

# Final report

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## JBS Australia's Insights2Innovation Manager - High valued meats strategy

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Date published: 10 October 2020

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

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.

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## Abstract

JBS Australia and Meat & Livestock Australia have agreed to progress a Collaborative Value-adding Co-Innovation Program over a three year period commencing in July 2017, with a specific focus on the Andrew's Meats Industries (AMI) and Creative Food Solutions (CFS) operations. While the initial focus will be in their Primo business, it is anticipated that the program will extend into other areas of JBS value-adding (Andrews Meats and JBS Brooklyn) and other potential developments. The specific focus of the program within Primo will be on insights and design led innovation approaches to New Product Development (NPD) and in particular High Valued beef and lamb exports. The program is designed to support the development and implementation of JBS Australia's red meat high value growth strategies in both the domestic and global markets which will be achieved via a range of innovative products, packaging, processes and new business model concepts.

Overall, the collaborative Innovation Program development and implementation program with CFS successfully delivered the following outcomes:

- Finalise position description & recruitment of the Product Innovation Manager. The Product Innovation Manager (John Marten) appointed to the position, externally from the JBS business in November 2017.
- Company / MLA steering committee formed. Steering group consisting of JBS and MLA has now been formed with representatives from JBS Andrews Meats / CFS & MLA. Initial steering committee meeting completed (15 March 2018).
- Set overarching goals, metrics and outline. (Status – Commenced & underway). A draft Product Innovation Strategy including priorities has commenced with ongoing input required by steering group approval.
- Attended conferences and tradeshows (Aged Care tradeshow 2018). Attended workshops including MLA's 3D printer workshop in late July 2018.
- A number of R&D opportunities have been identified and are currently underway.
- Go / No Go decision review points have been approved by previous project steering group meetings (June 2018 & September 2018). Specifically, the project steering group approved Milestone 5 Go-No Go point (22/9) and agreed to move to next phase (Milestone 7).
- An evaluation of the baseline innovation capability was commenced in the current quarter with a CFS workshop (on 22 November 2018) including a series of interviews and follow up exercises at the CSF offices. The evaluation process was facilitated by the provider (Tess Julian, Catalyst Exchange) as a pilot. The outcomes of the innovation evaluation (an industry funded project) will be presented once other evaluations are completed later in the year.
- Participated in internal and external networks to accelerate outcomes (including the Co-Innovation & Digital / Supply Chain managers networking event (26 March 2019).

An evaluation of the baseline innovation capability was conducted with CFS via a workshop (on 22 November 2018) which included a series of interviews and follow up exercises at the CSF offices.

As a result of this partnership, CFS reported increased sales at the date of the interview, with projected ongoing increases. They also anticipate further growth in markets, customers, products. They expect productivity savings through increased health and safety practices. They confirm that none of this would have been possible without the MLA Co-Innovation partnership

## Executive summary

The primary purpose of the research was to identify opportunities to explore increasing the value of red meat, which was manufactured and distributed through the AMI and CFS food service and retail channels

The objectives of this research were as follows:

- Obtain a comprehensive understanding regarding AMI/CFS manufacturing capabilities
- Review existing SKU and customer channel business performance
- Identify existing potential market gaps across both SKU's and customer channels
- Engage existing and new customers to review market opportunities
- Develop strategic plans with existing and new customers that significantly increase the value of Australian red meat sales

The specific focus of the program within Andrews Meats and Primo were on insights and design led innovation approaches to New Product Development (NPD) and in particular high valued beef and lamb exports. Importantly, this role identified and worked with the JBS team on market access for new and existing products (ie. Retail ready cooked meals including red meat).

The program is designed to support the development and implementation of JBS Australia's red meat high value growth strategies in both the domestic and global markets, which will be achieved via a range of innovative products, packaging, processes and new business model concepts. A range of new red meat value-added product and services growth and new business design model opportunities were planned during the three-year period.

Key insights and learnings from the collaborative program were:

- Traditional companies are not always intuitively aligned to being/thinking innovative/innovatively, as such, McKinsey's Three Horizons of Growth were introduced to ensure that appropriate focus was placed upon maintaining and defending core business growth activities, before introducing and engaging with new and emerging business models, processes and procedures.
- Using insights and trends to inform strategic direction & priorities in New Product Development (NPD) and evaluating business models.
- Using design lead thinking approaches with customers provides efficient new ways of undertaking NPD.

