resources program to date have included the high quality of incumbents and the rapid speed of their knowledge and skill development since role commencement, the impressive level of digital capacity and infrastructure development among partner companies, and the increased willingness of partner companies to engage with MLA/ISC on digital innovation.*

Company representatives were asked to rate how well their expectations for the value of incumbent roles to their organisation have been met. Figure 6 presents the stakeholder responses and indicates that actual value has been greater than what was expected among 83% of company representatives, with a quarter of respondents stating that expectations have been ‘well exceeded’.

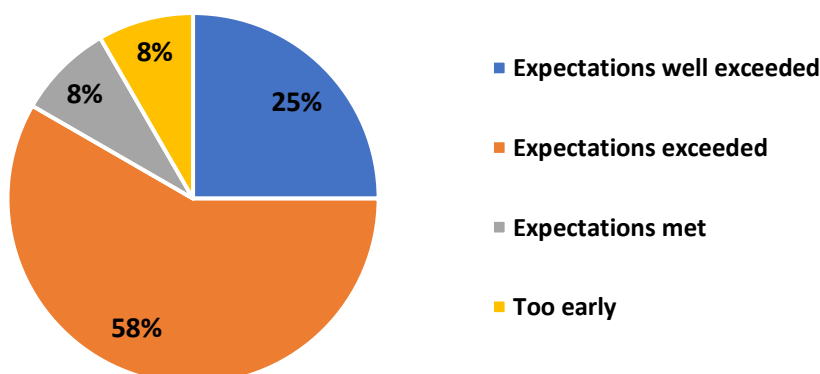


Figure 6: Degree to which company representative expectations for the value the co-funded roles would provide to their company have been met

Example company representative quotes are provided below:

Gratitude to MLA for making this program happen. It's had a huge impact.

Without the investment from MLA we would have found it very hard to justify the need for this role as dollars alone would have ruled it out. However, it has enabled us to get on the front foot with moving into the digital innovation space.

This project has shown the value of working one to one with producers on farm. It shows our commitment to our suppliers and our respect of the producers' time by being willing to meet them on their farms and to take time to understand their perspective.

This is an important program. If we had someone else in the role, we would still be satisfied, but with 'incumbent name', being as good as he is, we are extremely satisfied. This area is key to our business now.

I think that without this role, we wouldn't have made the phenomenal gains in efficiency and data insights that have come in the last 12 months.

It's great to get young people involved in the industry in this space. It helps to build capacity in 'company name' and to build relationships with producers. We just have to find the right young people who want to stay with the company and keep them progressing through the company.

Company Representative Quotes

Finding 20: *For the vast majority of company representatives engaged for the evaluation, the value generated from the roles to date has exceeded expectations.*

In terms of what benefits the co-funded roles could provide to industry beyond the partner companies, their suppliers and their customers, stakeholders in general commented that as yet, this has been limited due to the early stage of the program. The following potential areas of benefit were identified:

- Plants without similar roles seeing practice changes being made by suppliers of companies with the roles and learning from that;
- Producers seeing practice changes made by their peers with the support of processors and the value of those practice changes;
- Networking across co-funded roles within the program supports broader sharing of new knowledge and ideas across industry;
- Opportunity for role incumbents to work with external research organisations on a range of projects through ALMTech and to have input into those projects to increase their value to industry;
- Showcasing what partner companies have been able to achieve to show other companies what is possible, and to increase the rate of adoption of digital innovations across industry;

- Contributing towards improving the international competitive position of the Australian red meat industry;
- Transfer of knowledge from role incumbents to other organisations if they take on new roles over time to support building a critical mass of people within the industry who have a high level of data literacy and skills, understand how data feedback systems work and how to communicate with industry on relevant issues around data use; and
- Further educating potential customers and consumers around Australian red meat products.

Several stakeholders commented that it will be important for MLA/ISC to increase their focus on communicating knowledge and learnings from the co-funded resources program to ensure maximum value for the broader industry from the investment. It was noted that there are some challenges associated with commercial-in-confidence information for some companies that will need to be clarified and agreed to in terms of what information can and cannot be shared more broadly across industry, but that in general a greater focus is required on external communication activities by MLA/ISC.

Finding 21: *A range of potential flow on benefits of the co-funded roles to the broader industry beyond the partner companies, their suppliers and their customers were identified during the review. Stakeholder comments indicate benefits have been limited to date due to the early stage of the program. It was identified that a greater focus on external communications by MLA/ISC is required to share knowledge and learnings from the program across industry.*

An overview of the internal value the roles have created for MLA/ISC is provided in the section 9.0, and an overall assessment of the triple bottom line impacts of the co-funded resources program is presented in section 10.0. The following section provides insights on how the co-funded resources have engaged with LDL development and integration within the supply chain.

8.2 Supporting LDL Development and/or Integration Within the Supply Chain

One of the specific objectives of this review was to assess the performance of the co-funded roles in assisting employers in supporting LDL development and/or integration within the supply chain. The review process has revealed that integrating data into the LDL platform has been problematic for some companies, with only one processor consistently uploading data on a daily basis.

Based on the findings from this review, it appears that difficulties with integrating LDL within existing digital infrastructure has been the main challenge for partner companies, rather than any lack of willingness to do so.

Finding 22: *The review process has revealed that integrating data into the LDL platform has been problematic for some companies, with only one processor consistently uploading data on a daily basis. It appears that difficulties with integrating LDL within existing digital infrastructure has been the main challenge for partner companies, rather than any lack of willingness to do so.*

8.3 Surprising or Unintended Program Impacts

The stakeholder engagement process indicated that there have not been many surprising or unintended impacts of the co-funded roles to date. For those who did provide comments, most were positive. A summary of issues raised included:

Incumbents

- A much greater enjoyment of the role than expected, along with a discovered passion for information and data, and the power of merging them together.
- The realisation of the importance of communicating the ‘why’ associated with change management and not just the ‘what’.
- Realisation that the red meat industry is way behind other industries in terms of harnessing the power of data.
- The long time required to achieve change in this area.
- How quickly people are willing to come on board when the benefits of improved data management and use are clearly demonstrated.

Company Representatives

- Surprise at LDL not delivering as expected.
- Surprise at how much networking the role has created in the innovation space and how well the company is recognised in this role.
- Surprise at how well the role has been able to create data visualisations that assist with decision making, and at how quickly the company has seen the value of that data through the supply chain.
- Surprised by the level of impact the role has had. An example quote is provided below:

I pictured the role having less impact than it actually has. The massive impact has been a very pleasant surprise!

Company Representative Quote

MLA/ISC Stakeholders

- Development of very useful extension material by one company which has subsequently been used by ISC.
- Investment in the co-funded resources program by a new company when a previous employee of a current partner company transferred to another company.
- How quickly some of the roles, especially the DSCO roles, have achieved unexpected shifts where companies are placing increased value on data in terms of their broader company strategy. An example quote is provided below:

Some companies broadly valued data in terms of knowing that it was important, but had not defined how to create new value from data, and some roles have facilitated a faster than expected shift in some companies in terms of how data resources are valued.

MLA/ISC Stakeholder Quote

It was noted that in some instances this rate of change has been facilitated by changes in high level company personnel, and by where the incumbent role sits within the company management hierarchy.

8.4 Barriers and Enablers to Achieving Potential Impact Across Industry

The review process involved an assessment of key factors determined to have impacted on the potential value of the co-funded roles to date. Factors have been identified and presented as either external to both co-partners or internal to company co-partners, and as being either negative or positive enablers for facilitating potential impact. MLA/ISC contribution to achievement of program impact is discussed separately in section 9.0.

Negative External Factors

- COVID-19 has had a considerable impact on potential value achieved from some roles, with the producer facing roles more heavily impacted due to reduced opportunities for engagement. COVID-19 also caused significant delays in appointing one of the roles.
- Drought and bushfires have limited contact with producers in some areas and hampered the identification of producer champions and collection of benchmark data.
- Drought and reduced supply has impacted on availability of funds to invest in the digital space in general by processors.
- Political factors associated with the ACCC and Senate enquiry into the red meat processing sector has influenced the thinking and approach to VBM and data feedback systems in some companies, and has also influenced the general attitude toward sharing of information between companies.
- Maternity and paternity leave for some roles.
- Technical difficulties with LDL and other aspects associated with project delivery.

Positive External Factors

- COVID-19 has been a catalyst for increasing the focus on using digital technology to solve challenges provided by the pandemic for one company, which has fast tracked technology development.

Positive Internal Company Factors

- Change in internal company incumbent management has influenced the perceived ability to achieve potential value.

- Internal management succession resulting in a greater appetite for digital innovation as a company priority i.e. greater alignment between role objectives and company strategy.
- Additional resources outside of the co-funding program employed in roles that support the work of the incumbent (e.g. data analysts).
- An existing relationship with MLA/ISC prior to engagement with the co-funded resources program has reportedly facilitated more rapid progress for some roles in that these companies were further along the journey toward development and delivery of a whole of value chain digital strategy, and the co-funded roles are more closely aligned with company strategy with consequent higher levels of support from company senior management.
- Degree of partner company vertical integration, with more vertically integrated supply chains offering more opportunities for value creation.

Negative Internal Company Factors

- Change in business strategy and internal company priorities.
- Resistance to change among some elements in some companies that requires further time and communication to overcome.
- Complex company structures which limit the ability of incumbents to work effectively across the whole business.
- Lack of internal resources available to progress some project opportunities.
- Diversion of co-funded role time and effort into more operational business activities and away from working on more tactical and strategic opportunities for digital innovation.
- Unwillingness of some companies to share information and data outside of the company.
- The scope of some roles being too big to achieve all that is expected of them, and high incumbent workloads constraining what is able to be achieved in some areas.
- Longer than expected time taken for technology development e.g. hot DEXA.

The review process revealed that some companies are unwilling to share data where a commercial advantage is involved. However, it was suggested by one stakeholder that the unwillingness of some companies to share data relates more to a lack of understanding around the value of data being how it is used, and how it is analysed and visualised to support decision making, rather than the data having any specific commercial value on its own. Another stakeholder commented that there is apprehension among companies with data sharing as it has not historically been common practice, and it was suggested that greater clarity between MLA and partner companies around what company data can and cannot be shared, what form that shared data takes, who has access to it and how it is used would increase company confidence to engage more around data sharing for the benefit of the broader industry.

Finding 23: *A range of internal and external factors which have influenced the ability of the co-funded resources to create value have been identified. Negative external factors included COVID-19, drought, political concerns around recent enquiries into the red meat processing sector and technical/IT difficulties. Negative internal factors mainly related to insufficient resources to progress opportunities, resistance to change, diversion of role time and effort away from digital innovation activities and complex business structures.*

Positive factors included COVID-19 for one company which led to an increase in digital innovation, changes to internal personnel, additional internal resources, such as data analysts, which facilitated role effectiveness, more vertically integrated supply chains offering more opportunities for value creation, and an existing relationship with MLA/ISC prior to program commencement.

9.0 MLA/ISC Internal Value Creation and Contribution to Program Impact

9.1 Internal Value Creation

The review process identified that the co-funded roles, and the increased quality of broader relationships they facilitate with the partner companies, provide benefit to MLA/ISC in the following ways:

- Providing information to assist MLA with decision making around strategy and investment priorities;
- Providing a sounding board or reality check for MLA ideas and potential programs, providing partner company ideas for MLA R&D, and to assess industry sentiment about various issues;
- Facilitating increased success of the implementation of MLA key initiatives and programs, such as the Health 4 Wealth program and DEXA rollout;
- Driving producers to utilise feedback systems and to sign-up for MLA data feedback systems e.g. MyMSA or LDL;
- Bringing the marketplace closer to MLA/ISC with increased alignment between partner company goals and objectives and ISC strategy;
- Passing on some of the risk for MLA/ISC associated with innovation to partner companies to trial and test tools and ideas;
- Increased company engagement with MLA funded R&D;
- The ability of MLA to draw strongly on these roles to capture and use data to drive practice change on farms; and
- Increased confidence that other related MLA funded projects will be better implemented by having the co-funded role to assist with project management for the partner company.

While some internal stakeholders identified that these benefits were being generated by the program, others commented that benefits were relatively limited to date. It was noted that a more deliberate and structured approach to capturing such benefits would assist to create greater internal value for MLA from the program in future.

