



final report

Project code: P.PIP.0437 & P.PIP.5005
Prepared by: John Coughlan
Kilcoy Pastoral Company
Date published: 29 April, 2017

PUBLISHED BY
Meat and Livestock Australia Limited
PO Box 1961
NORTH SYDNEY NSW 2059

Kilcoy Pastoral Company Collaborative Innovative Strategies Program

This is an MLA Donor Company funded project.

Meat & Livestock Australia acknowledges the matching funds provided by the Australian Government and contributions from the Australian Meat Processor Corporation to support the research and development detailed in this publication.

This publication is published by Meat & Livestock Australia Limited ABN 39 081 678 364 (MLA). Care is taken to ensure the accuracy of the information contained in this publication. However MLA cannot accept responsibility for the accuracy or completeness of the information or opinions contained in the publication. You should make your own enquiries before making decisions concerning your interests. Reproduction in whole or in part of this publication is prohibited without prior written consent of MLA.

Abstract

Kilcoy Pastoral Company (KPC) and Meat & Livestock Australia (MLA) agreed to progress to Stage 1 of a Collaborative Innovation Strategy program (CISP) over a three-year period commencing on 1st August 2014 (Refer to projects P.PIP.5005; P.PIP.0437). The Stage 1 business improvement plan was integrated into the company's overall business strategy and included measurable performance indicators, which identify the contribution of innovation to the bottom line and achievement of key business objectives. Ultimately, KPC's innovation strategy contributed to KPC's long-term competitiveness, sustainability and profitability. The outcomes of Stage 1 CISP were that the scope of the innovation strategy was significantly broad and included initiatives in the key business areas of:

- Operational efficiency
- Innovation resource planning and people development
- Sustainability (Environment)
- Feedlot/livestock
- Supply chain innovation (including areas such as eating quality; information management; supply chain alignment; through chain assurance)
- Marketing/product innovation - including integration between CISP and Global Marketing Agreement programs as appropriate (separate contractual arrangements are in place for the Global Marketing Agreements)

During the three-year period, a range of current and new strategy development and implementation activities were planned including (but were not limited to):

- Documentation of key objectives and innovation initiatives in each of the above key business areas
- Quantifiable innovation performance targets in each of the key business areas, including the development of baselines and measurement systems to monitor progress against planned objectives
- Development of an innovation skills and resources plan to build KPC's capability to effectively implement the innovation strategies
- Initiatives to support the cultural change required across the business to deliver against corporate innovation objectives

The KPC/MLA Collaborative Innovation Strategy program was jointly managed by the KPC and MLA steering group. This group was implemented to oversee the program and sign-off on annual plans and periodical go/no go reviews. The program provided support for one full-time KPC Innovation Manager (considered necessary to support the volume and complexity of R&D/innovation projects covering Stage 1 of the program at 1 x FTE). KPC identified additional KPC and external personnel were required (KPC in-kind) to deliver the stated objectives as the program evolves.

The following report details the outcomes of the KPC CISP Stage 1 program with coverage of the following projects:

- P.PIP.5005 - KPC Collaborative Innovation Strategies Partnership program Stage 1
- P.PIP.0437- KPC CISP Innovation Manager (John Coughlan)
- P.PIP.0499 - Evaluating employee skills and capabilities and developing new processes to achieve KPC's business improvement priorities

An independent evaluation was conducted by CKC Services on the skills and capabilities of KPC's workforce and subsequently develop new processes to achieve KPC business improvement priorities. The outcomes of the independent review were to identify KPC's innovation priorities and design of a proposed KPC CISP Stage 2 program.

Table of contents

1	Background	4
1.1	Purpose	4
1.2	Project background	4
2	Project objectives	5
2.1	Objectives	5
2.2	Expected Outcomes	5
3	Methodology	6
3.1	Innovation Manager	6
3.2	Program Management	7
3.3	Independent Review	7
4	Results	7
4.1	Innovation Manager – Roles & responsibilities	7
4.2	Innovation Manager - Position Description & Scope of Work	8
4.3	KPC CISP Stage 1	8
4.4	KPC CISP Key Achievements	10
4.5	KPC projects	10
4.6	KPC CISP Resourcing and Program Management	11
5	Discussion – Overall achievements in the project	12
6	Conclusions/recommendations	14
6.1	Conclusions	14
6.2	KPC CISP Stage 1 Independent Review Findings (P.PIP.0499)	14
6.3	Recommendations: KPC Co-Innovation Program - Next Stage (Stage 2)	15
7	Appendix – Supporting Documents	17
7.1	Kilcoy's Innovation Place	17
7.2	Supporting Documents – Ideas review processes	18

1 Background

1.1 Purpose

The purpose of this project is the development and implementation of a Stage 1 Collaborative Innovation Strategy between Kilcoy Pastoral Company (KPC) and Meat and Livestock Australia. This Stage 1 Collaborative Innovation Strategies Partnership (CISP) program will extend MLA's agreement to work collaboratively with KPC for a further three years. The primary investment within the project budget is the MLA innovation services fee whereby KPC pay an annual fee for program participation, which includes the services of a MLA Relationship Manager and associated support for capability building activities for the program duration.