An independent evaluation of the CFS Co-innovation program was conducted by Hargraves Institute, which established the keys benefits of the Co-innovation program. As a result of this partnership, CFS report increased sales of through one initiative alone with projected ongoing increases. CFS also anticipated further growth in markets, customers and products. There were expected productivity savings through increased health and safety practices. It was confirmed that potentially none of this would have been possible without the MLA Co-Innovation partnership.

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## **1. Background**

### **1.1 Collaborative Innovation Strategies Program**

In September 2007, MLA rolled out the red meat industry's innovation capability building program, piloted as the Collaborative Innovation Strategies Partnership (CISP) program. The program involves the co-development of comprehensive innovation strategies with individual enterprises, which meet commercial imperatives in addition to focusing on the implementation of key industry and government innovation priorities. The CISP is a flexible enterprise innovation capability building program that is customised for large and small enterprises throughout the red meat value chain. Enterprise innovation capability within the context of this program is defined as the underlying capacities that enable a firm to be innovative on a sustained basis, rather than producing one-off product innovations from time to time.

Using a structured and collaborative process, MLA partners with companies such as JBS to develop a customised strategic innovation capability building program for a staged three year duration. The program can encompass the entire business (whole-of-enterprise program) or alternatively remain focused on a specific business area in which you identify a need to develop innovation capability (focused program). The partner company can appoint an internal innovation manager, and/or can develop multiple resources to implement and sustain innovation initiatives.

### **1.2 Project background**

JBS Australia and Meat & Livestock Australia have agreed to progress a Collaborative Value-adding Co-Innovation Program over a three year period commencing in July 2017. While the initial focus will be in their Primo business, it is anticipated that the program will extend into other areas of JBS value-adding (Andrews Meats and JBS Brooklyn) and other potential developments. The specific focus of the program within Primo will be on insights and design led innovation approaches to New Product Development (NPD) and in particular High Valued beef and lamb exports. The program is designed to support the development and implementation of JBS Australia's red meat high value growth strategies in both the domestic and global markets which will be achieved via a range of innovative products, packaging, processes and new business model concepts.

A range of new product and business growth activities are planned during the three-year period including:

- 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 and services
- Trade shows, industry events and developing network for innovation hubs/precincts to evaluate new innovative products and services
- Capture, collate and analyse consumer and market good trend data to provide insights to new products and packaging to meet high value 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 Collaborative Value-adding Co-Innovation Program will be overseen by a joint JBS Australia / MLA Steering Group and implementation will be managed by a team comprised of JBS Australia, MLA and external resources as required. This project provides support for a full-time (i.e 1 x FTE) JBS Australia Insights and Value-adding Innovation Manager for an initial period of three years with an option to extend to a second three-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.

The Insights2Innovation Value-adding Program will integrate into the current JBS-MLA Stage 3 Collaborative Co-Innovation Strategy. The primary investment within this project budget is the provision of the FTE resource within JBS value add division and support for associated capability building activities.

### **1.3 Product Innovation Manager - Roles & responsibilities**

The major activities to be undertaken by the JBS Andrews Meats Product Innovation Manager include (Refer to the Appendix, See Section 7.1) :

- Liaise with suppliers, customers, end users and consumers to identify new products, packaging and business models in order to drive a demand driven marketing strategy.
- Develop strategies to maximise digital data to drive effectiveness of the companies' marketing strategy.
- Developing high value export growth strategies and new high value products and packaging.
- Build and manage internal and external partnerships to support the delivery of JBS Andrews Meats high value products strategy.
- Provide innovative solutions and technical advice to stakeholders. Facilitate collaboration with strategic commercial partners. Maintain necessary contacts with customers, industry associations and government associations.
- Develop and co-ordinate an agreed suite of R&D and innovation projects, then manage and perform any pilot trial and commercialisation work and experiments for these new project opportunities.
- Manage and monitor expenditure and track benefits from outcomes generated from JBS Australia's RD&E/innovation projects and activities.
- Support and coordinate site project teams in managing relationships with research partners, research providers, equipment suppliers, processing sector and value adding sector as appropriate (Andrews Meats, JBS Nth & Sth value adding operations and Primo operations).
- Active participation in the MLA Innovation Managers Network.
- Facilitate equipment, packaging and ingredient suppliers' workshops to identify priorities aligned with JBS's high value beef product portfolio.
- Prepare regular project reports and quarterly innovation reports.