MLA/ISC employees interviewed during the review rated the overall internal value created by these roles as being a 3.2 out of 5, so of moderate value. The commentary around why the scores provided were not higher related to a perceived lack of measurable KPIs for the program to demonstrate impact which are well aligned to MLA/ISC strategic objectives. While the program fits under the MLA capability building program, there was concern expressed by some stakeholders that the program has too great a benefit for partner companies themselves rather than being able to demonstrate flow on benefits to the industry more broadly.

However, the point was made that in order for MLA/ISC to commence the journey with some companies they need to engage with the company at the level where they are at. This may be further away from where MLA/ISC would like to ultimately have an impact, but in doing so, the time required for the company to get to the point where they are able to create value for producers and the industry beyond just internal value for the company is reduced.

During the stakeholder engagement process, company representatives and incumbents were also asked what value they felt the co-funded resources were providing for MLA/ISC. The following areas were identified:

- Increased industry R&D funding via related MDC co-investment projects;
- Partnering with industry has provided MLA with closer producer touch-points for adoption of feedback data, with the opportunity for increased one-on-one engagement with producers via partner companies;
- More and better data upon which to make decisions around priorities for investment in R&D, producer extension and marketing opportunities;
- Being directly involved with the companies who are leading the way in digital innovation allows MLA to share the key learnings with the rest of the industry to accelerate adoption across the board;
- Support for MLA's objectives of increasing supply chain feedback and usability of that feedback to producers, and moving toward a VBM system for payment;
- Providing MLA with greater insights into how different companies operate and therefore what the range of potential digital solutions can be to assist with their investments;
- Improved MLA relationships to create further opportunities for collaboration with key players in the supply chain; and
- Accelerating the rate of adoption of new technology across the supply chain to support improved red meat industry productivity and profitability.

Partnering with industry has provided MLA with the opportunity to test ideas in the commercial reality of partner operations and has facilitated a greater understanding of the challenges involved with effective implementation of digital advances in a processing company. This has assisted MLA to be better informed to support industry to overcome these challenges and to share the learning more broadly to facilitate a smoother journey for the rest of the industry. Further, once systems and processes are in place for greater sharing of data across the industry, that will not only assist MLA with internal prioritisation of investment decisions, but will also assist many others across the supply chain to make more informed and timely decisions to increase profit.

The following opportunities were identified by stakeholders during the review to increase the internal value of the program to MLA/ISC:

- Greater internal linkages and communication around the program. It was identified that the program is not as widely known about or understood across MLA as it could be, which is limiting the ability to connect the roles with the right people within MLA/ISC to get the most value out of them;
- Having more 'influencers' in MLA involved/aware of the details in the program;
- A more collective approach to managing the roles internally with greater team linkages;

- Increasing the ability to show progress toward stated program level KPIs which are well aligned with MLA/ISC's target outcomes would improve the perceived internal value of the roles;
- Strengthen the ways in which the roles are 'networked' across industry;
- Use the roles more on other data and digital initiatives as a test bed, e.g. current redesign of LDL;
- Taking a more strategic approach to assigning internal role managers to ensure that the right people with the right skills and experience are working with each of the incumbents to add maximum value to the roles; and
- More active promotion of other MLA/ISC projects back to the role incumbents to get their opinions/feedback on practicality of implementation or linkages with producers.

Finding 24: *The review process identified that co-funded roles have increased the quality of broader relationships with the partner companies to provide benefit to MLA/ISC in a range of ways. These largely relate to increased access to company insights that support delivery of MLA/ISC marketing and RD&E activities. It was however noted by many stakeholders that these benefits have been limited to date and that there are opportunities to increase internal benefits of the program to MLA/ISC.*

9.2 MLA/ISC Contribution to Program Impact

9.2.1 Key Areas of MLA Support

The key areas identified by stakeholders where MLA/ISC has contributed most to supporting impact from the co-funded roles included:

- Financial resources provided to fast-track employment of the roles;
- Providing information, data and expertise to assist partner companies with development of their whole of value chain digital strategy;
- Assisting partner companies to identify ideas and opportunities for projects to deliver against their whole of value chain digital strategy;
- Providing introductions to high quality and experienced service providers to support development and implementation of new digital systems and technologies;
- Providing access to specific expertise within MLA/ISC when requested by incumbents/partner companies to support them in achievement of their objectives;
- Establishing and maintaining a network of co-funded incumbents and industry representatives to support building relationships and trust between different parts of the value chain and leveraging the connections between plants, industry and R&D;
- Delivery of professional development activities for incumbents; and
- Providing a network of support for companies to increase their confidence in moving more into the digital innovation area.

Finding 25: *The review has found that MLA/ISC has contributed to supporting impact from the co-funded resources program in a range of ways in addition to the provision of financial resources to fast-track employment of the roles. Stakeholders reported the value of MLA/ISC support as including*

providing linkages with high quality external service providers, providing access to internal MLA/ISC expertise and information, assisting with identification of opportunities and ideas for implementation through the roles and providing partner companies with the confidence to invest, and establishing a network of role incumbents to support building their capability through professional development opportunities.

Company stakeholder feedback indicated that most companies had recognised areas or specific projects relating to data use and management where they wanted to invest, but had not due to a combination of not knowing where to start or how to go about addressing the issues, a lack of prioritising investment due to perceived high risk, lack of capability within the company to take the first steps, lack of resources to commit to the project, and competing priorities for available funds.

By providing additional resources and extra support in terms of knowledge and skills within ISC, MLA has been able to provide the catalyst needed for some of these projects within industry to be delivered, many of which would likely have been delivered anyway at some point, but with MLA support were able to be delivered sooner, more efficiently, and/or to a higher standard of quality. While third party consultants have played a key role in some companies by providing the knowledge and skills required to identify needs and effectively implement new systems and technology, by having industry work with MLA the solutions and learnings are industry owned, rather than the knowledge being held with third party service providers.

Finding 26: *The review found that ISC/MLA have been the catalyst needed for some partnering organisations to deliver on strategic projects, many of which would have likely been delivered anyway at some point, but with MLA support were able to be delivered sooner, more efficiently and/or to a higher standard of quality.*

9.2.2 Networking

MLA arranges a six-monthly networking event for incumbents to share information, experiences and ideas across the roles. Incumbents were asked to rate the value of this peer network in undertaking the role, with the findings presented in Figure 7.

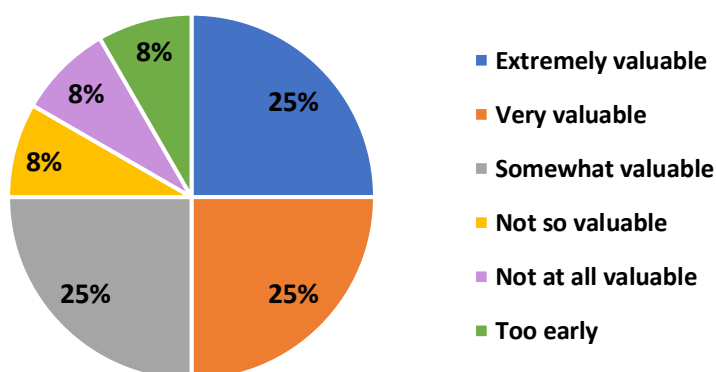


Figure 7: Incumbent rating of the value of the network of role incumbents in assisting in their role

Half of incumbent respondents reported that the network was either ‘extremely’ or ‘very’ valuable in assisting them in undertaking their roles. Incumbent comments related to the value of these

connections for sharing ideas, experiences and knowledge to assist with project development and delivery for their own roles, though it was noted that there were some barriers to sharing of information due to concerns around confidentiality of information. One incumbent commented that people are quite guarded and wary of what they say and what information they share during these networking events, particularly in light of the recent senate enquiry into the meat processing sector. It was noted that increasing opportunities to meet and become more familiar with one another may help to build trust and reduce these barriers in time to increase the value of the network for industry.

A further quarter of incumbents have found the network to be ‘somewhat valuable’, with the lower rating being due to less relatable information and experiences for some incumbents working in more unique areas of digital innovation, including digital marketing and the more technical aspects of data software and system development.

Sixteen percent of incumbents rated the network of their peers as being either ‘not so valuable’ or ‘not at all valuable’. These incumbents commented on a lack of opportunities for engaging over the past 12-18 months due to COVID-19 and the limited value of virtual engagement, and a lack of perceived value that engagement with other role incumbents has above what existing personal networks are able to offer.

Finding 27: *The network of role incumbents is considered by most to be providing value in terms of opportunities to share knowledge and experiences to assist with project development and delivery for their own roles. The inability to meet personally over recent times due to COVID-19, along with a reticence of many incumbents to share information with the group, has, however, limited the potential value of this network.*

9.2.3 Collaboration

MLA/ISC stakeholders interviewed scored how well MLA/ISC and partner companies have collaborated in delivering the program at a 3.7 out of 5, so fairly well. Company representatives scored the quality of collaboration slightly higher at 3.9 out of 5. There was some concern expressed by MLA/ISC that partner companies are not always as forthcoming or inclusive as they could be in keeping MLA updated and in the loop around progress on internal projects where MLA has provided some level of input or assistance.

Finding 28: *Stakeholder engagement indicates that MLA and partner companies have collaborated fairly well in delivering the program. However, there was some concern expressed by MLA/ISC that partner companies have not always kept MLA updated and in the loop around progress on internal projects where MLA has provided some level of input or assistance.*

9.2.4 MLA Support of Incumbents

Incumbents were asked to rate how well they have been supported by MLA in undertaking their role, with the responses presented in Figure 8.

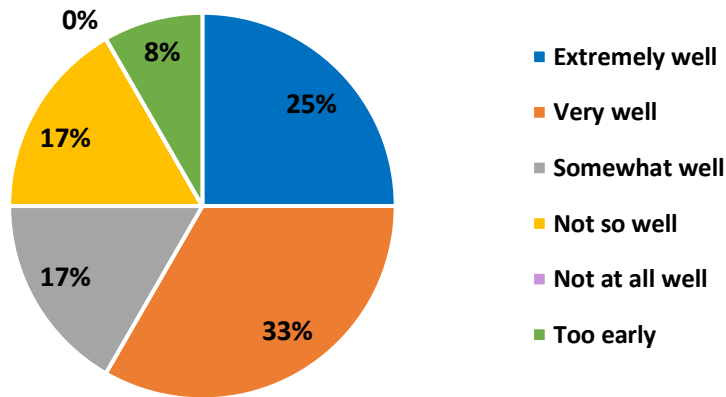


Figure 8: Incumbent responses to how well they have been supported by MLA in undertaking their role

Around 60% of incumbents felt that they were either ‘extremely well’ or ‘very well’ supported by MLA, however around a third of incumbents felt that they had only been supported ‘somewhat well’ or ‘not so well’, with one incumbent noting that it was too early to comment having only recently commenced in the role. Example incumbent quotes around these scores are provided below:

MLA have been really supportive in their involvement. They are always organising different events and asking people if they need any support or courses to build our knowledge, and while COVID-19 limited what we were able to do last year, we did have some online activities which were good.

It's been great to have all the contacts in ISC and knowing that I can reach out to them if I need to, and being comfortable in doing that. The couple of workshops they had where we did get introduced to some key people was really good, so it gave us an idea of who we should speak to if we had questions about a particular topic, who was the best person to contact within ISC about that.

I don't think they could have done any more.

Haven't had too much interaction with MLA, but met with 'X' a few times.

Zero over last 12 months. Don't know why, maybe because of COVID?

Professional development has been great and I know I can call them anytime. Day to day support could be better.

Incumbent Quotes

It appears that incumbents have had mixed experiences with MLA/ISC, which suggests that a more structured approach is required for guiding MLA/ISC engagement with incumbents. Incumbents provided the following suggestions for how MLA could better support them in the future:

- More face-to-face interaction with MLA;
- Being kept more informed of new RD&E relevant to the roles and partner companies;
- Continuing to work towards establishing stronger networks across industry for role incumbents;
- Providing more networking opportunities;
- Sign posting useful short-courses and digital resources;
- Increasing access to MLA Market Insights staff and MLA digital experts to ‘bounce off’;
- Providing access to information on relevant previous or similar projects to what incumbents are working on;
- Arranging regular dedicated catch-up / resource sharing activities;
- More frequent contact from MLA to ‘check in’ and to help keep the momentum going, particularly for newer and younger incumbents;
- Ensuring that all relevant company staff members are engaged by MLA;
- Provide feedback on milestone reports; and
- For newer incumbents, practical opportunities to see how particular aspects of their roles can be done and access to frequently asked questions on key issues.