1.2 Project background

Kilcoy Pastoral Company (KPC) is currently engaged in significant business growth with plans to expand its production capacity and efficiencies over the next two years by a further 50%. KPC are investing significantly in its people to build capabilities and influence the required practice change to allow the business to grow as planned. KPC's Human Resources Department is currently responsible for the recruitment and development of more than 750 employees. KPC are currently engaging in a Human Resources restructure including performance review, workforce planning and development, disciplinary frameworks and advanced recruitment options to ensure that planned changes impacts on employees positively during a period of significant change. The KPC-MLA Collaborative Innovation Strategies Partnership (CISP) program will enhance the required skills to ensure that KPC's growth strategy is proposed to be achieved through its people and any changes are embraced positively.

KPC's business improvement priority focus areas proposed for the three-year program were:

- Core Processing Efficiencies (Slaughter, Rendering, Boning, load out)
- Environment, Sustainability & Waste Management
- Sales & Marketing/New Products
- Livestock & Animal Welfare
- Business Systems
- Compliance, Quality and Standards, and
- (underpinned by) People, Capability and Culture

During the three-year period, a range of strategy development and implementation activities are planned including (but not limited to):

- Documentation of key objectives and innovation initiatives in each of the above key business areas
- Quantifiable innovation performance targets in each of the key business areas, including the development of baselines and measurement systems to monitor progress
- Development of an innovation skills and resources plan to build KPC's capability to effectively implement the innovation strategies
- Initiatives to support the cultural change required across the business to deliver against innovation objectives

The Collaborative Innovation Strategy program will be overseen by a joint KPC/MLA Steering Group and implementation will be managed by a team of KPC/MLA resources (with additional internal and external resources as required). This project provides support for one full-time KPC Innovation Manager (considered necessary to support the volume and complexity of R&D/innovation projects planned within Stage 1 of the program).

2 Project objectives

2.1 Objectives

The overall objective for KPC during Stage 1 of the CISP was on building capability, strengthening innovation core competence and reducing reliance on MLA for strategic direction of innovation investments. This was driven by the program objectives, which included:

- The development and implementation of an integrated plan to build KPC internal capability to support the execution of the KPC innovation strategy.
- The development, implementation and measurement of accurate innovation metrics.
- Participation in diagnostic tools and external interviews (as appropriate) to measure KPC innovation capability and to monitor progress following completion of the CISP.
- Continued integration of innovation into business processes and systems to ensure innovation was sustainable and independent of key staff members.
- Continued development of innovation strengths, including idea generation (sourcing) and execution (application) of new ideas.
- Reducing KPC reliance on MLA to drive innovation efforts.

2.2 Expected Outcomes

The contribution of the KPC Innovation Manager to the overall success of the Innovation Strategy was determined by:

- Evidence of effective implementation of KPC innovation strategy in agreed areas
- Evidence of improvement in company innovation culture and capability
- Quantifiable improvements in company innovation measures (as agreed)
- Efficient project delivery in accordance with budgets and timelines
- Quality of reports
- Contribution to Innovation Managers Network

In addition to individual project reports as required, the KPC Innovation Manager was responsible for providing a quarterly report detailing the following:

- Summary of progress of all R&D/innovation projects underway.
- Update on each of the broad areas of focus within the overall KPC Innovation Strategy.
- Details of baselines, measurement systems and progress regarding key performance indicators related to the three key business objectives detailed above.
- Specific details on change management initiatives underway.
- Specific details on implementation of Innovation Strategy in relation to priorities identified.
- A final report will be provided at the conclusion of the program detailing overall progress against agreed goals and benefits of the program to KPC.

In addition, the KPC Innovation Manager was responsible for contributing to reporting for the annual review meetings by the joint KPC/MLA Steering Group (and will be the basis for the go/no go decision each year).

The Innovation Manager was responsible at the conclusion of the program to produce an industry version of the final report. This report will detail the successes of the program, key methodologies used and lessons learnt.

3 Methodology

3.1 Innovation Manager

The primary focus of the KPC Innovation Manager role was the implementation of the agreed KPC/MLA Innovation Strategy across the KPC business. The Innovation Manager primarily focused on the processing operations and co-ordinated the key focus research and development areas including the operational efficiency projects and new technologies.

The major activities undertaken by the full-time KPC Innovation Manager include:

- With the Steering Committee and commercial export customers (i.e. Ruprecht USA) prepare a comprehensive KPC Innovation Strategy across the priority business areas.
- Develop an agreed suite of R&D/ innovation projects.
- Develop, monitor and report against key performance indicators and other measures of impact as agreed.
- Instigate and co-ordinate the generation of innovation ideas and filtering and feedback processes with a specific focus on the Kilcoy processing operation and operational efficiency and processing technologies. Manage and monitor the KPC projects spreadsheet to manage expenditure and track benefits from outcomes generated from KPC R&D/innovation projects and activities.
- Participate in the development and implementation of cultural change initiatives required across the business to deliver against innovation objectives.
- External relationship management with research partners, research providers, equipment suppliers, processing sector and value adding sector as appropriate.
- Active participation in the MLA innovation managers network meetings.
- Participate in other innovation skills development activities as agreed.
- Prepare regular project reports and quarterly innovation reports.