### **1.4 Expected Outcomes**

The aim of the three-year program is to evaluate and develop JBS's capabilities in application of design-led approaches for New Product Development (NPD). A range of new product growth and new business growth opportunities are planned to be undertaken by the JBS Australia Insights and Value-adding Innovation Manager include:

- Participation in the development of an Innovation Strategy to underpin a portfolio of high value red meat growth initiatives and strategy.
- Develop, evaluate and implement design-led methods for New Product Development (NPD).
- Instigate innovation idea generation and filtering and feedback processes with a specific focus on high value innovative services, products, processes, and packaging concepts.
- Develop and co-ordinate an agreed suite of insights and value-adding R&D and innovation projects.
- Manage and monitor the expenditure and track benefits from outcomes generated from projects.
- Support and coordination of Primo value-adding 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 external research partners.
- Build network of insights and innovation providers including with Moy Park Innovation Centre.
- Active participation in the Insights2Innovation events and network meetings.
- Participate in other innovation skills development activities as agreed.
- Prepare regular project reports and quarterly innovation reports.
- Participate and/or facilitate in independent cost benefit analyses as required.
- Participate in internal and external networks to accelerate outcomes.
- Assist in developing and monitoring project and program performance indicators and other measures of impact as agreed.

The contribution of the JBS's Product Innovation Manager to the overall success of the Innovation Strategy will be determined by:

- Evidence of effective implementation of JBS Australia'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 value chain concepts
- Quantifiable improvements in company innovation measures (as agreed)
- Efficient project delivery in accordance with budgets and timelines
- Quality of reports
- Contribution to Insights to Innovation events and network meetings

## **1.5 The Company- JBS Australia**

### **1.5.1 JBS Company**

JBS as a company began as a small processor of just five head of cattle per day in 1953 in Brazil by Jose Batista Sobrinho (whose initials are now JBS's organization name). The Batista family has established a major global company from a small, homegrown, family-owned operation to the world's largest meat protein producer. The business today has grown from a five-head-per-day company to an organization with more than 140 production facilities worldwide.

### **1.5.2 JBS Australia – A Global Company**

JBS Australia is part of the JBS Group with headquarters in Brazil and operations in Australia, United States, Argentina and China. JBS Australia is the largest meat processing company in Australia and a division of JBS, the largest animal protein processing company in the world, working in the areas of food, leather, products for pets, biodiesel, collagen, cans and cleaning products. The JBS Australian operations employs 12,000 people across a network of ten strategically located processing facilities,



five feedlots and seven distribution centres on the eastern seaboard. JBS has a daily processing capacity of more than 8,000 cattle and 21,000 small stock.

JBS Australia has developed an enviable reputation as the leading supplier of Australian beef and lamb products around the world. JBS is focussed on maintaining the highest levels of food safety, animal welfare, product quality and customer service to deliver to primarily its global markets, and also local Australian markets. JBS Australia exports to more than 80 countries while also maintaining significant market share in the domestic beef and lamb market. JBS Australia employs more than 12,000 people across Australia in a wide range of specialist roles to ensure JBS's customers enjoy the highest quality and consistency of product every day of the week.

### **1.5.3 Company Profile: JBS Andrews Meats Industries**

Andrews Meat comprises of three key divisions: food service; value added - cooked; and export. Across these divisions Andrews Meat supplies to all areas of the hospitality industry including restaurants, cafes, pubs, clubs, hotels and resort groups, as well as servicing a number of other industries including health and aged care, education, aviation and sporting venues [Source JBS AMI website].

#### **i) Food Service**

Andrews Meat is a leader in portion control and value added meats for the food service industry. A highly skilled butchery team ensures client's exacting product standards are consistently met. The company also boasts an innovative and diversified production facility and associated equipment guaranteeing consistency of production and capacity. In total, Andrews Meat processes more than 8 million kilograms of meat products each year. The team has a strong focus on innovation, product development, and are constantly looking for new ways to improve efficiencies and add value to customer offerings.