The feedback for a desire for more face-to-face interaction with MLA was influenced by the lack of ability to meet face-to-face over the past 12 months or so due to COVID-19, with four of the 13 roles reviewed having commenced during COVID-19 restrictions. However, the key finding for MLA was that there is a desire among many incumbents for more frequent engagement with MLA/ISC, preferably via face-to-face onsite visits (COVID-19 permitting), and for more support around providing information and access to MLA expertise to assist them in their roles.

While MLA/ISC have been very responsive to requests for information and support, feedback indicates a need for more regular MLA initiated contact and support to check in with incumbents, provide them with feedback on their progress, particularly post submission of milestone reports, and keep them up to date with any relevant information that might be relevant for their work.

Finding 29: *Around 60% of incumbents felt that they were either ‘extremely well’ or ‘very well’ supported by MLA in undertaking the role, however around a third of incumbents felt that they had only been supported ‘somewhat well’ or ‘not so well’, with one incumbent noting that it was too early to comment having only recently commenced in the role. It seems that there is a desire among many incumbents for more frequent engagement initiated by MLA/ISC, including via on site visits (COVID-19 permitting), and for more support around providing information and access to MLA/ISC expertise to assist them in their roles.*

9.2.5 Improving MLA Support for Greater Program Impact

MLA/ISC interviewees, company representatives and incumbents also provided a range of suggestions as to how MLA/ISC’s role in facilitating achievement of maximum impact from the co-funded roles could be improved:

- Assign MLA/ISC role managers with skills that align to role needs;

- Various specific training needs were identified by incumbents, mainly around technical aspects of data analysis systems;
- MLA/ISC short-term secondments for incumbents (e.g. marketing and insights group/adoption team/digital experts);
- More regular-face to-face meetings between MLA/ISC and company partners to identify and discuss any issues/concerns as they arise;
- MLA/ISC spend more one-on-one time with each incumbent in their roles - physically on the ground with them for a couple of days every six months and meet with them and their managers to problem solve and plan;
- Ensuring that the incumbent company manager is invested in the role and committed to supporting the incumbent;
- Pro-actively managing the risk of incumbent activities diverging too much from the intended role objectives;
- Hire more senior people into the co-funded roles to give them more influence in their companies;
- Liaise with the companies to ensure that the roles are positioned at a level in the company where they are able to have an influence on company management and decision making;
- Making sure MLA work closely with the plants to co-develop the contracts, outcomes and agreed expectations to ensure role activities align with MLA objectives;
- More rapid MLA/ISC responses to requests for information/support from partner companies;
- Improved/simpler access by company representatives and incumbents to relevant MLA/ISC data and R&D reports;
- An increased understanding by MLA/ISC of the key focus areas for each role to better assist incumbents by providing the right support, information and contacts to assist in their roles;
- A more structured and planned approach to both external and internal communication and engagement around the program, including dissemination of key learnings and information from the program to the broader industry;
- Providing incumbents with the opportunity for specific training around stakeholder communication and engagement and change management to enhance their ability within their company to be an effective change agent;
- Ensuring that there is no duplication of effort or resources between MLA and the Australian Meat Processor Corporation (AMPC) in assisting companies to deliver against their whole of value chain digital strategies;
- Providing more discipline around assessment of role achievements, i.e. making a conscious check in against targets/ more active engagement by MLA/ISC to review role performance;
- Providing practical assistance in a more tactical way rather than ticking a box on a monthly report;
- Providing opportunities for and allowing partner companies to showcase what the co-investment program has achieved e.g. via a presentation; and
- Improving the milestone reporting requirements to be less cumbersome and more fit for purpose.

Several incumbents and company representatives commented on the MLA milestone reporting requirements, noting that they are structured more for reporting on research projects and are not well designed for reporting on the ongoing co-funded roles. While some commented that they had modified the original milestone templates to better fit the roles, the required report structure was still less than ideal. It was noted that the time taken by incumbents to complete the milestone reports could potentially be dramatically reduced without impacting on the value of the reports by restructuring the content requirements to be less repetitive and more targeted.

An alternative to the milestone reports was identified by stakeholders as a quarterly meeting, similar to how reporting was conducted for the Sheep CRC program. It was suggested that quarterly meetings could be held on site, or virtually if an on-site meeting was not possible, between relevant MLA/ISC staff, the incumbent and relevant company staff, to review the value of the role and progress against milestones. This would enable two-way communication to flow between MLA and the partner company regarding anything that needs to be altered or rethought to ensure the work of the incumbents remains on target, and to identify and discuss any ongoing requirements for data collection to measure program impact. Minutes of the meetings would replace milestone reports as a more agile form of reporting and review that is mutually beneficial for both parties.

Finding 30: *Stakeholders provided a range of suggestions as to how MLA/ISC's role in facilitating achievement of maximum impact from the co-funded roles could be improved. These suggestions largely related to more active engagement by MLA with partner companies, improving incumbent access to MLA/ISC skills and resources that align with their objectives, and improved processes for monitoring and reporting on role progress.*

10.0 Impact Assessment

10.1 Economic Benefits

As previously noted, the Australian red meat industry has a shared vision to double the value of red meat sales as the trusted source of the highest quality protein⁵, and MLA has identified a range of key areas of strategic focus to support delivery against this vision. One of these focus areas is around ensuring that decision making is informed through data and insights.

The ISC co-funded roles are supporting the delivery of impact for industry in this focus area by assisting to increase the efficiency with which data is collected, integrated, analysed and visualised for decision makers across the supply chain. In doing so, the roles have contributed toward achievement of a range of MLA key outputs (products) and their value propositions. The key MLA value propositions which these roles were expected to contribute to included value based marketing, producer feedback (e.g. animal health, objective measurement), tools/enablers to support producer feedback (e.g. DEXA, processor IT systems), environmental/sustainability benefits, general or digital related innovation capability and impact related to agricultural technology (e.g. remote water monitoring).

⁵ Red Meat 2030

Attempts were made during the evaluation process to obtain quantitative data to measure the impact these roles are having across industry, however required data was either non-existent, has not been actively collected or collated, it is too early for data to be available or the company was unwilling to share relevant data. Some examples of savings in labour or operating costs were provided in some cases, however overall, insufficient data was available to assess the value of economic impact due to MLA investment in these roles. In any case, these roles are contributing primarily by providing tools and enabling outcomes that support building industry capacity and capability to drive improved use of data for traceability and decision making.

Finding 31: *The co-funded roles have contributed toward achievement of a range of MLA key outputs (products) and their value propositions. Attempts were made during the review process to obtain quantitative data to measure the impact these roles are having across industry, however required data was either non-existent, has not been actively collected or collated, it is too early for data to be available, or the company was unwilling to share relevant data. In spite of the lack of measurable impact data, it is evident these roles are contributing primarily by providing tools and enabling outcomes to support building industry capacity and capability to drive improved use of data for traceability and decision making.*

In the absence of sufficient data to provide a quantitative assessment of economic impact for the co-funded role program, the reviewers made a subjective assessment of the contribution these roles have made as enablers/tools to a range of identified areas of industry impact. The review process identified that the co-funded roles have supported more informed and timely decision making in four key areas: marketing, processor company efficiency, livestock procurement and supplier efficiency.

An overall numerical score out of 10 was provided for each role to represent how well the role is expected to have contributed benefit to industry by the end of the current employment term. These scores are an average provided by relevant MLA/ISC and company representative stakeholders interviewed for each role. The average rating provided across all roles reviewed was 8.9 out of 10, with a range in scores of 7 to 10. Given that the scores for each role have been provided by a range of different stakeholders, the average role ratings do not necessarily reflect relative value for industry of each role, however what they do show is that the scores provided were consistently high across all roles indicating that stakeholders perceive that the roles have generated, and are expected to continue to generate, a high degree of value to industry.

Finding 32: *MLA/ISC relationship manager and company representative stakeholder overall scores for how well each role is expected to have contributed benefit to industry by the end of the current employment ranged between 8.0 and 9.5, and averaged 8.9 out of 10 across all roles. The consistently high scoring across all roles indicates that stakeholders perceive that the roles have generated, and are expected to continue to generate, a high degree of value to industry.*

To date, the co-funded roles have had the most impact in the area of partner company efficiency. Potential impacts in the area of livestock procurement, and in particular supplier efficiency, have been more difficult to achieve, but are progressing. Impact in these areas, in particular supplier efficiency, involves achieving practice change among buyers, feedlots and producers, which takes time to address. The activities undertaken by incumbents in these two areas are largely only in the piloting phase in terms of provision of feedback (type, format, timing), with concurrent time spent on building awareness and understanding of available feedback and how it can be used to create greater value along the supply chain.

Finding 33: *The review process found that the co-funded roles have supported more informed and timely decision making in four key areas: marketing, processor efficiency, livestock procurement and supplier efficiency. To date the co-funded roles have had the most impact in the area of processor efficiency. Potential impacts in the area of livestock procurement, and in particular supplier efficiency, have been more difficult to achieve, but are progressing. The activities undertaken by incumbents in these two areas are largely in the piloting phase in terms of provision of feedback (type, format, timing), with concurrent time spent on building awareness and understanding of available feedback and how it can be used to create greater value along the supply chain.*

Stakeholder feedback indicates that considerably more work and focus is required to achieve producer adoption of practice changes that will increase carcass value. Stakeholder feedback also suggested that the individual nature of feedback received requires a more one-on-one approach to achieving adoption, whereas the focus of some of the SCFEO roles is largely on delivery of producer workshops. One stakeholder mentioned a pilot program due to commence in 2021 that is aimed at providing producers with one-to-one assistance in identifying the most effective management changes that could be made based on available feedback, and providing assistance with implementation. If successful, this program could provide the process necessary to fast-track feedback use on farm to improve product quality and reduce impacts of disease/defects.

Adoption of available data to support decision making by buyers has been less than expected in most cases, and certainly less than what is desirable. Stakeholder feedback indicates that this has been a combination of buyers not perceiving a sufficient value proposition for themselves in taking the extra time required to access and review available information. It is also, in some cases, a lack of skills to efficiently access and use the data. One stakeholder commented that buyers are unclear as to how to use the data provided to change what they are doing, and they have no targets for decision making to measure their progress or ultimate success against.

The stakeholder engagement process has also highlighted an emerging gap in the knowledge and skill requirements of buyers and processing company livestock officers to support producers to use feedback data for decision making. It was reported that these roles are gradually evolving toward a greater focus on providing consultant type advice to producers who are asking for support in how to better understand feedback data and how to use it for decision making, and that many of these buyers and livestock officers are not equipped to provide sound advice in this area.

Finding 34: *According to stakeholder feedback, adoption of available data to support decision making by buyers has been less than expected in most cases, and certainly less than what is desirable. The review process has also highlighted an emerging gap in the knowledge and skill*

requirements of buyers and company livestock officers to support producers to use feedback data for decision making.

Producers not only require advice around when an issue is a problem e.g. what is the trigger point for action on the animal health feedback metrics, but also regarding what their options are for addressing that issue or for improving their compliance with particular specifications, or improving a particular carcass trait. In addition, they also need advice on whether or not it is likely to be profitable to make those changes in the context of their whole business. It appears that the issue of whole farm profitability of potential practice changes made based on feedlot performance and carcass feedback is not being addressed in current extension approaches.

In addition to the subjective assessment of contribution to the key areas of impact, an assessment was made of how each role has broadly contributed to advancing the use of data within the supply chain relative to expectations of what advances would have been made anyway in the absence of the role. Five areas of role contribution to advancement in data use across the supply chain were assessed as to whether they assisted:

1. Producer/feedlot (supplier) decision making
2. Livestock buyer decision making
3. Partner company decision making
4. Marketing activities and insights

An assessment was also made of contribution toward environmental and sustainability outcomes which will be discussed in the following section.

The findings of the assessment are presented in Table 1 for each data use area in terms of percentage progress toward efficient use of data for each purpose before the roles commenced, expected progress by the end of the current role employment terms, and estimated progress at the same time if the roles did not exist. The overall contribution is the difference between expected progress with and without the roles.