The following activities were undertaken by the KPC Innovation Manager during the three-year program:

- 1) Managed existing collaborative R&D projects, specifically in the area of new technologies and processing efficiency including providing technical support and administration within budgets and timelines. This included the following projects:

P.PIP.0370	KPC IFFA 2013 study tour
P.PIP.0364	KPC bladestop project
P.PIP.0334	Data collection, base calculations, design and monitoring/SCADA implementation associated with hot water production and distribution upgrade
P.PIP.0328	KPC Refrigeration Improvement
P.PIP.0499	Evaluating employee skills and capabilities and developing new processes to achieve KPC's business improvement priorities
P.PIP.0511	KPC Food Innovator Traineeship
P.PIP.0480	Design and implementation of cattle washing in lairage using chlorine dioxide
P.PIP.0544	Feasibility and pre-production development of integrated data capture/management and product handling in beef processing (Phase 1).

- 2) Reviewed and provided technical input into new R&D proposals by liaising with KPC operations, MLA, industry technical committees and service providers.
- 3) Reviewed and developed a plan for priority R&D areas in bandsaw safety for beef processing as either industry funded or KPC collaborative projects.
- 4) Ongoing update of KPC R&D priorities using KPC projects spreadsheet to facilitate the planning of KPC's R&D expenditure from input provided across the company in the key focus areas of

operations. This information was used to establish objectives and potential projects areas within this component of Stage 2 of KPC Collaborative Innovation Strategies program.

- 5) Ongoing R&D audits and site visits to support ideas management systems under development by KPC. Visit all operations and provide ongoing support to collect and collate ideas that were unable to be managed on site.
- 6) Manage and monitor the KPC projects spread sheet to track benefits and value produced for all outcomes generated from all associated collaborative KPC R&D projects and activities.

3.2 Program Management

The Collaborative Innovation Strategy program was overseen by a joint KPC/MLA Steering Group and implementation was managed by a team of KPC/MLA resources (with additional internal and external resources as required). This project provided support for one full-time KPC Innovation Manager (considered necessary to support the volume and complexity of R&D/innovation projects planned within Stage 1 of the program).

3.3 Independent Review

An independent evaluation was conducted by CKC Services on the skills and capabilities of KPC's workforce and subsequently develop new processes to achieve KPC business improvement priorities. This objective was delivered utilising a broad scope of methodology including consultation; analysis, review and evaluation; design & development; trial, review and evaluation; and implementation stages. Overall, the project successfully delivered a broad range of business improvement outcomes for KPC through the evaluation of the skills and capabilities of their workforce. As a result, KPC was able to identify its workforce capability requirements and determine the route to achieving these capability requirements. In addition, this project presents the opportunity for organisations in the wider industry to apply a generic process to determining their internal workforce capability requirements and subsequently identify their own route to bridging the capability gaps should result in widely beneficial industry outcomes. This approach was undertaken in order to collate a broad range of views both within and external to the company and to uncover other less obvious insights around how the program has created new value. The outcomes of the independent review were to identify KPC's innovation priorities and design of a proposed KPC CISP Stage 2 program.

4 Results

4.1 Innovation Manager – Roles & responsibilities

The primary roles and responsibilities of the KPC Innovation Manager was the implementation of the agreed KPC/MLA Innovation Strategy across the KPC business and the implementation of the innovation system.

The major activities to be undertaken by the KPC Innovation Manager included:

- Manage the development of a comprehensive KPC Innovation Strategy across the key business areas.
- Assist in developing and monitoring key performance indicators and other measures of impact as agreed.

- Instigate innovation idea generation and filtering and feedback processes with a specific focus on operational efficiency and processing technologies.
- Develop and co-ordinate an agreed suite of R&D/ innovation projects.
- Manage and monitor the KPC projects to manage expenditure and track benefits from outcomes.
- Participate in the development and implementation of a KPC innovation skills and resources plan.
- Support and coordination of site project teams.
- Participate in the development and implementation of cultural change initiatives required across the business to deliver against innovation objectives.
- External relationship management with research partners, research providers, equipment suppliers, processing sector and value adding sector as appropriate.
- Active participation in the MLA Innovation Managers Network.
- Participate in other innovation skills development activities as agreed.
- Prepare regular project reports and quarterly innovation reports.
- Facilitate innovation review processes.

4.2 Innovation Manager - Position Description & Scope of Work

The Innovation Manager contributed to the development and implementation of KPC's Collaborative Innovation Strategy Program and included the following:

- Identification of the innovation focus areas and priorities for KPC.
- Develop roles and responsibilities required to drive innovation priorities including the Innovation Manager.
- Manage existing collaborative R&D projects.
- Review and provide technical input into new R&D proposals
- Evaluate and quantify the benefits of KPC projects.
- Develop and participate in internal & external networks to accelerate outcomes for KPC.

Furthermore, the Innovation Manager's role was to facilitate and oversee the development and implementation of the Collaborative Innovation strategy. This involved regular quarterly updates to KPC senior management on the progress and outcomes on the agreed innovation focus areas identified below:

- Summary of progress of all R&D/innovation projects underway.
- Update on each of the broad areas of focus within the overall KPC Innovation Strategy.
- Details of baselines, measurement systems and progress regarding key performance indicators related to the three key business objectives detailed above.
- Specific details on change management initiatives underway.
- Specific details on implementation of Innovation Strategy in relation to priorities identified.