#### **ii) Value Added-cooked**

Andrews Meat currently produces ready-to-serve meals and sous vide meat options, for major retail stores and food service clients under the Creative Food Solutions Brand. Over the last 10 years Creative Food Solutions has developed a strong standing as a high quality and reliable supplier of precooked products. Completed in 2015, is a state of the art new cooking facility, enabling AMI to produce in a week over half a million ready meals for the retail market, and over 50 tonne of cooked product for the foodservice market.

#### **iii) Export**

Andrews Meat has a significant international presence, currently exporting premium quality meat products to 25 destinations throughout Asia, North America, the Middle East and Europe. The Andrews Meat reputation for quality is recognised abroad with company owned Wagyu and Angus brands distributed to high-end retail and food service clients.

#### **iv) Brands**

Andrews Meat represents a variety of brands, a number of which are company owned. Andrews is involved in the entire process from paddock to plate for company owned brands, from the farm, through processing, marketing and quality assurance. For exclusive brands Andrews Meat manages product distribution and marketing.

**v) Partnership with JBS Australia**

In July 2014 Andrews Meat formed a partnership agreement with the country's largest and most successful processor, exporter and feed lot operator, JBS Australia.

Sharing similar cultural and business values to Andrews Meat the partnership will assist in bridging the gap in the supply chain, as well as providing a more secure and consistent supply base for customers. It will also drive opportunities for expansion and growth in the value added and prepared foods segments in Australia and overseas.

The family, together with their loyal team, look forward to continuing to serve the Australian and international food service sector.

In an exciting new chapter for the company, Andrews Meat secured preeminent international meat company, JBS Australia as a partner for the business in July 2014. The two companies share mutual cultural and business values and the agreement will enable Andrews Meat to continue to expand its quality customer offering both domestically and internationally. Andrews Meat, together with JBS, is looking forward to an exciting future. Andrews Meat is committed to maintaining this reputation of excellence for years to come.

AMI has a team of over 50 staff to cater to the increasing demand, and his team of chefs are constantly developing new meal concepts and recipes to keep growing the range.

Creative Food Solutions was created to supply foodservice customers with restaurant quality cooked meat products, and is now one of the most advanced cooked food service operations in the country. An important feature of the CFS range is the slow cooking time ensuring the highest quality product and requiring strict attention to detail. CFS developed their own sous-vide technology and cooking procedures to ensure that the exacting standards of customers are met. All CFS products utilise the highest quality meats, and are paired with balanced accompaniments.

A knowledgeable and dedicated team of chefs in the kitchen, living the art of cooking is what keeps Creative Food Solutions at the forefront of the industry. This team strive to develop innovative and resourceful food service solutions revolutionizing the way sous-vide is perceived within the industry.

The CFS range includes:

- Standard and Premium Roast Meats: The finest quality meats cooked sous vide for 12 hours for maximum flavour and tenderness
- Centre Plate Meal Range: High quality protein components that will impress as a centre of plate menu option in all applications
- Ribs: Ribs slow cooked for over 12hours in our signature BBQ marinade
- Sauces and Soups: This premium range of soups and sauces ensure minimum preparation time with maximum flavour
- Microwave Ready Meals: Microwavable restaurant quality meals, which utilise only the finest and freshest ingredients
- Products produced to Order: Take the opportunity to develop new products with CFS that meet your specifications

**1.5.4 Capabilities:**


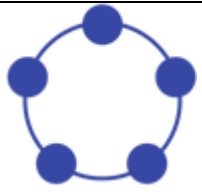


Andrews Meat Export Division Specialise in providing superior quality meat products to customers in domestic and global markets. The flagship AMI owned brands Tajima Crossbred Wagyu and

Shiro Kin Fullblood Wagyu are exported to over 15 countries. High end retail and food service clients across the US, Europe, Asia and the UAE experience AMI’s exclusive Wagyu brands.

Andrews Meat Export Division was originally created to help increase carcase utilisation and strengthen brand development within the domestic department. The export division has grown rapidly to be a renowned supplier of quality and consistency. Also now available for export are prominent AMI owned brands Grainge Angus Beef, White River European Style Veal and Byron Bay Berkshire Pork. Andrews Meat Export Division also has the ability to source other high quality beef and lamb options.