Table 1: Average contribution of co-funded roles to advancement in data use across the supply chain compared to expected advancement without the roles

Company	Average
Using data to assist producer/feedlot decision making	
Before program	29%
Expected progress by end of role term	78%
Estimated progress without program	38%
Overall contribution of role*	41%
Using data to assist buyer decision making	
Before program	35%
Expected progress by end of role term	80%
Estimated progress without program	45%
Overall contribution of role*	35%
Using data to assist company in decision making	
Before program	43%
Expected progress by end of role term	79%
Estimated progress without program	50%
Overall contribution of role*	29%
Using data to assist marketing activities and insights	
Before program	32%
Expected progress by end of role term	65%
Estimated progress without program	38%
Overall contribution of role*	27%

* Difference between progress with roles and without roles by end of current employment term (percentage points)

The baseline level of progress of partner companies was lowest for data use to support supplier (producer/feedlot) decision making activities, which aligns with the intended purpose of the co-funded program to accelerate progress in this area. Companies were most advanced in the use of data to support internal company decision making. The major limitation for companies in regard to internal data use prior to the roles was that data integration was a challenge. This is because data capture and storage was largely fragmented across software programs and locations/departments within companies which made it difficult and laborious to collate and analyse data to support decision making. This situation also limited the ability of many companies to provide useful data to buyers to support their decision making.

In considering the average overall contribution of roles to advancement of data use in partner companies relative to the expected level of advancement without the roles, the co-funded program is estimated to have accelerated the level of data use to assist supplier decision making (producer/feedlot) by the most (41 percentage points). This is a positive finding given that assisting producers to make more informed decisions using data feedback is the objective of the co-funded program.

However, it should be noted that the progress made to date largely revolves around improved feedback being provided to producers and an improvement in producer awareness and understanding of that feedback. The review has found little evidence of adoption of practice changes based on feedback provided, and no evidence of the impact of any practice change adoption on producer productivity and profitability. This outcome is not unexpected given that effective

feedback systems and understanding of the data provided to producers is a precursor to achievement of widespread adoption of required practice changes to improve carcass value and compliance with market requirements. In addition, there have been no price signals (value based marketing via price grids) yet to drive practice change among producers. It is also important that processing companies, through the roles of the DSCO's, have effective internal tools and systems in place to be able to provide accurate and useful data for both suppliers and buyers, as well as for their own internal decision making activities, before meaningful feedback systems can be developed.

Based on the data presented in Table 1, on average across all roles assessed, the co-funded program is estimated to have accelerated the level of data use to assist buyer decision making by 35 percentage points and to assist internal company decision making by 29 percentage points. As noted above, and similarly to the situation with producer feedback, the review suggests that good progress has been made with partner companies on development of feedback systems and data to support buyer decision making, but further work is required to increase adoption and effective use of these systems by buyers.

Finding 35: *The co-funded program is estimated to have accelerated the level of data use to assist supplier decision making by 41 percentage points, to assist buyer decision making by 35 percentage points and to assist internal company decision making by 29 percentage points.*

On average, companies are expected to be around 80% of the way toward effective use of data for supporting supplier, buyer and company decision making by the end of current employment terms (Table 1), notwithstanding that this area will continue to grow and evolve as new technologies and systems become available in the future, but these companies will be much better placed to take advantage of these new developments more rapidly. This element of program impact is discussed further in section 10.3.

The other area of impact presented in Table 1 is around use of data to assist marketing activities and insights, which applies to three of the roles assessed during the review process. These roles are focused on assisting partner companies to use data and digital systems to improve customer relationship management, to increase market insights and to build brand awareness, and on average, the co-funded program is estimated to have increased the level of data use in this area by 27 percentage points. Average expected progress by the end of the current incumbent employment terms toward efficient and effective data use for marketing and insights across the three partner companies is slightly lower, at 65%, compared to expected progress for the other data uses progressed through the program.

Finding 36: *It is estimated that the co-funded DMO roles have increased the level of data use to assist with marketing activities and insights for partner companies by 27 percentage points.*

10.2 Environmental/Sustainability Benefits

During the review process stakeholders identified four roles within three companies which have contributed toward achievement of environmental and sustainability outcomes. Table 2 presents the before, with and without role progress toward effective and efficient use of data for this purpose, and shows that these three companies expect to be around 70% of the way toward achieving their objectives in this area by the end of the current role employment terms. Overall, the

co-funded program has enabled these companies to fast-track progress by an average of 24 percentage points. The review process suggests that impact of these roles in this area has been more in a supporting capacity as opposed to as a driving force.

Table 2: Average contribution of co-funded roles to advancement in data use to assist in achieving environmental/sustainability outcomes across the supply chain

Company	Average
Before Program	27%
Expected progress by end of role term	68%
Estimated progress without program	44%
Overall contribution of role*	24%

* Difference between progress with roles and without roles by end of current employment term (percentage points)

Many of the co-funded roles are also contributing to improving animal well-being by increasing data capture and feedback to producers around animal welfare issues and thereby increasing awareness of the health and well-being of animals to identify and deal with any major issues. Improved data systems are also supporting feedlots to more accurately identify key sources of mortality and morbidity so that they can be addressed more rapidly and effectively. In contributing to impacts in these areas of animal well-being and climate change mitigation, the roles are also assisting industry to better meet consumer needs and to build trust among customers and consumers of Australian red meat.

Finding 37: *Four of the co-funded roles within three companies have contributed to achievement of environmental and sustainability outcomes, primarily in a supporting capacity as opposed to as a driving force. The review found that overall, the co-funded program has enabled these three companies to fast-track progress toward achieving environmental/sustainability outcomes by an average of 24 percentage points. In addition, companies who are focusing on providing animal health feedback to suppliers through the co-funded roles are supporting improvement of animal welfare outcomes. In contributing to impacts in these areas of animal well-being and climate change mitigation, the roles are assisting industry to better meet consumer needs and to build trust among customers and consumers of Australian red meat.*

10.3 Social Benefits

A key intended outcome of the co-funded resources program is to build digital innovation capability across the supply chain to better equip the industry to progress more rapidly toward increasing red meat carcass values. During the review process stakeholders were asked to assess how the co-funded roles have contributed toward increasing the ability of partner companies to take advantage of new and evolving digital technology. The findings are presented in Table 3 in terms of ability prior

to commencement of the role, expected ability by the end of the current role employment term, and estimated ability at the same time if the role did not exist. The overall role contribution is the difference between the expected ability of partner companies to take advantage of new and evolving technology with and without the role.

Table 3: Average contribution of co-funded roles to advancement of company ability to take advantage of new and evolving digital technology

Company	Average
Before program	40%
Expected progress by end of role term	81%
Estimated progress without program	50%
Overall contribution of role*	30%

* Difference between progress with roles and without roles by end of current employment term (percentage points)

The results show that on average, companies were around 40% of the way along the journey when the roles commenced, and expect to be around 80% of the way by the end of the current role employment terms. All companies expected some progress to have been made in this area regardless of the roles. However, it is estimated that the co-founded program has enabled partner companies to fast-track innovation capability building by an average of 30 percentage points. Examples quotes from company representatives regarding changes in digital innovation capability are provided below:

Internal monthly reports are now more often in digital format and people are analysing data more as a matter of course than before this role started, so rather than just producing data on a sheet like they used to, and that's both in the production and processing units of the company.

We've gone from having individual animal ID on properties to using that data for detailed decision making. We now have useable data on weight gain, feedlot performance, carcass attributes, lifetime performance on individuals, and for buyer decisions, which vendors are giving value.

Overall, there has been heaps of improvement in capability and capacity compared with 2-3 years ago - an exponential improvement. The golden egg will be when we can capture and present what drives yield for each animal through the chain.

We have evolved enormously in the last 12 months - data capture and analysis has driven the innovation in the plant.

Capital investment still limits our capacity to take advantage of evolving technology.

Company Representative Quotes

Finding 38: *The review found that on average, companies were around 40% effective in being able to take advantage of new and emerging digital technology when the roles commenced, and expect to be around 80% effective by the end of the current role employment terms. All companies expected some progress to have been made in this area regardless of the roles. However, it is estimated that the co-funded program has enabled partner companies to fast-track their ability to take advantage of new and emerging technology by an average of 30 percentage points.*

Part of this acceleration in digital innovation capability has involved the additional support the co-funded roles have provided toward development of company whole of value chain digital strategies. Company stakeholder feedback also highlighted the important role that MLA has played in assisting companies to develop these strategies in terms of providing relevant data, information and ideas. Table 4 presents stakeholder survey results around how the co-funded program has influenced development of company whole of value chain digital strategies.

Table 4: Average contribution of co-funded roles to development of a whole of value chain digital strategy

Company	Average
Before program	21%
Expected progress by end of role term	75%
Estimated progress without program	49%
Overall contribution of role*	25%

by end of current employment term (percentage points)

* Difference between progress with role and without role

This data shows that prior to commencement of the co-funded roles, partner companies were on average only around 20% of the way toward development of a whole of value chain digital strategy. By the end of the current role employment terms, they expect on average to be three-quarters of the way along. It was noted by some companies that they have, or expect to have, a strategy by the end of the current role employment terms, but they will not have fully implemented the plan, thus they rated expected progress at less than 100%.

Some companies commented that while they would have developed a whole of value chain digital strategy at the same time, or a later time anyway without the input of MLA, that MLA support and involvement has enabled development of a better and more effective strategy than would otherwise have been developed. In one case, the co-funded program has accelerated implementation of that strategy. In addition to improving the quality of company digital strategies, the review found that overall, the co-funded program is estimated to have assisted partner companies to fast-track the development of a whole of value chain digital strategy by an average of 25 percentage points over the employment term of the co-funded roles.

Finding 39: *MLA support also enabled development of better and more effective digital strategies than would otherwise have occurred. In addition to improving the quality of company digital strategies, the co-funded program is estimated to have assisted partner companies to fast-track the development of a whole of value chain digital strategy by an average of 25 percentage points over the employment term of the co-funded roles.*

The review has revealed considerable progress within companies to improve digital connectivity, data integration, automation of data systems and development of data reporting and visualisation processes and tools, such as data dashboards. However, a big challenge remaining for many companies is achieving the required culture shift within the organisations to enable maximum utility of the capability that is being developed. Overall, stakeholder feedback indicates that while the meat processing sector is well behind many other industries in relation to innovation in the digital area, companies are definitely shifting in the way they value data, and the co-funded roles have contributed to achieving that shift.

Finding 40: *In spite of the good progress being made to improve digital connectivity, data integration, automation, visualisation and reporting, a big challenge still exists to create sufficient culture shift within the organisations to enable maximum utility of this increased capability.*

Figure 9 presents company representative (excluding incumbents) responses to the question of the extent to which there has been a shift in the way the company values data due to the co-funded roles.

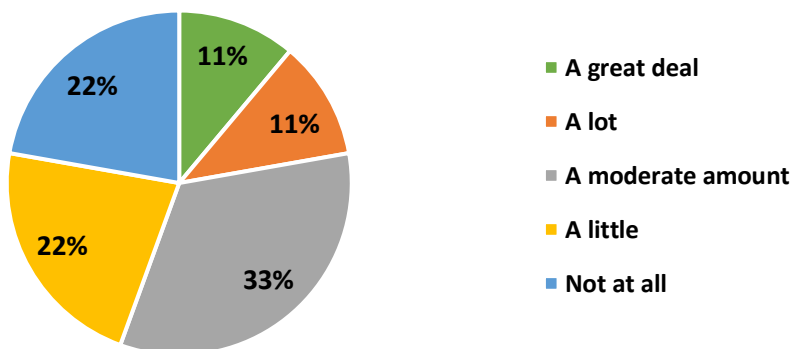


Figure 9: Degree to which there has been a shift in the way partner companies value data due to the influence of co-funded roles – Company representative respondents (excludes incumbents)

Among the companies who reported that the way the company values data has shifted ‘a great deal’ or ‘a lot’ due to the influence of the co-funded roles, the commentary provided was around reducing data silos and moving to a broader business approach to data use, and a shift from simply collecting and storing data to using it for decision making. Example quotes are provided below:

The company had some data focus, but it was in silos and held by individuals. Now the whole business is involved. It's a dramatic change!

Actually using data to make decisions instead of just storing it. A very important shift for the company.

Company Representative Quotes

A third of company representatives reported a ‘moderate’ shift in the way the company values data, while 44% of companies reported a ‘little’ shift or no shift at all.