4.3 KPC CISP Stage 1

KPC's business improvement priority focus areas proposed for the three-year program period were (Refer to Figure 1):

- Core Processing Efficiencies (Slaughter, Rendering, Boning, load out)
- Environment, Sustainability & Waste Management
- Sales & Marketing/New Products
- Livestock & Animal Welfare
- Business Systems
- Compliance, Quality and Standards, and
(underpinned by) People, Capability and Culture

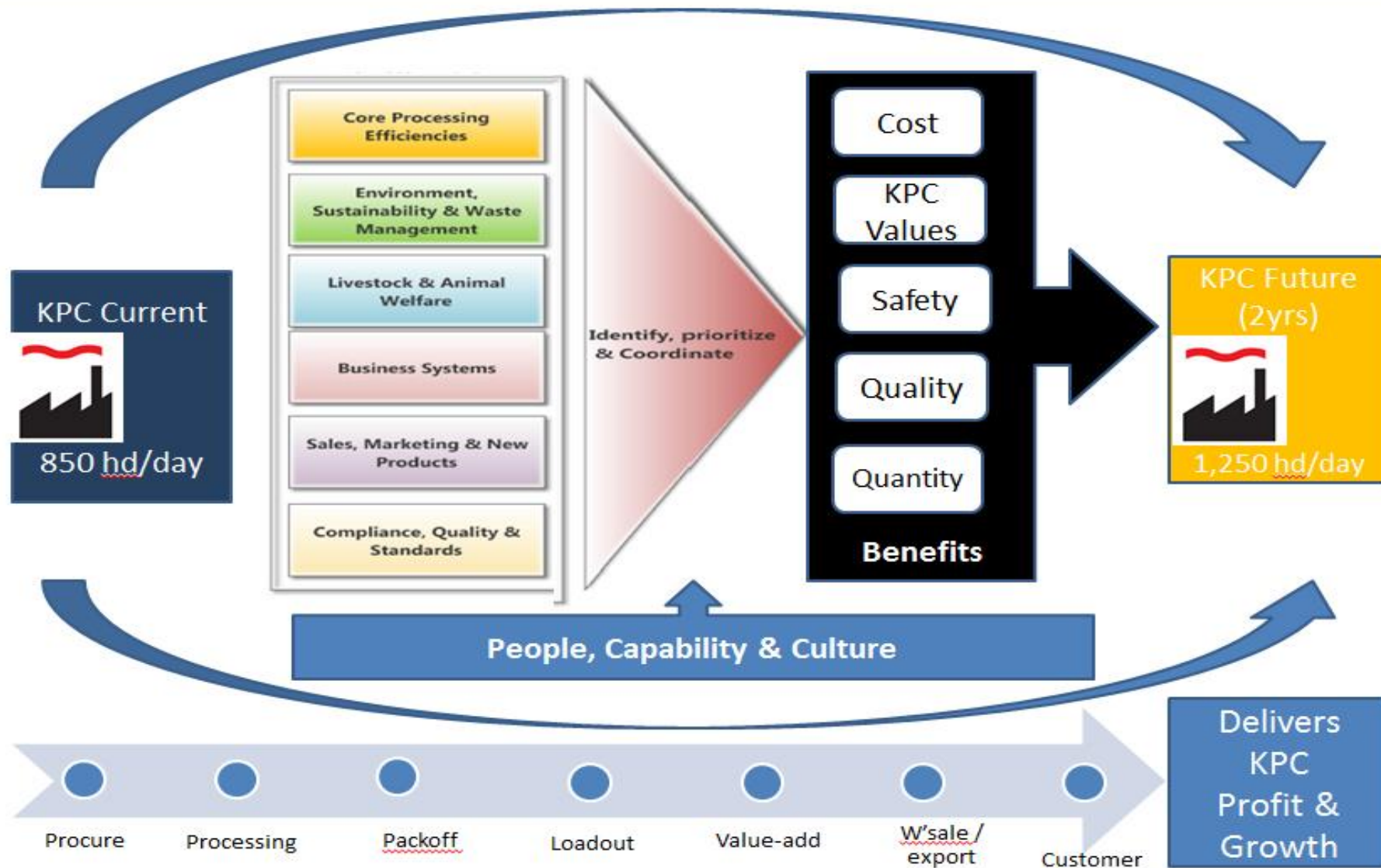


Figure 1: KPC Whole of Business Improvement & Growth Plan

4.4 KPC CISP Key Achievements

Overall KPC achieved significant success in the development of R&D processes & systems. A number of R&D opportunities were identified and implemented to enhance KPC's innovation capability and their ability to quickly respond and uptake new ideas, technologies and concepts across the business. Specifically, a more formal structure exists around key KPC business improvement focus areas, the way that ideas are managed and networking within KPC and with external providers.

With new ownership, KPC expanded and diversifies its business and ramped beef production from 850 head to 1,250 head per day production capacity through seven-day processing within two years. KPC's new load out facilities now completed and state of art storage and buffering cold-stores in place for some time now. KPC has plans over the next short to medium term (i.e two years) for new chillers and freezers, upgraded rendering, and new or refurbished boning and slaughter floors. In the short term, KPC will look to further optimise existing processes in slaughtering, rendering and boning and implement new processing technologies to meet KPC's market growth targets.