Andrews Meat Industries (AMI) has developed a comprehensive Quality Assurance program to ensure product is treated with the highest level of safety and care at all levels of the supply chain. AMI has employed a full time Quality Assurance team to ensure the integrity, safety and credibility of all products utilised by Andrews Meat Industries (see Table 1).

**Table 1:** Andrew’s Meat Industries quality assurance standards ensuring integrity, safety and credibility of all products

	<p>In order to maintain the highest standards of food safety and quality, our Quality Assurance team maintains strict Food Safety Policies and Procedures including a Good Manufacturing Practices plan and a Food Safety HACCP Plan. Meeting these standards involve rigorous independent audits from various authority’s including the NSW Food Authority, AUS-MEAT and Halal certifiers. With a fully HACCP controlled plant, AMI places the upmost importance on not only meeting but exceeding quality and customer expectations.</p>
	<p>Production and processing methods are constantly reviewed and revised to improve quality, consistency and shelf life of products. Product is always stored, transported and picked in temperature controlled areas ensuring customer deliveries are not compromised. Additionally on site cool rooms have advanced remote monitoring to ensure temperature and conditions are ideal for product storage. Waste management areas are refrigerated to reduce odour and minimise environmental impacts.</p>
	<p>We promote a culture where food safety and quality are fully integrated into our business and work practices. AMI is committed to providing products with integrity right across the board. All allergens used in the facility are kept and utilised within a controlled environment. In addition to this AMI offer a number of value added products catering to specific dietary, health &amp; safety requirements including gluten free sausages and smallgoods free of phosphates and nitrites.</p>
	<p>AMI has detailed systems in place to enable traceability of our products. This allows for easy identification and correction of issues that may arise regarding packer, brand, grading, portion size, muscle damage or eating quality. This strict system ensures that there are minimal reoccurrences when issues do arise.</p>

## 2. Objectives

The purpose of this capability building initiative was the development and implementation of a Stage 1 Co-innovation program between JBS Andrews Meats industries and MLA. The AMI Co-innovation priorities were integrated into the company's overall business strategy and were continuously monitored against measurable performance indicators throughout the three-year program to identify the contribution of innovation to the bottom line and achievement of key business objectives. Ultimately, the outcomes delivered through the development and implementation of the innovation strategy contributed to development of JBS's long-term capability, and associated impacts on JBS's AMI profitability, competitiveness and sustainability.

The overall objective is to develop and implement JBS Australia'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 value chain concepts.

The contribution of the JBS Australia's (Andrews Meats) Insights and Value-adding Innovation Manager to the overall success of the Innovation Strategy will be determined by:

- Evidence of effective implementation of JBS Australia'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 value chain concepts
- Quantifiable improvements in company innovation measures – this includes innovation thinking, tools and approaches as well as growing demand in high valued solutions that significantly create and capture value on commodity red meat offer done today (as agreed)
- Efficient project delivery in accordance with budgets and timelines
- Quality of reports
- Contribution to Insights2Innovation events and network meetings

## 3. Methodology

The specific focus of the program within Andrews Meats and Primo were on insights and design led innovation approaches to New Product Development (NPD) and in particular high valued beef and lamb exports. Importantly, this role identified and worked with the JBS team on market access for new and existing products (ie. Retail ready cooked meals including red meat).

The program is designed to support the development and implementation of JBS Australia's red meat high value growth strategies in both the domestic and global markets, which will be achieved via a range of innovative products, packaging, processes and new business model concepts.

A range of new red meat value-added product and services growth and new business design model opportunities were planned during the three-year period including (but not limited to):

- Actively collecting, collating and analysing various retail, food service, QSR and additional market & trends data.
- Trialling new approaches that help provide voice of the customer input in designing high valued solutions where there is a clearly define "problem to solve" or "job to be done" (desirability element) leads where to play discoveries. Further, exploring innovation sprint approaches that allow smaller investment bets be undertaken and other approaches that can provide the rigor to make informed decisions regarding viability and feasibility of an idea / opportunity.