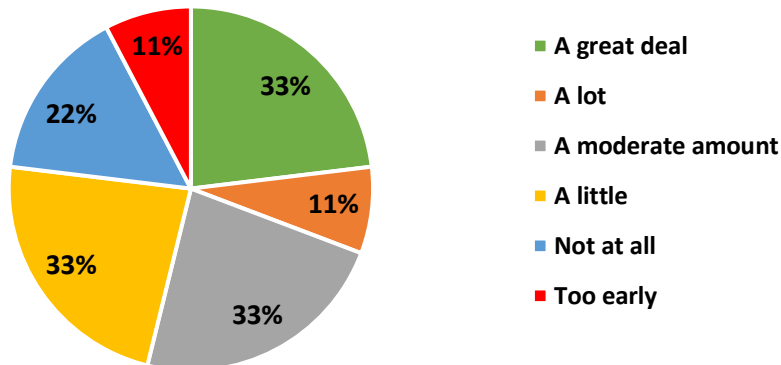


Figure 10: Degree to which there has been a shift in the way partner companies value data due to the influence of co-funded roles – Incumbent responses

Figure 10 presents incumbent responses to the same question around a shift in the way companies value data, and shows a slightly more positive view of the influence of their roles on the data culture of the company. Two of the incumbents who reported that data culture has shifted ‘a great deal’ due to the influence of their roles noted that this shift was largely due to company CEO/General Managers being on board with understanding and promoting the use of data within the business. Some company representatives and incumbents also commented that there has been a considerable shift in the way their company values data since their employment, but much of that shift has not related specifically to the influence of the co-funded roles.

Finding 41: *Overall, stakeholder feedback indicates that while the meat processing sector is well behind many other industries in relation to innovation in the digital area, companies are definitely shifting in the way they value data. The co-funded roles, along with the support provided by company senior managers, have contributed to achieving that shift.*

For the companies that reported the roles had no influence on shifting the way the company values data, the reason given was that the companies already valued data very highly, with the challenge being more around increasing data accuracy and timeliness of data availability, and effective use of data to create value along the supply chain. This was consistently reported by both incumbents and company representatives.

For company representatives and incumbents who reported that the co-funded roles have shifted the way the company values data only ‘a little’, the commentary provided was around the early stages of delivery of benefits through the role and limited exposure of what data can do more broadly across the company. This is expected to evolve as new data systems are further developed and rolled out across the companies. However, some company representatives and incumbents reported challenges associated with shifting the culture of the organisation. This included being more accepting of the work the incumbents are doing and the potential value it can provide for other staff roles and for the company. Much of this resistance is reported to be due to a lack of

understanding of this value, which incumbents are working towards addressing by communicating and promoting the potential benefits of their work, but also due to a resistance to change among elements of some companies, which is more difficult to address. One incumbent stated that they would benefit from more training about the psychology of change and why people accept or reject change. An example quote from a company representative is provided below:

There are great benefits from this role - adoption is the big challenge. It's a new way of working from gut feel to using data for decision making. There are still a number of 'old hands' that are set in their ways and difficult to turn around to accept the value of digital data. These few still prefer to rely on gut feel for decision making.

Company Representative Quote

Finding 42: *In some companies there are challenges associated with shifting the culture of the organisation to be more accepting of the work the incumbents are doing and the potential value it can provide for other staff roles and for the company. This resistance is related to a lack of understanding of this value and a resistance to change among elements of some companies.*

Moving forward, supporting incumbents to further shift the data culture within some of the companies will be important for facilitating maximum industry value from investment in these roles. One service provider who has worked with a large number of companies both within and outside of the meat processing sector, commented that in their experience, the ability of the innovation/project manager to act as an effective change agent makes a considerable difference to how quickly the innovation is developed and adopted within a company.

The review process has also identified that the high quality of incumbents in the co-funded roles has reportedly assisted in supporting staff retention within some partner companies. The benefit of a more stable workforce reduces company employment and training costs, and also assists to provide greater momentum for building internal capacity and capability and for developing a culture that supports digital innovation.

Finding 43: *The high quality of incumbents in the co-funded roles has reportedly assisted in supporting staff retention within some partner companies. The benefits are both a reduction in company employment and training costs, and providing greater momentum for building internal capacity and capability for developing a culture that supports digital innovation.*

10.4 Counterfactual Employment Scenario

In assessing the counterfactual scenario for ISC investment in the co-funded roles, company representatives were asked whether or not they thought their company would still have employed someone in the same role regardless of ISC co-investment (Figure 11). The results indicate that seven out of the 10 companies included in the analysis would still have, or very likely still have, employed someone in the same role without ISC co-investment. However, many of these companies noted that it would have been later (between one and three years later) and the ISC co-funded

program had been a catalyst for taking on the role sooner, or that the quality of the incumbent they were able to employ was higher than it otherwise would have been without the co-funding.

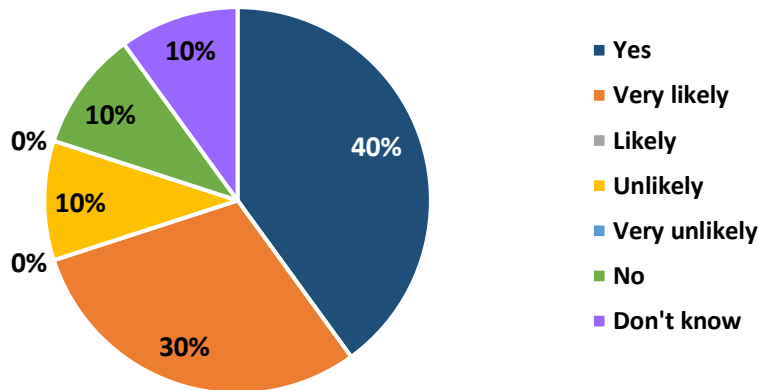


Figure 11: Company representative responses to the question of whether their company would still have employed someone in the co-funded role without the involvement of MLA/ISC

One company reported that they would not otherwise have employed someone in the role without ISC funding, commenting they probably would have seen the need eventually but not within the current employment term. Another company reported that it was unlikely that they would have, while one company representative was unsure.

Finding 44: *Company representative feedback indicates that seven of the 10 companies included in the analysis would still have, or very likely still have, employed someone in the same role without ISC co-investment. However, many of these companies noted that this would have happened later (between one and three years later), or that the quality of the incumbent they were able to employ was higher than it otherwise would have been without the co-funding.*

11.0 Moving Forward

The general view among stakeholders engaged during the review was that the initial round of investment in the co-funded roles was essentially a pilot program. It served to determine if there was value in this approach to driving digital innovation across the supply chain to support producer adoption of practice change and digital innovation capability within partner companies. In this sense, the program has certainly achieved what it set out to do by providing a catalyst to fast-track digital innovation capability within partner companies and to assist them on a trajectory toward improved use of data for decision making and provision of feedback to producers.

The first round of funding has enabled companies to implement more effective digital platforms and systems, including both hardware and software systems, and to build the capability of human resources to manage those digital innovations. It is expected that greater value from the program will be delivered with further progress toward achievement of a whole of supply chain linkage of digital systems and data. There was strong support expressed by MLA/ISC stakeholders for continuation of the program beyond the current incumbent employment terms to capture this value, however with the proviso that more structure and accountability for measuring success is developed around the program.

Finding 45: *The first round of funding has enabled companies to implement more effective digital platforms and systems, including both hardware and software systems, and to build the capability of human resources to manage those digital innovations. Further achievement of a whole of supply chain linkage of digital systems and data is expected to deliver greater value in the future.*

Company representatives were asked if there will still be a need for the incumbent roles within their company post the end of the current employment term, and all representatives responded with a 'yes'. Example quotes are provided below:

Yes, 100% because the reality is, we were heading down that path anyway so we've been able to accelerate that, so the need for that type of role in the future is quite significant.

Yes, it is a long-term area of work and focus for the company.

Yes, we feel there would be a need to continue development of data management and analysis systems.

Yes, 100%. There may be a slight change of focus as the digital journey goes on. A move from set up to more data analytics, cleansing and ever-newer technology.

Yes, definitely. This is a key area in the industry going forward for many years to come.

Yes - already in my strategic plan.

Yes, there'd be a strong case to maintain the role.

Company Representative Quotes

Company representatives were also asked if they thought the company would continue to employ the role incumbents beyond their current term of employment regardless of any co-funding provided by ISC. Of the 10 companies included in the review, seven stated that the company would retain the role/s regardless of any co-investment provided, a further two representatives reported that it was 'very likely' or 'likely' that the company would retain the role/s regardless, while one representative provided a 'don't know' response, stating that:

Possibly, but will depend on budgets and priorities at the time but I think it would definitely be regarded positively.

Company Representative Quote

Most companies appear open to continuing with the co-funding structure if MLA/ISC are willing to re-partner at the end of the current contract period. Example quotes are provided below:

Yes, absolutely, we will continue to invest in this space and if MLA wants to continue to invest as well, we would be happy for them to do that, but regardless we will anyway, and in that digital space more broadly.

We will budget for it regardless of MLA investment. We need it in our day-to-day business.

I cannot imagine the company not continuing it (the role) regardless. I can't imagine what the business would do if they turned (incumbent name) off as a resource.

Company Representative Quotes

Role incumbents were also asked if they thought their company would continue their role regardless of MLA/ISC future investment. All 'hoped so', and most thought it was likely. However, some were uncertain, with commentary more around the availability of resources to continue funding the role without MLA support rather than any perception of lack of value for the company in the role. Example quotes are provided below:

I hope so, yes I think they will, it makes sense if you've had someone trained up with networks, and the work has been established and started so the business has invested a lot of time in this already, it would make sense to keep the role. It would be silly to lose that knowledge and momentum I think.

The role needs to continue beyond this current term, even if MLA pulled out we would continue to do field days and educate the producers, but MLA support gives this role some scale for pushing it faster and wider.

(Company name) will continue to support the role and they don't need MLA support on-going. MLA helped to make it happen quicker but is now not essential to it going forward.

Potentially yes - but may need to look at some funding options. But I think it would be irresponsible of MLA not to continue to invest given their investment in DEXA so far.

Incumbent Quotes

Finding 46: *Of the 10 companies included in the review, seven stated that the company would retain the role regardless of any future co-investment provided, a further two representatives reported that it was 'very likely' or 'likely' that the company would retain the role regardless, while one representative provided a 'don't know' response.*

Finding 47: *Most companies appeared open to continuing with the co-funding structure if MLA/ISC were willing to re-partner at the end of the current contract period.*

Incumbents were also asked what they felt would still need to be done in their area of work at the end of their current employment term. There was a strong theme of more work on the producer engagement end of the supply chain which will ultimately support practice change adoption by producers to improve carcase value and compliance. Example quotes are provided below:

Producer side of it, continuing engagement with producers with how to use that information we give them. I don't think we're going to see massive changes overnight; I think it's going to be iterative. I don't think after the next year and a half we'll look back and say we're done.

Providing feedback to producers and how to utilise it.

Feedback will still need to be addressed and developing the system. Work will still need to be done in aligning cattle procurement with the needs of the boning room and production. Procurement is an on-going need to align with location to get them to plants efficiently.

Still plenty to address such as latest developments following ERP. There is a huge amount of work in the digital space - predictive analysis, AI, machine learning etc to build on.

We'll need someone in this or very similar role to continue with training, data integrity, change management, visualization capability, new and better systems and more complex reporting.

An ongoing need for constant improvement; communication improvement, new processes and practices for staff to learn (capability building) and adoption ultimately.

Hopefully we will be at the stage of working directly with producers.

Incumbent Quotes

Both incumbents and company representatives were asked to comment on whether the role structures and objectives would need to change for a second employment term given what has already been achieved within the role. Several commented that it was too early to speculate on what might need to change, while several others felt that the role would continue in its current form. Other representatives identified areas where the roles might need to change in the future. Example quotes are provided below:

I imagine the role will evolve as the technology and the relationships develop and evolve but the broad direction of the role will remain the same. Over time we see that our livestock officers will evolve more into extension type officers in terms of providing and analysing information then

working with producers on how to use that, so flagging issues and speaking to individual producers about identifying what the cause of the issue might be and how to go about addressing it.

Change their titles to give them more scope – e.g. sales and marketing insights manager, agribusiness analyst/processing analyst, and add focus and objectives about utilisation, adoption and process improvement into the roles.

Definitely an on-going need. This could be a permanent position. The role description is basically right. Maybe increased focus on analytics and keeping across new and emerging technology.

It will only change focus during growth - no strategic change.

It would be great if more additional resources were made available so that some of the more day to day stuff could be done by someone else, which would free (incumbent name) up to do more of the innovative projects, to add further value for the company, and that's taking advantage of a wider breadth of (incumbent's) skills and experience and I think that would benefit the business and I think it would benefit (incumbent name) as well to give more variety and more of a challenge.

More face-to-face work with the producers - both individual and group.

Company Representative Quotes

A lot more about supply chain innovation - new projects at supplier end such as connection between suppliers and production category – i.e. aligning to brands and needs. Feedback will be an important part of it. Animal health feedback will eventually come into play.