The focus of KPC's Innovation program was on establishing an innovation resourcing structure and developing a KPC ideas management system. The ideas system was launched with rollout to all supervisors and senior managers (estimated 85 staff) across the KPC business. A basic core ideas management system is now currently in place while the IT pilot platform is still undergoing development and streamlining to current IT systems. Innovation teams and work groups are starting to form to manage each of the KPC business improvement priority areas. The roles and responsibilities of the KPC Innovation Manager are being finalised and refined by the initial appointed Innovation Manager (Brad Mathers) who moved away from the business during the program (in late March 2016). A proposed KPC's Whole of Business Improvement plan including key focus areas is subject to input and approval by KPC-MLA CISP steering group to form the basis of the proposed next phase of the program and beyond (i.e. Co-Innovation Stage 3).

4.5 KPC projects

To date, the program has delivered and derived the following benefits for KPC:

- 12 collaborative projects completed or currently underway.
- From work completed, KPC leveraging benefit via 50% MLA funds for co-invested projects.
- Facilitated Innovation Leadership learning and development of key KPC managers.
- Skills and capability benchmark assessment underway to facilitate development roles and responsibilities in business improvement.
- Proposed KPC Whole of Business Improvement approach in place with work groups forming (initially in Core Processing efficiencies operations & environment & sustainability priority).
- More than 50 direct business improvement inquiries being addressed through MLA & external networks (eg. decontamination interventions, E-Stun, beef scribing, 6-way beef cutting, review NATA accreditation, spray chilling, market insights and trends, optimal beef processing, value add products, environmental sustainability options, rendering solutions, energy and water saving initiatives, capability assessments & on-site lab options).
- Strategic sessions with MLA technology managers & environmental specialists to update on latest developments & defining opportunities for KPC design planning.
- Completion of collaborative R&D projects (pip.0370, pip.0364, pip.0334, pip.0328) with KPC reviewing recommendations for improvement in energy and water savings.

4.6 KPC CISP Resourcing and Program Management

- KPC Innovation Manager (Brad Mathers) appointed with innovation teams and work groups being formed. (New IM John Coughlan appointed to replace Brad Mathers).
- Identification of the preliminary KPC improvement focus areas and priorities.
- Ideas management system now developed with rollout to supervisors and senior managers (estimated 85 managers) across the business is now completed.
- Commenced development of key roles and responsibilities required to drive innovation priorities including the Innovation Manager.
- Developed and implemented a R&D project priority spreadsheet to be used to communicate across the work groups.
- Independent skills and capability assessment (pip.0499) completed.

KPC's CISP Yr 2014/17 Objectives & Goals

The proposed objectives and goals for the three-year program were:

Objectives / KPIs	Measures (2014/17)
1) Develop & engage of Whole of business in KPC integrative business improvement approach	KPC Whole of Business Improvement plan & allocated resources endorsed by KPC/MLA steering group. <i>ACHIEVED</i>
2) Develop & implement systems to manage ideas and improvements across the business	Develop and implement project Hype and roll out pilot to all senior managers across the business. <i>ACHIEVED</i>
3) Engagement of whole of business in KIP business and suppliers	Key personnel from KPC and work groups including MLA identified who are responsible for developing detailed project outlines and within R&D & Capex budgets in KPC improvement focused areas. <i>ACHIEVED</i>
4) Identify a suite of red meat opportunities to increase growth, sustainability and profitability of the business	Contract a minimum of 3 projects per year across the KPC agreed priority improvement focus areas and completed within 3 months of schedule. <i>ACHIEVED</i>
5) Develop the required skills and implement systems and processes to support KPC improvement focus areas and priorities	Innovation & leadership training completed and evidence of skills transferred to Innovation Manager with KPC successfully adopting at least one improvement initiative/system. <i>ACHIEVED</i>
6) Assessment of KPC skills and capabilities to facilitate business improvement initiatives	Benchmark skills assessment completed & defined roles & responsibilities to support business improvement activities. <i>ACHIEVED</i>

5 Discussion – Overall achievements in the project

Overall, KPC has made significant progress in development of R&D process developments & systems. A number of R&D opportunities were identified and implemented to enhance KPC's capability. Furthermore, a more formal structure now exists around key KPC business improvement focus areas, the way that ideas are managed and networking within KPC and with external providers.

The program over 12 quarterly periods has been focused on developing a KPC ideas management system. The ideas system has now been implemented across the business after being launched with rollout to all supervisors and senior managers (estimated 85 staff). There is evidence that innovation teams and work groups forming as required to manage the company's R&D priorities. The Kilcoy Innovation Place (KIP) strategy was developed and implemented via senior KPC managers (see Appendix). This evolved into a "Strategy on a Page" (SOAP) was subsequently developed, and this formed the focus of structured innovation projects updates at regular senior management meetings.

Some specific achievements and areas of interest (over the three-year program):