- Product demonstrations to new and prospective customers of new product and packaging concepts based on market and consumer trends / insights – this could include different platforms for fast prototyping and assessments.
- Study tour and scanning exercises of new products, services, processes, innovative packaging and technology.
- Supplier and technology provider facilitated workshops on consumer-led products, technologies, processes and technologies.
- Case study reviews of adjacent sectors value chain design for high valued solutions
- Documented roadmap by suppliers and providers of immediate priorities for JBS Australia to implement cost effective solutions to provide operational efficiencies.
- Attend local and international trade shows and innovation hubs/prevents.
- Review of technical and trade barriers to entry for major export markets for value added products including technical and market barriers to major export markets. Specific focus on tariffs, import duties, quotas, labelling, ingredients, shelf-life and order quantities.
- Facilitated process for collecting and collating new product development ideas into insights into action.
- Documented value added products roadmap and process of determining market insights from data.
- Visits to domestic and international processing operations, packaging companies and meeting with consultants, undertaking customer development discoveries to further examine developments in new innovative products and/or changing behaviours and lifestyles (and ways target markets are “hacking solutions and have clear pain/gain points). This will inform the development of a value adding strategy and allow JBS Australia to be more responsive to design led needs and opportunities.

## **4. Results and discussion**

### **4.1 Recruitment and assigning role**

- Finalise position description – ACHIEVED.
- Recruitment of the Product Innovation Manager - ACHIEVED. John Marten appointment to the position.
- Company / MLA steering committee formed - ACHIEVED.
- Set overarching goals, metrics and outline (to be presented to the Project steering group for input and signoff) with consideration of data availability, metrics and resource planning for product innovation portfolio - ACHIEVED

### **4.2 Systems & processes**

Systems & processes for R&D portfolio management, including:

- Product Innovation Manager commenced the development of a framework and processes for implementation of Product Innovation strategies & R&D projects portfolio.
- Preliminary list of target R&D applications underway.
- Providing input into the Draft JBS Andrew’s Meats – MLA Collaborative Strategy page & priorities to present to the project steering group for signoff.
- Key dates & events including tradeshows, courses & industry / innovation events.
- Developed a draft new high value foods strategy (on going input from JBS & MLA).
- In conjunction with the CFS Team, developed, evaluated and implemented design-led methods for New Product Development (NPD).

### 4.3 Collaborative Innovation Program development & implementation

The overall objective of the Co-innovation program has been the development and implementation of JBS Australia's red meat high value growth strategies in both the domestic and global markets to be achieved via a range of new innovative services, products, packaging, processes and value chain concepts. The specific focus areas have been a range of activities including the following opportunity spaces for new products, new processes, new markets and new business model (i.e. channels to market).

#### 4.3.1 Hot Roasts Meats (Grab & Go retail deli)

Consumers are seeking convenience in lots of different formats. Supermarkets are beginning to change their store layouts and service products in hot "Grab & Go" cabinets. Traditionally this has been dominated by chicken, which has a wider variety of products options with more consistent quality than red meat products. This project proposes to understand the problems and opportunities from an operation ie (set now for cooking and selling hot chicken), as well what would be the ideal red meat products that would suit the ready to heat and eat products. This could include novel packaging including re-heatable materials, process design to maintain quality and consistency, and consumer acceptance for "Grab and Go" style red meat products. There needs to be consideration of price point, this could include use of secondary cuts. This product is an extension of the outcomes from projects (pip.0462; pip.0420; v.rmh.0040). This project will look at who is the target consumer and what is the usage and occasion for them to select this type of red meat offer.

Andrews Meats is currently demonstrating its capabilities to design and build a new category of red meat products to meet a new growing consumer need. Through a retail partnership Andrews Meats, a series of small demonstrations is currently being used to identify opportunities to develop new red meat retail products that will compete directly with hot oven-cooked chickens. Andrews has a small range of ready to heat products including lamb shanks, slow cooked pulled beef and beef silverside products. Andrews proposes to collaborate through MLA to evaluate and develop a new category to meet the growing convenience market.