Move away from having generic PDs and job titles like MLA has now. Target PDs better and add real metrics to the jobs, specific SMART outcomes and tailor it to each company.

A simple change would be to have two roles with a hierarchy. One on research, development side and another implementing. Roles also need to be more focussed, less broad.

Scope to be a little bit of both digital and supply work - thinking of different ways to give feedback. DEXA is going to take longer to implement.

Incumbent Quotes

Several of the incumbents also commented that there was scope to increase human resources in their area of work to build a small team to deliver more outcomes in the digital side of the business. If the program continues for existing roles beyond the current employment terms, it will be important to review current role objectives and responsibilities in light of these comments and what

has already been achieved, to ensure that maximum value from the program is achieved during a second round of investment.

MLA Future Investment

Having completed the series of interviews with a range of stakeholders involved in the co-funded resources program and reviewed the role milestone reports, it is the view of the evaluation team that the co-funded program has been very successful in supporting partner companies to drive digital innovation across the supply chain, despite the obvious lack of KPIs and objective data against which to measure and report on impact and adoption.

MLA/ISC stakeholders and company representatives were asked if they felt there were any alternative approaches to the co-funded roles that could potentially deliver the same kinds of benefits for industry. All company representatives reported that the co-funded program was a very effective model for driving industry change around digital innovation. One company representative made the following comment:

I'm a big fan of these co-funded roles within a business. I think the generic R&D just never gets implemented at the company level, it's harder, there's more effort and cost to do that, whereas having someone sitting inside the business working on the business accelerates that adoption.

Company Representative Quote

An external service provider also commented that:

There are lots of failures in trying to solve digital supply chain problems and now people/companies are gun shy because some companies engage people who have no idea, they think it will be easy, and there are also some providers who just sell technology. Technology solutions need to be driven as implementation is hard too. It's not just about a quick addition of technology, you need a senior manager in companies to want to make it happen and technical people on the ground and in the business, like these roles provide, to make it happen. We need more of these roles.

External Service Provider Quote

There was also general agreement among MLA/ISC stakeholders that the co-funded resources model was the best option to achieve program objectives. Several potential alternative strategies, or opportunities to value add to the program were identified:

- The plan to invest money in producer activity/projects but without necessarily having to invest in a person - MLA would provide the capacity/capability to deliver the project. However, it was noted that the processors may not like this alternative as much.

- Use the co-funding opportunities to hire experienced individuals from other industries e.g. ex-KPMG, ex-Boston Consulting Group and/or regional incubation hubs i.e. alternative talent sourcing options.
- Opportunity to draw and learn from other industries, sectoral not just red meat. For example, leverage use of data in decision making from mining, noting that miners sometimes own beef enterprises too.

One stakeholder commented that MLA could have external consultants go in and work with the companies but it was suggested that companies would restrict what they share with consultants and what consultants are able to learn. This shows that having co-funded roles as company employees means the company implicitly trusts them as one of their own and they are able to create more value in terms of the long-term capacity and capability building that MLA want to achieve across the supply chain. Given the competitive nature of the processing sector it was noted that a decentralised approach to engagement was likely to be the most effective way to engage with the supply chain to build digital innovation capability.

Finding 48: *Having completed the series of interviews with a range of stakeholders involved in the co-funded program, and reviewed the role milestone reports, it is the view of the evaluation team that the co-funded program has been very successful in supporting partner companies to drive digital innovation across the supply chain. This is in spite of the obvious lack of KPIs and objective data against which to measure and report on impact and adoption.*

Finding 49: *There was general agreement among company representatives (excluding incumbents) and MLA/ISC stakeholders that the co-funded model is the best option to achieve program objectives. Given the competitive nature of the processing sector, it was noted that a decentralised approach to engagement was likely to be the most effective way to engage with the supply chain to build digital innovation capability.*

12.0 Conclusions and Recommendations

The evaluation of the ISC co-funded resources program has found the program overall, to be very successful in supporting partner companies to drive digital innovation across the supply chain. The key findings supporting the continuation of the program include:

1. There is evidence to show that companies supported through the co-funded resources program have implemented new, innovative digital solutions to collect, integrate, analyse, store and visualise data across different parts of the supply chain, from livestock procurement through to marketing the end product.
2. The incumbents in the co-funded roles have tested, trialled and adapted new digital innovations within their companies. This has led to improvements in feedback provided to buyers and suppliers, and has created efficiencies for the company via improved use of data to gather insights for decision making.
3. The incumbents have been instrumental in driving the process to embed new digital innovations into day-to-day operations by building capability within the partner companies to support utilisation of digital innovations to deliver on company priorities.

4. The SCFEO roles have made progress in developing feedback systems to suppliers/producers to enable carcase quality and disease/defect data to be provided on an individual carcase basis. While this is still an area that requires further work to link feedback to on-farm practice change and improvements in carcase quality, the foundations have been built to further progress impact in this area over coming years.

This review has also identified that most existing roles are likely to continue beyond the current co-funded employment terms regardless of potential ISC ongoing investment, and that most companies appear willing to continue partnering with ISC in this program if the opportunity arises. The issue for MLA to consider now is if the potential internal value to MLA/ISC, and/or potential increase in speed and quality of outcomes achieved by the roles with ongoing MLA co-investment, is sufficient to justify further investment in existing roles, especially considering they may continue anyway. Alternatively, MLA may consider there is more value to be gained by investing these resources elsewhere, either in more new roles in the same program (even potentially some within existing partner companies where a need for additional digital resources has been identified), or in other projects entirely.

If the co-funded resources program does continue in the future, whether that includes continued investment in existing roles and/or investment in new roles, the following recommendations are provided:

Recommendation 1: *MLA appoints an overall program manager to lead the program. This role would drive the strategic direction and implementation of the program and potentially manage all positions (depending on number of roles), along with a network of internal MLA/ISC mentors who are assigned to individual roles according to specific knowledge and skill areas required to add maximum value to each role.*

For example, someone from the MLA Market Insights team might be assigned as a mentor to one of the DMO roles. It could also be an option to connect incumbents with external mentors where opportunities are identified. Clear guidelines for mentor roles and responsibilities would need to be developed.

Depending on the structure of the program manager role i.e. full time or part time, and the number of roles going forward, there may be a need for additional internal relationship type manager roles, such as one relationship manager under the overall program manager for each of the three role types. Again, criteria for role relationship manager assignment to specific roles should be developed to ensure the most suitable personnel are working with incumbents and partner companies. It is suggested that it will be important that MLA/ISC role relationship managers have the trust of the key company staff they are dealing with. That requires sufficient technical knowledge and experience to ‘speak their language’ and understand their business, but not necessarily to be a technical ‘expert’.

It is suggested that MLA/ISC relationship managers require sufficient technical knowledge to understand the bigger picture, but not too much so as to present the risk of them getting caught up in the detail of problem solving rather than supporting the companies to find the most suitable solutions through enabling relationships and connections. The other key capabilities for relationship managers are communication and networking skills to provide useful connections to technical

experts and other resources as required, and a reputation for being reliable. That likely requires being sufficiently senior in MLA or ISC to be able to ‘make things happen’ to assist incumbents as needed.

Recommendation 2: *Increased strategic planning around where investment is targeted to achieve program objectives in terms of:*

- Relative investment in role types i.e. DSCO vs SCFEO vs DMO roles.
- Identification of pre-requisites for partner company selection e.g.:
 - Demonstrating alignment of role objectives with company strategy
 - High level company support for the role
 - Supervisor who is highly supportive of the role
 - Commitment to the development of a whole of value chain digital strategy
- Types of partner companies e.g. structure, level of vertical integration, livestock species, size, location/s, existing capability, strategic alignment with MLA/ISC objectives.
- Number of roles per partner company, noting that there would need to be a compelling case to co-invest in more than one role per company in future, given the desirability of expanding the program to enable more companies and their suppliers to benefit. This could relate to the value of integrated, or at least collaborating, roles within a company working across the entire supply chain.

One way that MLA could identify companies to work with could involve commissioning a survey of processors to identify who might like more assistance with digital innovation, and who thinks they have it in hand. MLA could then target those whose digital needs align best with MLA/ISC strategic objectives. Surveys also allow for engagement with companies that may not have engaged much with MLA previously. Findings from this review could be utilised in selling the benefits of the program to potential partner companies.

Recommendation 3: *Develop a program Communication and Engagement Plan to support a more strategic approach to:*

- MLA/ISC engagement with partner company representatives and incumbents, including use of role steering committees.
- Dissemination of program learnings and insights within MLA and to the broader industry.
- Building awareness of the program within MLA and ISC to facilitate greater alignment of the program with other areas of work within MLA where mutual benefits of greater connectedness may be realised.

Recommendation 4: *Improve the ability of both MLA and partner companies to measure and report on the success of program investment through defined monitoring and evaluation processes that are aligned to the MLA Triple Bottom Line (TBL) Monitoring and Evaluation Framework, including use of case studies for evaluation and communication purposes:*

For re-investment in existing roles:

- Review of role objectives with the aim of developing more specific objectives that are aligned to both company and ISC/MLA strategic objectives.

- Develop specific KPIs for each role and identify data collection and information requirements to measure success against those KPIs.

For new roles:

- It may continue to be appropriate for initial objectives to remain fairly broad until incumbents have scoped out potential areas within the supply chain where their future efforts will be directed. However, once this has occurred, role objectives should be reviewed and refined, with specific role KPIs identified along with identification of data collection and information requirements to measure success against those KPIs.

For some new roles it may be that the areas of focus for the role is scoped out with the company, possibly with the support of external service providers prior to commencement of the role, in which case the role objectives are able to be more clearly defined from the outset.

For all roles:

- Review the current milestone reporting process with a view to either improving the current format and reporting requirements, or replacing the quarterly milestone reports with a face-to-face quarterly meeting, with the meeting minutes forming the documentation for reporting on milestone achievement.
- Use a case study approach to reporting on role TBL benefits and for development of communication resources.

Recommendation 5: Review and clarify role employment criteria and employment terms:

For new roles:

- Clarify expectations around sourcing of role incumbents from within partner companies as opposed to externally.
- Clarify expectations around required levels of industry experience coming into the role i.e. new young entrants versus more senior and more experienced incumbents.
- Review the employment term and level of remuneration in light of the pilot experience to facilitate achievement of program objectives.
- Clarify expected level of role within organisation for appropriate level of influence on higher company management levels.

For existing roles:

- Review MLA contribution to role remuneration in light of the value of the roles to partner companies and industry and the skills and knowledge of existing incumbents.
- Review role responsibilities to facilitate retention of current incumbents i.e. ensure opportunities for new challenges and individual growth of incumbents to meet their needs.
- Review the length of the contract terms in light of experience with the pilot program and the ongoing value of the roles to industry.
- Develop an exit strategy for MLA investment in existing roles in terms of both level of co-investment and duration of co-investment.

- Engage with partner companies regarding role succession planning to reduce the potential negative consequences of an existing incumbent leaving the company.

Recommendation 6: *Identify opportunities for increasing the value of the network of co-funded roles. Suggested opportunities include:*

- Providing more opportunities for networking beyond the current 2 meetings per year (COVID-19 permitting) e.g. additional training workshops on topics of mutual interest, such as change management, or concurrent workshops on different topics at the same event with opportunities for co-mingling, or opportunities to present to each other on specific role achievements.
- Including team building activities and/or joint projects as part of the networking events to build relationships and trust between incumbents.
- Establish a buddy system where each incumbent is partnered with one or two peers who they are asked to connect regularly with outside of the scheduled networking events for the larger group. This may involve a monthly phone call, or zoom meeting, or if proximity allows, a face-to-face catch up to discuss work successes and challenges, and to provide mutual support.
- Ensure that the content provided during networking events caters to the breadth of role types in the program. This may involve segmenting the group for part of the event to provide specific information relevant to each role type concurrently to maximise the value for incumbent time in attending the event.

Recommendation 7: *Work with partner companies to review opportunities to increase adoption of available feedback by buyers and suppliers to improve livestock procurement and farm management decision making. Suggested opportunities include:*

- More face-to-face and one-on-one engagement and support for buyers to assist with adoption.
- Define target metrics and measures of success for buyers in the use of feedback data.
- More one-on-one support of producers with advice tailored to specific businesses.
- Review the ability of company buyers and livestock officers to provide consulting type advice to producers regarding use of feedback for decision making, and address any identified gaps with appropriate training, and/or direct producers to specific individuals within a company who are able to provide sound advice.
- Provide means for producers to assess the impact of potential practice changes using feedback data on whole farm profitability.
- Seek opportunities for increasing the alignment of SCFEO officers and other relevant company personnel with MLA's adoption team, particularly the PGS carcass feedback workshop and other pilot initiatives that can support producers to make on-farm management changes to improve product quality cost effectively.
- Identify 'adoption ready' program outputs along with strategies and clear pathways for extending those outputs across industry.