- Roles and responsibilities of KPC Innovation Manager finalised. KPC Innovation Team and work groups formed as required for specific projects.
- KIP ideas management system has been developed with operating protocols now in place. However, technical difficulties were experienced with KPC software not supporting its full application across the business. KPC reviewing other options to facilitate the management and IT support framework of the idea management system. See screen shots (refer to supporting documents, see attached)
- Project HYPE project launched to all 85 supervisors and senior management across the business over 7 sessions. KPC ideas management process has now gone live with ideas now being captured and assessed through an agreed KPC process.
- Current R&D including five environmental and six operational PIPs have been completed and reviewing next steps. KPC currently reviewing ongoing water saving and other cost saving options.
- A previous environmental strategy workshop between KPC and MLA identified a further six priority R&D projects which are currently being scoped into proposals.
- KPC's strategic priority is growing and expanding the business and this will involve reviewing all internal business and operational processes. A WOBI proposal (subject to KPC approval) is looking to engage all KPC departments across the key focus areas in such a way that facilitates a collaborative approach to business improvement.
- An introductory technology workshop involving KPC senior management and operations managers and MLA was undertaken to update on latest developments, discuss industry priorities and the vision of the beef processing over the next 5 years. This session was used to commence planning for the KPC new boning room and key enabling technologies that may be considered in the planning process. Beef scribing and Objective Carcase Measurement (OCM) were identified as opportunities for KPC and agreed to follow with KPC, Scotts and MLA to evaluate scribing opportunities for KPC.
- While it was agreed to engage an automation specialist (Scott's Automation) to help facilitate the identification of key technology automation options, the recent announcement of Scotts new ownership had resulted in significant delays in progressing the automation strategy. In the meantime, KPC and MLA continue to work on technology ideas as they arise.
- Recommendations for water and energy savings were reviewed by KPC. The first environment strategy planning workshop with MLA, KPC and providers has been completed. Several priorities have been identified to focus on Yr 14/17 and form the basis of R&D to implement some of these R&D priorities. A number of operational efficiencies priorities have been identified and several R&D projects are being scoped.

- Development of KPC's innovation / improvement strategy is ongoing. Apparent priorities emerging as a result of ongoing strategic planning sessions including those with MLA and supplies is identifying apparent focus areas for improvement aligned with KPC's business priorities.
- Innovation Manager participated in internal & external networks to accelerate outcomes for KPC.
- Innovation Manager developed a learning and development plan and attended a FIAL Innovation Leadership course. This was a scholarship award by FIAL to KPC's Innovation manager (Brad Mathers), also attended by MLA's Innovation Development Manager (Dean Gutzke). Key learnings to be shared with KPC where appropriate.
- Brad Mathers (previous KPC Innovation manager) has moved on from KPC, KPC recruiting a new Innovation Manager. John Coughlan was appointed as new Innovation Manager with existing Steering group.
- The KPC/MLA Collaborative Innovation Strategy program was jointly managed by the KPC and MLA steering group. This group was implemented to oversee the program and sign-off on annual plans and periodical go/no go reviews.

Other general areas of interest for new project ideas include:

- Optimal waste stream separation
- Management of phosphorus in waste streams using Struvite precipitation
- Biogas capture & measurement
- Cattle yard grit and Coal Ash Dewatering
- Blowpipe monitoring and optimisation
- Nutrient Removal from waste streams looking both upstream and Down Stream
- Trim sorting & management systems & supply chain validation
- Optimal rendering processing, low vs high temperature processing
- Optimal labelling systems (to eliminate mislabelling issues)
- Automated beef scribing (both Kill Floor & Boning Room)
- Design and implement carcass washing in lairage with acidified sodium chloride

An independent evaluation was conducted by CKC Services on the skills and capabilities of KPC's workforce and subsequently develop new processes to achieve KPC business improvement priorities. The outcomes of the independent review were to identify KPC's innovation priorities and design of a proposed KPC CISP Stage 2 program. The primary objective of this project was for KPC to evaluate the skills and capabilities of their workforce and subsequently develop new processes to achieve KPC's business improvement priorities. This project was delivered utilising a broad scope of methodology including consultation; analysis, review and evaluation; design & development; trial, review and evaluation; and implementation stages. The process applied in the current project has demonstrated that KPC as a leading employer in the industry has been able to identify its workforce capability requirements. Furthermore, KPC has been able to determine the route to achieving these capability requirements through a series of capability building exercises. As a result, KPC has been able to develop a capability roadmap that is aligned to KPC's business priorities and has enabled KPC to deliver its growth plan and business improvement targets.

Overall, the project successfully delivered a broad range of business improvement outcomes for KPC through the evaluation of the skills and capabilities of their workforce. As a result, KPC was able to identify its workforce capability requirements, determine the route to achieving these capability requirements, through a series of capability building activities and have confidence in its ability to deliver the on the capability requirements into the future, which will allow KPC to deliver on its growth plan and desired objectives.

6 Conclusions/recommendations

6.1 Conclusions

Kilcoy Pastoral Company (KPC) and Meat & Livestock Australia (MLA) agreed to progress to Stage 1 of a Collaborative Innovation Strategy program (CISP) over a three-year period commencing on 1st August 2014 (Refer to projects P.PIP.5005; P.PIP.0437). The Stage 1 business improvement plan was integrated into the company's overall business strategy and included measurable performance indicators, which identify the contribution of innovation to the bottom line and achievement of key business objectives. Ultimately, KPC's innovation strategy contributed to KPC's long-term competitiveness, sustainability and profitability.

Overall, KPC has made significant progress in development of R&D process developments & systems. A number of R&D opportunities were identified and implemented to enhance KPC's capability. Furthermore, a more formal structure now exists around key KPC business improvement focus areas, the way that ideas are managed and networking within KPC and with external providers.

The program over 12 quarterly periods focused on developing a KPC ideas management system. The ideas system has now been implemented across the business after being launched with rollout to all supervisors and senior managers. There is evidence that innovation teams and work groups forming as required to manage the company's R&D priorities.