AMI is looking to develop capability in retail ready re-heatable grab & go products in a partnership with a retailer & MLA. An overview and summary of the Hot Roast Meats Project is provided below;

- 14h Slow cooked hot meat deli products (POS alongside hot ready eat chooks) were launched 3 months ago with 58 test stores:
  - Ready to eat 14h slow cooked pulled beef with sweet BBQ sauce
  - Ready to eat 14h slow cooked lamb shanks with rosemary rub
- Each store closely monitored for the initial trial period, product is now ranged to 100 stores.
- Andrews Meats has been reviewing individual stores to identify the success of the products launch through sales & POS observations.
- To further understand the customer perception & refine the products further, customer feedback sessions conducted as part of the Co-marketing initiative by IPSOS.
- Additional session will be run tonight in Sydney CBD to focus on i) baby boomers & ii) younger customers groups.
- All outcomes are obviously available to Andrews & MLA in due course as part of the Co-marketing reporting requirements.
- The proposed market size:

- Hot chicken in Australia retail markets is worth \$932 million per annum, with Supermarkets accounting for 80% of this.
- An initial analyses of the market data has determined the annual use of 800 tonnes of raw material transformed, lifting the value of 2.3 million head of cattle, resulting in an increase of \$5.5 million of which close to 20% is returned to the brand owner (i.e. producers and processor suppliers).
- Trial Schedule:
  - Launch – “Ready-Meals” retail (3 x products including red meat products) range being evaluated.
  - Each store closely monitored for the initial trial period, with retailer supported (as of yesterday) to move to 100 store rollout (In NSW only).
  - To further understand the customer perception & refine the products further, customer feedback sessions conducted as part of the Co-marketing initiative by IPSOS are planned this week.
- A range of proteins have been developed in conjunction with the retailer. These proteins have been developed as an alternative to the existing hot roast chicken offer.
- Further evaluations are proposed through pilot trials, with a specific focus on ‘Behind the Glass’ Retailer trials continues on hot ready eat roast (two red meat products).

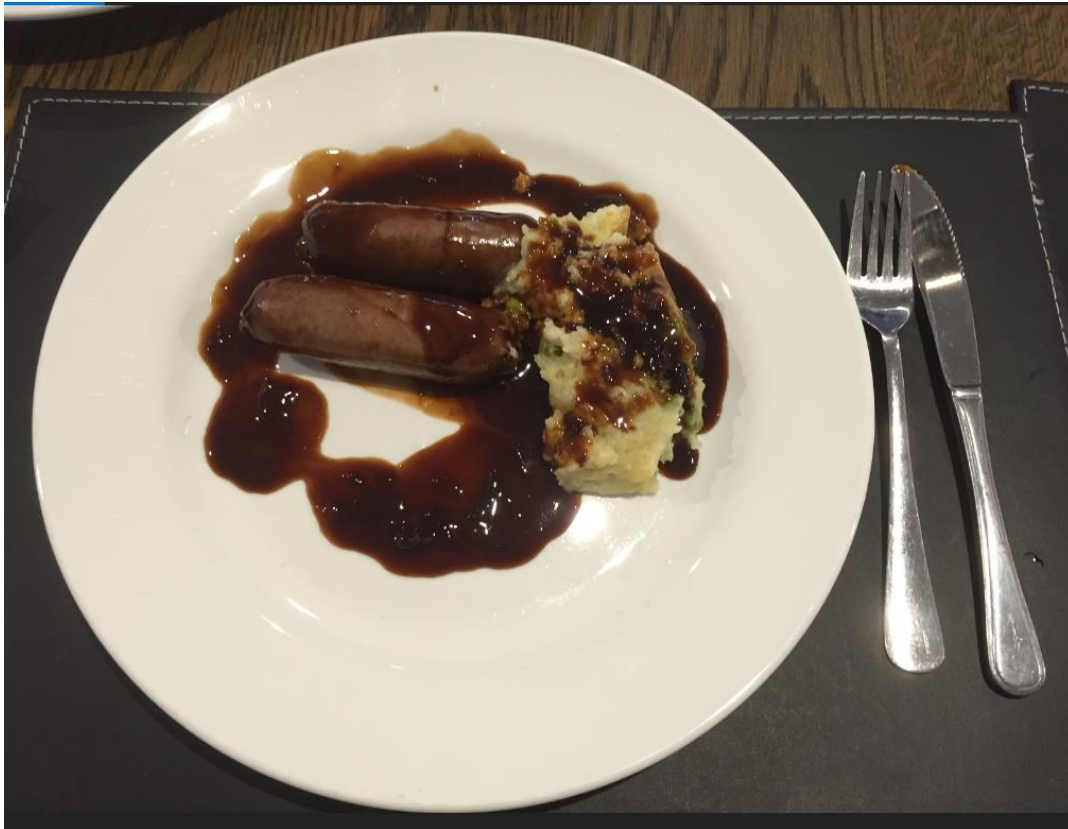
#### **4.3.2 Review of a range of technologies & processes**