A summary table containing all key findings and recommendations from the evaluation is provided in Appendix A.

13.0 Acknowledgments

Beattie Consulting Services, Inspiring Excellence and Warren Straw Consulting gratefully acknowledge the time taken by all stakeholders consulted during the review to willingly express their views and experiences regarding the Co-funded Resources Program. The authors also appreciate the expert guidance and support provided by the evaluation project leader, Naomi Leahy (ISC), and also thank Naomi, along with George Waldthausen, Dean Gutzke, Demi Lollback, Josh Whelan, Julie Petty, Irene.

14.0 Appendix A - Summary of Key Findings & Recommendations

Key Findings	Recommendations
<p>Program Objectives</p>	<p>Recommendation 1: MLA appoints an overall program manager to lead the program. This role would drive the strategic direction and implementation of the program and potentially manage all positions (depending on number of roles), along with a network of internal MLA/ISC mentors who are assigned to individual roles according to specific knowledge and skill areas required to add maximum value to each role.</p> <p>Recommendation 2: Increased strategic planning around where investment is targeted to achieve program objectives in terms of:</p> <ul style="list-style-type: none"> • Relative investment in role types i.e. DSCO vs SCFEO vs DMO roles. • Identification of pre-requisites for partner company selection e.g.: • Demonstrating alignment of role objectives with company strategy • High level company support for the role • Supervisor who is highly supportive of the role • Commitment to the development of a whole of value chain digital strategy • Types of partner companies e.g. structure, level of vertical integration, livestock species, size, location/s, existing capability, strategic alignment with MLA/ISC objectives. • Number of roles per partner company, noting that there would need to be a compelling case to co-invest in more than one role per company in future, given the desirability of expanding the program to enable more companies and their suppliers to benefit. This could relate to the value of integrated, or at least
<p>Finding 1: The purpose of the Supply Chain Feedback Extension Officer role is articulated in internal ISC documentation. However, there is a lack of clarity around the intended purpose of the Digital Supply Chain Officer and Digital Marketing Officer roles and how they relate to the original purpose of the program.</p> <p>Finding 2: Company motivations for co-investing with ISC in the co-funded roles varied reflecting the types of roles employed, ranging from providing increased feedback at the supplier end of the value chain through to improving digital marketing at the customer end. Common motivations were to improve data integration, data analytics and data visualisation to support internal decision making, and to improve internal digital innovation capability.</p>	
<p>Program Governance</p>	
<p>Finding 3: A range of opportunities for improving program governance and delivery have been identified during the review process which mainly focus on providing a greater degree of structure, planning and accountability around program delivery. Addressing these opportunities will assist MLA to create a more targeted approach to achieving impact for industry and ensuring appropriate measurement and reporting of that impact for MLA/ISC, partner companies and the industry more broadly.</p>	
<p>Strategic Alignment</p>	
<p>Finding 4: The areas of industry benefit generated from the co-funded resources to date are aligned to both MLA and ISC strategic objectives focused on effective use of data and insights to support more informed and timely decision making, and increased data integrity and product traceability. The co-funded resources program benefits also support delivery against broader MLA objectives around climate change mitigation, increasing animal well-being and increasing the value of Australian red meat sales.</p>	

Key Findings	Recommendations
<p data-bbox="203 331 781 363">Program Delivery Within Partner Organisations</p> <p data-bbox="203 400 380 432"><u>Role Objectives</u></p> <p data-bbox="203 451 1384 536">Finding 5: Role objectives are relatively generic and broad in scope, and while they broadly align with incumbent areas of work, as the roles have progressed company representatives suggest that there is now an opportunity to review the role objectives with MLA to ensure that expectations for both parties are aligned moving forward.</p> <p data-bbox="203 555 1400 639">Finding 6: The generic and broad role objectives have made it more difficult to assess value for MLA against the objectives. The review also identified that there is no reporting against KPIs for measuring impact and adoption for each role that are specifically aligned to achievement of MLA/ISC strategic objectives.</p> <p data-bbox="203 659 1014 691"><u>Alignment of Role Incumbent Skills and Experience to Role Requirements</u></p> <p data-bbox="203 710 1350 762">Finding 7: Around 60% of role incumbents included in the evaluation were sourced from within the partner company, compared to 40% recruited externally. All but one incumbent was previously employed in the agriculture industry.</p> <p data-bbox="203 782 1424 866">Finding 8: According to both incumbents and company representatives, incumbent skills and experience at the time of employment was fairly well aligned to role requirements. Since role commencement, on average, incumbents have increased their skills and knowledge by around 20% across a range of identified areas, including both soft and hard skills.</p> <p data-bbox="203 885 1402 970">Finding 9: Incumbents identified a range of current training needs on topics including software and IT, technical aspects of processing systems and change management, along with increased opportunities to attend relevant industry events and to engage with MLA/ISC data experts.</p> <p data-bbox="203 989 1438 1134">Finding 10: Incumbents and company representatives reported that most incumbents have been well supported by their company in undertaking their roles. It was noted by both stakeholder groups that it is important for senior levels of company management to be supportive of the role. There is an opportunity in some companies to increase the understanding and value of data and data analysis to facilitate the work of the co-funded roles. These companies are aware of this issue and are working toward addressing it.</p> <p data-bbox="203 1153 1433 1270">Finding 11: Most incumbents wish to continue working in the same industry, though some were open to a shift to another industry if a suitable opportunity arose. Many commented on a desire to progress themselves and their careers by taking on higher levels of responsibility and new challenges, while several were mindful of maintaining an appropriate work/life balance given high current workloads.</p> <p data-bbox="203 1289 743 1321"><u>Alignment of Roles to Partner Company Strategy</u></p>	<p data-bbox="1563 269 2083 322">collaborating, roles within a company working across the entire supply chain.</p> <p data-bbox="1467 341 2063 400">Recommendation 3: Develop a program Communication and Engagement Plan to support a more strategic approach to:</p> <ul data-bbox="1516 419 2101 683" style="list-style-type: none"> • MLA/ISC engagement with partner company representatives and incumbents, including use of role steering committees. • Dissemination of program learnings and insights within MLA and to the broader industry. • Building greater awareness of the program within MLA and ISC to facilitate greater alignment of the program with other areas of work within MLA where mutual benefits of greater connectedness may be realised. <p data-bbox="1467 702 2107 876">Recommendation 4: Improve the ability of both MLA and partner companies to measure and report on the success of program investment through defined monitoring and evaluation processes that are aligned to the MLA Triple Bottom Line (TBL) Monitoring and Evaluation Framework, including use of case studies for evaluation and communication purposes:</p> <p data-bbox="1467 895 1807 922">For re-investment in existing roles:</p> <ul data-bbox="1516 941 2078 1118" style="list-style-type: none"> • Review of role objectives with the aim of developing more specific objectives that are aligned to both company and ISC/MLA strategic objectives. • Develop specific KPIs for each role and identify data collection and information requirements to measure success against those KPIs. <p data-bbox="1467 1137 1610 1165">For new roles:</p> <p data-bbox="1467 1184 2101 1326">It may continue to be appropriate for initial objectives to remain fairly broad until incumbents have scoped out potential areas within the supply chain where their future efforts will be directed. However, once this has occurred, role objectives should be reviewed and refined, with specific role KPIs identified along</p>

Key Findings	Recommendations
<p>Finding 12: According to incumbents and other company representatives, there is strong alignment between the co-funded roles and company strategic direction for most partner organisations, though for some companies this has evolved since initial commencement of the roles.</p> <p>Alignment of Actual Role Activities with Stated Role Responsibilities</p> <p>Finding 13: Stakeholder feedback suggests that there may be more divergence occurring between incumbents’ daily activities and their intended responsibilities than MLA/ISC is aware of. In general, company representatives commented that the daily activities of incumbents aligned reasonably well with the stated role responsibilities, but that some changes have occurred as new opportunities have arisen or redirection of resources was required to address issues/problems within the business.</p> <p>Role Structure and Delivery</p> <p>Finding 14: Partner companies are more satisfied than MLA/ISC with the co-funded role structure and delivery. This is consistent with the views of MLA/ISC staff that the companies are receiving good value from these roles. MLA/ISC also see more opportunities for value to be gained by MLA/ISC and the broader industry, and for greater clarity around what these roles deliver in terms of specific MLA/ISC objectives.</p> <p>Finding 15: Company representatives rated the level of role influence on higher levels of company management as being fairly high. This is in contrast with some MLA/ISC stakeholders who expressed concern that some roles are not high enough in the management hierarchy to have appropriate levels of influence on business strategy and to drive adoption of digital innovations and systems.</p> <p>Finding 16: MLA/ISC and company representatives both identified a lack of appropriate KPIs against which to measure impact and adoption due to role delivery as an issue that needs to be addressed within the program.</p>	<p>with identification of data collection and information requirements to measure success against those KPIs.</p> <p>For some new roles it may be that the areas of focus for the role is scoped out with the company, possibly with the support of external service providers prior to commencement of the role, in which case the role objectives are able to be more clearly defined from the outset.</p> <p>For all roles:</p> <ul style="list-style-type: none"> Review the current milestone reporting process with a view to either improving the current format and reporting requirements, or replacing the quarterly milestone reports with a face-to face quarterly meeting, with the meeting minutes forming the documentation for reporting on milestone achievement. Use a case study approach to reporting on role TBL benefits and for development of communication resources. <p>Recommendation 5: Review and clarify role employment criteria and employment terms:</p> <p>For new roles:</p> <ul style="list-style-type: none"> Clarify expectations around sourcing of role incumbents from within partner companies as opposed to externally. Clarify expectations around required levels of industry experience coming into the role i.e. new young entrants versus more senior and more experienced incumbents. Review the employment term and level of remuneration in light of the pilot experience to facilitate achievement of program objectives. Clarify expected level of role within organisation for appropriate level of influence on higher company management levels. <p>For existing roles:</p>
<p>Performance of the Co-Funded Resources to Date</p>	
<p>Key Areas of Role Benefit Along the Supply Chain</p> <p>Finding 17: Benefits of the co-funded roles to date have largely been within the confines of the partner companies, with some benefits extending to customers, primarily through the DMO roles, and to buyers and producers, primarily through the SCFEO roles. Potential value from the roles to producers has been hampered by several key issues, including limits to producer engagement due to COVID-19 and extensive drought conditions across many regions, a reported reticence among some producers to be engaged as individual ‘producer champions’ for case study purposes, and the cancellation of one of the SCFEO roles part way through the employment term.</p> <p>Finding 18: It is expected that greater benefits will be delivered to producers in the future as many of the companies have needed time and resources to develop internal tools, systems and capability before they will be in a position to deliver more useful and timely feedback to producers. However, an ongoing challenge for achieving adoption and impact among suppliers</p>	