6.2 KPC CISP Stage 1 Independent Review Findings (P.PIP.0499)

An independent evaluation was conducted by CKC Services on the skills and capabilities of KPC's workforce and subsequently develop new processes to achieve KPC business improvement priorities. The outcomes of the independent review were to identify KPC's innovation priorities and design of a proposed KPC CISP Stage 2 program. The key findings of the independent review of the KPC skills and capabilities to meet its business improvement targets and objectives:

- Overall, the project successfully delivered a broad range of business improvement outcomes for KPC through the evaluation of the skills and capabilities of their workforce.
- As a result, KPC was able to identify its workforce capability requirements, determine the route to achieving these capability requirements, through a series of capability building activities and have confidence in its ability to deliver the on the capability requirements into the future, which will allow KPC to deliver on its growth plan and desired objectives.
- KPC is a highly innovative organisation and is actively innovating in several areas of the KPC business, including product, processing, sales and marketing innovation.
- In addition, this project presents the opportunity for organisations in the wider industry to apply a generic process to determining their internal workforce capability requirements and subsequently identify their own route to bridging the capability gaps should result in widely beneficial industry outcomes.

The CISP program has achieved great outcomes to the benefit of the greater meat industry. There are missed opportunities under the current program structure. It is recommended CISP should continue in order to support the greater meat industry but with some modifications.

Overall, the project successfully delivered a broad range of business improvement outcomes for KPC through the evaluation of the skills and capabilities of their workforce.

6.3 Recommendations: KPC Co-Innovation Program - Next Stage (Stage 2)

Kilcoy Pastoral Company (KPC) and Meat & Livestock Australia have agreed to progress a Collaborative (Value-adding) Co-innovation Program over a three-year period. The program is designed to support the development and implementation of KPC's red meat high value growth strategies in both the domestic and global markets to be achieved via a range of innovative products, packaging, processes and new business model concepts. The specific focus of the program will be on insights and design led innovation approaches to New Product Development (NPD) and in particular High Value beef exports. It is noted that in addition to the development of new high value products to meet customer demand, the program may also extend more broadly into the KPC's business activities where opportunities to innovate red meat markets are identified.

A range of new product and business growth activities are planned during the three-year period (but not limited to):

- Market and insights intelligence and analysis in targeted high value markets
- Implementation of design-led approaches for New Product Development (NPD)
- Scanning exercises of new innovative product, packaging, technology and processes and business model designs
- Trade shows and industry events to evaluate new innovative products
- Capture, collate and analyse consumer and market trend data to provide insights to new products and packaging to meet customer demand
- Insight and innovation capability and skill development
- Product evaluations and testing
- Study tours of key international and domestic retail and food service markets of innovative products, processes, technologies and packaging
- Facilitated workshops on technologies, processes and packaging involving suppliers and technical experts


The major activities to be undertaken by the KPC's Product Innovation Manager include:

- Participate in the development of a KPC Innovation Strategy to underpin a high value red meat growth strategy.
- Develop, evaluate and implement design-led methods for New Product Development (NPD) and new services for "value adding".
- Instigate innovation idea generation and filtering and feedback processes with a specific focus innovative product, processes, packaging and value chain concepts.
- Develop and co-ordinate an agreed suite of R&D/ innovation projects.
- Manage and monitor the KPC spreadsheet to manage expenditure and track benefits from outcomes generated from KPC RD&E/innovation projects and activities.
- Participate in the development and implementation of a KPC innovation skills and resources plan as required.
- Support and coordination of site project teams as required.
- Participate in the development and implementation of cultural change initiatives required across the business to deliver against innovation objectives as required.
- External relationship management with research partners, research providers, equipment suppliers, processing sector and value adding sector as appropriate.
- Active participation in the Insights to Innovation events and network meetings.
- Participate in other innovation skills development activities as agreed.
- Participate and/or facilitate in independent cost benefit analyses as required.
- Assist in developing and monitoring project performance indicators and other measures of impact as agreed.

The Collaborative Value-adding Co-Innovation Program will be overseen by a joint KPC / MLA Steering Group and implementation will be managed by a team comprised of KPC, MLA and external resources as required. This project provides support for a full-time (i.e. 1 FTE) KPC Product Innovation Manager for an initial period of three years with an option to extend to a second 3-year term based on overall progress of the program and projects. As the program strategy evolves, it is anticipated that specific R&D projects will be developed, and additional resources to support these projects will be considered as required. Each individual R&D project will be contracted via a separate schedule to be attached to the Collaborative Head Agreement.

7 Appendix – Supporting Documents

7.1 Kilcoy’s Innovation Place



Kilcoy’s Innovation Place:

KPC / MLA CISP Stage 1 Program Document

This document serves as a outline to Kilcoy’s innovation program, including its purpose, structure, outcomes as well as including major initiatives implemented as part of this program.

Table of Contents

- Program Purpose..... 2
- Program Management..... 2
- Steering Group..... 2
- Program Management..... 2
- Program Outcomes..... 3
- Performance Measures..... 3
- Reporting..... 3
- Industry Benefit..... 3
- Program Launch..... 3
- Program Initiatives..... 4
- Project HYPE (Help Your Personal Environment)..... 4

Program Purpose

To design, develop and implement an innovation strategy between Kilcoy Pastoral Company Limited (KPC) and Meat and Livestock Australia (MLA). Ultimately the innovation strategy will contribute to KPC’s long-term profitability, competitiveness and sustainability. At this point the scope for Stage 1 the collaborative strategy will include initiatives in these key business areas:

- Operational efficiency
- Innovation resource planning and people development
- Sustainability / Environment
- Feedlot / Livestock
- Supply chain innovation
- Marketing / product innovation.