Key Findings	Recommendations
<p>will be developing a clearer understanding of what changes are required to cost effectively improve specific carcass characteristics within the context of a whole farm business.</p> <p>Finding 19: MLA/ISC stakeholders reported that the most positive aspects of the co-funded resources program to date have included the high quality of incumbents and the rapid speed of their knowledge and skill development since role commencement, the impressive level of digital capacity and infrastructure development among partner companies, and the increased willingness of partner companies to engage with MLA/ISC on digital innovation.</p> <p>Finding 20: For the vast majority of company representatives engaged for the evaluation, the value generated from the roles to date has exceeded expectations.</p> <p>Finding 21: A range of potential flow on benefits of the co-funded roles to the broader industry beyond the partner companies, their suppliers and their customers were identified during the review. Stakeholder comments indicate benefits have been limited to date due to the early stage of the program. It was identified that a greater focus on external communications by MLA/ISC is required to share knowledge and learnings from the program across industry.</p> <p><u>Supporting LDL Development and/or Integration Within the Supply Chain</u></p> <p>Finding 22: The review process has revealed that integrating data into the LDL platform has been problematic for some companies, with only one processor consistently uploading data on a daily basis. It appears that difficulties with integrating LDL within existing digital infrastructure has been the main challenge for partner companies, rather than any lack of willingness to do so.</p> <p><u>Barriers and Enablers to Achieving Potential Impact Across Industry</u></p> <p>Finding 23: A range of internal and external factors which have influenced the ability of the co-funded resources to create value have been identified. Negative external factors included COVID-19, drought, political concerns around recent enquiries into the red meat processing sector and technical/IT difficulties. Negative internal factors mainly related to insufficient resources to progress opportunities, resistance to change, diversion of role time and effort away from digital innovation activities and complex business structures.</p> <p>Positive factors included COVID-19 for one company which led to an increase in digital innovation, changes to internal personnel, additional internal resources, such as data analysts, which facilitated role effectiveness, more vertically integrated supply chains offering more opportunities for value creation, and an existing relationship with MLA/ISC prior to program commencement.</p>	<ul style="list-style-type: none"> • Review MLA contribution to role remuneration in light of the value of the roles to partner companies and industry and the skills and knowledge of existing incumbents. • Review role responsibilities to facilitate retention of current incumbents i.e. ensure opportunities for new challenges and individual growth of incumbents to meet their needs. • Review the length of the contract terms in light of experience with the pilot program and the ongoing value of the roles to industry. • Develop an exit strategy for MLA investment in existing roles in terms of both level of co-investment and duration of co-investment. • Engage with partner companies regarding role succession planning to reduce the potential negative consequences of an existing incumbent leaving the company. <p>Recommendation 6: Identify opportunities for increasing the value of the network of co-funded roles. Suggested opportunities include:</p> <ul style="list-style-type: none"> • Providing more opportunities for networking beyond the current 2 meetings per year (COVID-19 permitting) e.g. additional training workshops on topics of mutual interest, such as change management, or concurrent workshops on different topics at the same event with opportunities for co-mingling, or opportunities to present to each other on specific role achievements. • Including team building activities and/or joint projects as part of the networking events to build relationships and trust between incumbents. • Establish a buddy system where each incumbent is partnered with one or two peers who they are asked to connect regularly with outside of the scheduled networking events for the larger group. This may
<p>MLA/ISC Internal Value Creation and Contribution to Program Impact</p>	
<p><u>Internal Value Creation</u></p>	

Key Findings	Recommendations
<p>Finding 24: The review process identified that co-funded roles have increased the quality of broader relationships with the partner companies to provide benefit to MLA/ISC in a range of ways. These largely relate to increased access to company insights that support delivery of MLA/ISC marketing and RD&E activities. It was however noted by many stakeholders that these benefits have been limited to date and that there are opportunities to increase internal benefits of the program to MLA/ISC.</p> <p><u>MLA/ISC Contribution to Program Impact</u></p> <p>Key Areas of MLA Support</p> <p>Finding 25: The review has found that MLA/ISC has contributed to supporting impact from the co-funded resources program in a range of ways in addition to the provision of financial resources to fast-track employment of the roles. Stakeholders reported the value of MLA/ISC support as including providing linkages with high quality external service providers, providing access to internal MLA/ISC expertise and information, assisting with identification of opportunities and ideas for implementation through the roles and providing partner companies with the confidence to invest, and establishing a network of role incumbents to support building their capability through professional development opportunities.</p> <p>Finding 26: The review found that ISC/MLA have been the catalyst needed for some partnering organisations to deliver on strategic projects, many of which would have likely been delivered anyway at some point, but with MLA support were able to be delivered sooner, more efficiently and/or to a higher standard of quality.</p> <p>Networking</p> <p>Finding 27: The network of role incumbents is considered by most to be providing value in terms of opportunities to share knowledge and experiences to assist with project development and delivery for their own roles. The inability to meet personally over recent times due to COVID-19, along with a reticence of many incumbents to share information with the group, has, however, limited the potential value of this network.</p> <p>Collaboration</p> <p>Finding 28: Stakeholder engagement indicates that MLA and partner companies have collaborated fairly well in delivering the program. However, there was some concern expressed by MLA/ISC that partner companies have not always kept MLA updated and in the loop around progress on internal projects where MLA has provided some level of input or assistance.</p> <p>MLA Support of Incumbents</p> <p>Finding 29: Around 60% of incumbents felt that they were either ‘extremely well’ or ‘very well’ supported by MLA in undertaking the role, however around a third of incumbents felt that they had only been supported ‘somewhat well’ or ‘not so well’, with one incumbent noting that it was too early to comment having only recently commenced in the role. It seems that there is a desire among many incumbents for more frequent engagement initiated by MLA/ISC, including via on site visits</p>	<p>involve a monthly phone call, or zoom meeting, or if proximity allows, a face-to-face catch up to discuss work successes and challenges, and to provide mutual support.</p> <ul style="list-style-type: none"> • Ensure that the content provided during networking events caters to the breadth of role types in the program. This may involve segmenting the group for part of the event to provide specific information relevant to each role type concurrently to maximise the value for incumbent time in attending the event. <p>Recommendation 7: Work with partner companies to review opportunities to increase adoption of available feedback by buyers and suppliers to improve livestock procurement and farm management decision making. Suggested opportunities include:</p> <ul style="list-style-type: none"> • More face-to-face and one-on-one engagement and support for buyers to assist with adoption. • Define target metrics and measures of success for buyers in the use of feedback data. • More one-on-one support of producers with advice tailored to specific businesses. • Review the ability of company buyers and livestock officers to provide consulting type advice to producers regarding use of feedback for decision making, and address any identified gaps with appropriate training, and/or direct producers to specific individuals within a company who are able to provide sound advice. • Provide means for producers to assess the impact of potential practice changes using feedback data on whole farm profitability. • Seek opportunities for increasing the alignment of SCFEO officers and other relevant company personnel with MLA’s adoption team, particularly the PGS carcass feedback workshop and other pilot initiatives that can support producers to make on-farm management changes to improve product quality cost effectively.

Key Findings	Recommendations
<p>(COVID-19 permitting), and for more support around providing information and access to MLA/ISC expertise to assist them in their roles.</p> <p>Improving MLA Support for Greater Program Impact</p> <p>Finding 30: Stakeholders provided a range of suggestions as to how MLA/ISC’s role in facilitating achievement of maximum impact from the co-funded roles could be improved. These suggestions largely related to more active engagement by MLA with partner companies, improving incumbent access to MLA/ISC skills and resources that align with their objectives, and improved processes for monitoring and reporting on role progress.</p>	<ul style="list-style-type: none"> Identify ‘adoption ready’ program outputs along with strategies and clear pathways for extending those outputs across industry.
Impact Assessment	
<p>Economic Benefits</p> <p>Finding 31: The co-funded roles have contributed toward achievement of a range of MLA key outputs (products) and their value propositions. Attempts were made during the review process to obtain quantitative data to measure the impact these roles are having across industry, however required data was either non-existent, has not been actively collected or collated, it is too early for data to be available, or the company was unwilling to share relevant data. In spite of the lack of measurable impact data, it is evident these roles are contributing primarily by providing tools and enabling outcomes to support building industry capacity and capability to drive improved use of data for traceability and decision making.</p> <p>Finding 32: MLA/ISC relationship manager and company representative stakeholder overall scores for how well each role is expected to have contributed benefit to industry by the end of the current employment ranged between 8.0 and 9.5, and averaged 8.9 out of 10 across all roles. The consistently high scoring across all roles indicates that stakeholders perceive that the roles have generated, and are expected to continue to generate, a high degree of value to industry.</p> <p>Finding 33: The review process found that the co-funded roles have supported more informed and timely decision making in four key areas: marketing, processor efficiency, livestock procurement and supplier efficiency. To date the co-funded roles have had the most impact in the area of processor efficiency. Potential impacts in the area of livestock procurement, and in particular supplier efficiency, have been more difficult to achieve, but are progressing. The activities undertaken by incumbents in these two areas are largely in the piloting phase in terms of provision of feedback (type, format, timing), with concurrent time spent on building awareness and understanding of available feedback and how it can be used to create greater value along the supply chain.</p> <p>Finding 34: According to stakeholder feedback, adoption of available data to support decision making by buyers has been less than expected in most cases, and certainly less than what is desirable. The review process has also highlighted an emerging gap in the knowledge and skill requirements of buyers and company livestock officers to support producers to use feedback data for decision making.</p>	

Key Findings	Recommendations
<p>Finding 35: The co-funded program is estimated to have accelerated the level of data use to assist supplier decision making by 41 percentage points, to assist buyer decision making by 35 percentage points and to assist internal company decision making by 29 percentage points.</p> <p>Finding 36: It is estimated that the co-funded DMO roles have increased the level of data use to assist with marketing activities and insights for partner companies by 27 percentage points.</p> <p><u>Environmental/Sustainability Benefits</u></p> <p>Finding 37: Four of the co-funded roles within three companies have contributed to achievement of environmental and sustainability outcomes, primarily in a supporting capacity as opposed to as a driving force. The review found that overall, the co-funded program has enabled these three companies to fast-track progress toward achieving environmental/sustainability outcomes by an average of 24 percentage points. In addition, companies who are focusing on providing animal health feedback to suppliers through the co-funded roles are supporting improvement of animal welfare outcomes. In contributing to impacts in these areas of animal well-being and climate change mitigation, the roles are assisting industry to better meet consumer needs and to build trust among customers and consumers of Australian red meat.</p> <p><u>Social Benefits/Capability Building</u></p> <p>Finding 38: The review found that on average, companies were around 40% effective in being able to take advantage of new and emerging digital technology when the roles commenced, and expect to be around 80% effective by the end of the current role employment terms. All companies expected some progress to have been made in this area regardless of the roles. However, it is estimated that the co-funded program has enabled partner companies to fast-track their ability to take advantage of new and emerging technology by an average of 30 percentage points.</p> <p>Finding 39: MLA support also enabled development of better and more effective digital strategies than would otherwise have occurred. In addition to improving the quality of company digital strategies, the co-funded program is estimated to have assisted partner companies to fast-track the development of a whole of value chain digital strategy by an average of 25 percentage points over the employment term of the co-funded roles.</p> <p>Finding 40: In spite of the good progress being made to improve digital connectivity, data integration, automation, visualisation and reporting, a big challenge still exists to create sufficient culture shift within the organisations to enable maximum utility of this increased capability.</p> <p>Finding 41: Overall, stakeholder feedback indicates that while the meat processing sector is well behind many other industries in relation to innovation in the digital area, companies are definitely shifting in the way they value data. The co-funded roles, along with the support provided by company senior managers, have contributed to achieving that shift.</p>	

Key Findings	Recommendations
<p>Finding 42: In some companies there are challenges associated with shifting the culture of the organisation to be more accepting of the work the incumbents are doing and the potential value it can provide for other staff roles and for the company. This resistance is related to a lack of understanding of this value and a resistance to change among elements of some companies.</p> <p>Finding 43: The high quality of incumbents in the co-funded roles has reportedly assisted in supporting staff retention within some partner companies. The benefits are both a reduction in company employment and training costs, and providing greater momentum for building internal capacity and capability for developing a culture that supports digital innovation.</p>	
<p>Counterfactual Employment Scenario</p>	
<p>Finding 44: Company representative feedback indicates that seven of the 10 companies included in the analysis would still have, or very likely still have, employed someone in the same role without ISC co-investment. However, many of these companies noted that this would have happened later (between one and three years later), or that the quality of the incumbent they were able to employ was higher than it otherwise would have been without the co-funding.</p>	
<p>Moving Forward</p>	
<p>Finding 45: The first round of funding has enabled companies to implement more effective digital platforms and systems, including both hardware and software systems, and to build the capability of human resources to manage those digital innovations. Further achievement of a whole of supply chain linkage of digital systems and data is expected to deliver greater value in the future.</p> <p>Finding 46: Of the 10 companies included in the review, seven stated that the company would retain the role regardless of any future co-investment provided, a further two representatives reported that it was ‘very likely’ or ‘likely’ that the company would retain the role regardless, while one representative provided a ‘don’t know’ response.</p> <p>Finding 47: Most companies appeared open to continuing with the co-funding structure if MLA/ISC were willing to re-partner at the end of the current contract period.</p> <p>Finding 48: Having completed the series of interviews with a range of stakeholders involved in the co-funded program, and reviewed the role milestone reports, it is the view of the evaluation team that the co-funded program has been very successful in supporting partner companies to drive digital innovation across the supply chain. This is in spite of the obvious lack of KPIs and objective data against which to measure and report on impact and adoption.</p> <p>Finding 49: There was general agreement among company representatives (excluding incumbents) and MLA/ISC stakeholders that the co-funded model is the best option to achieve program objectives. Given the competitive nature of the processing</p>	

Key Findings	Recommendations
sector, it was noted that a decentralised approach to engagement was likely to be the most effective way to engage with the supply chain to build digital innovation capability.	