The development and implementation of this collaborative innovation strategy (Stage 1) will run for three years.

Program Management

The KPC/MLA Collaborative Innovation Strategy program will be jointly managed by both KPC and MLA

Steering Group

A joint executive group will oversee the program (CISP) and will sign off annual plans and annual go/no go reviews, composed of:

KPC – Don Oodis CEO
 KPC – Nicola Cannon General Manager Strategy and Support
 MLA – Christine Pitt General Manager Client Innovation Services

Program Management

The Development and implementation of the KPC/MLA CISP will be undertaken by a joint team composed of:

KPC Innovation Manager – Brad Mathias

KPC KIP Team Drivers –

- Nicola Cannon (General Manager Strategy and Support)
- Shane Clancy (General Manager Production)
- Les Wright (Engineering Manager)
- Murray Somerville (Facilities Manager)
- Ian Woods (Innovation Consultant)

KPC KIP Team Members –

- Brett Sutcliffe (General Manager Marketing & Livestock)
- Peter Johnstone (General Manager Finance & Corporate Services)
- Richard Cox (Group Accountant)
- Matthew Robinson (Employee Relations Manager)
- Andrew Wilson (IT Manager)
- Craig Price (Livestock Manager)

Kilcoy’s Innovation Place: KPC / MLA CISP Stage 1 Program Document

1 | Page

Kilcoy’s Innovation Place: KPC / MLA CISP Stage 1 Program Document

2 | Page

7.2 Supporting Documents – Ideas review processes

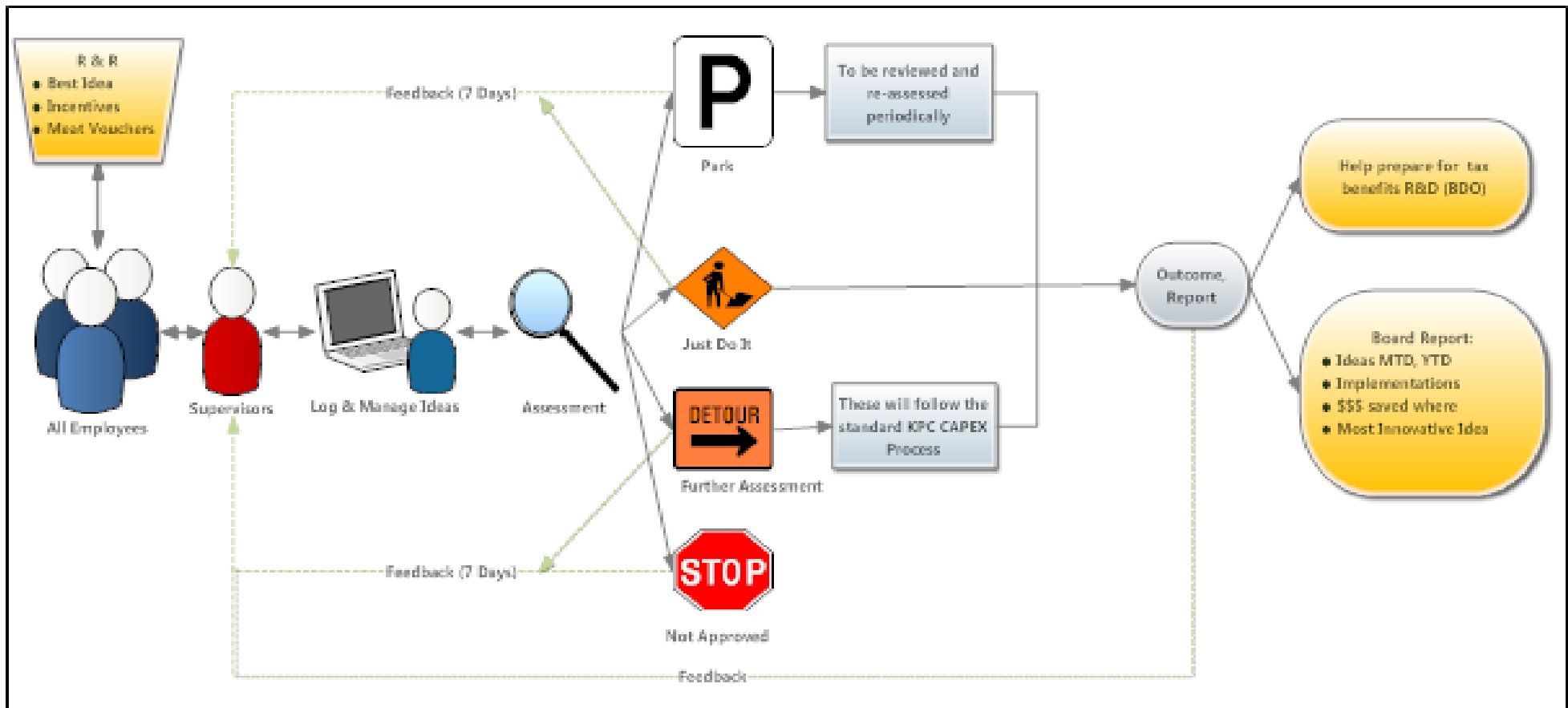


Figure 1: Idea Capture Flow chart