MLA, via its existing contacts, networking opportunities, workshops and access to existing databases and reporting have allowed us to make contact with other suppliers and vendors. Currently investigating opportunities to:

- Session highlighting the potential for 3D printing within multiple sectors within the broader food industry.
- Skills development in developing red meat samples using design led innovation methods.
- Sampling methods using new tools and prototype equipment required to allow the Innovation Product Manager to develop aged care concept samples to present to customers for feedback on new market opportunities. Specifically:
  - Concept aged care samples to be developed using new tooling and prototype equipment modified to fit existing benchtop packaging equipment.
  - Proposal includes shipment of tooling methods, packing, commissioning prototype testing methods and training of key personnel to develop concept samples.
  - It is noted that critical to the development of these new customer testing methods that new tools and prototype equipment are required to develop aged care samples.

#### **4.3.3 Ready meals – retailer trial**

- Retailer “Ready-Meals” (3 x products including red meat products) range being evaluated
- Recipe development underway to present to retailer(s) see below.



**Photo 1:** Concept meal solution (plated) trialed in retailer trial.



**Photo 2:** Concept meal solution (plated) trialed in retailer trial.



### 4.3.4 Beef snacks concepts

- Beef snacking has been identified as a mega trend through previous MLA research.
- JBS in partnership with MLA have invested in a trial using Enwave equipment.
- The Enwave technology allows proteins to be dried quickly and efficiently whilst preserving the proteins nutritional value.
- Beef Chip samples have been developed and tested internally and costings are currently being developed.
- Consumer sampling to take place as a next step before the product is offered to a retailer for a potential trial.
- MLA initially ran an in-market workshop with over 100 delegates on a number of emerging trends such as Meat Snacks (see: <https://www.mla.com.au/about-mla/what-we-do/mla-donor-company/2morrrows-food/>) as well as completing 6 focus group and several stakeholder meetings in Singapore to test the value propositions for meat snacks with inclusion of Australian red meat. Whilst we didn't obviously present any products nor the EnWave technology nor represent JBS, we received very positive response for the need for a high protein, crunchy beef chip. Indicative pricing ~ SGD \$5 per 35g pack was well within range as this is nearly 30% cheaper than salted egg fish skin crisps range and pork Bak Kwa snacks which would be a good comparison in this market.
- An opportunity exists in this emerging snacking category as an alternate for carbohydrate-sweet based snacks with Australian red meat variant in the already set behaviour of snacking on the go (compared to 3 main meals) and wish to work with industry to explore this (although not withstanding domestic market opportunities too).
- Using the meat chip as an example, MLA would like to therefore further test (and are willing to invest small amount of further seed \$) these assumptions with a pop up event in Singapore in April'19 and would like to discuss JBS' interest and support to use the prototypes developed under P.PIP.0548 as desired (Refer to Figures 1-3).
- JBS Primo decided not to progress with providing samples to present at future Singapore sessions.

## Additional Insights

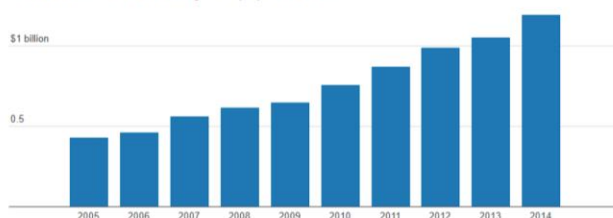
“Can we learn from other countries with developed protein snack categories?”

The market for jerky has ballooned into a nearly \$1.5 billion industry in the United States. Sales are up by 13 percent since 2013, and by 46 percent since 2009, according to data from market research firm IRI. Jack Link's, the largest jerky maker in America, now sells more than \$1 billion in meat snacks each year.

The demand for dried meat has risen to such heights that it now dwarfs that of other once comparable snacks. A recent report by market research firm Euromonitor found that jerky outsells seeds, party mixes, and pita chips—combined. The rise of dried meat is in part the result of a general uptick in snacking among Americans. The U.S. snacks business, which includes not only jerky, but also chips, bars, nuts, and other fare, is now a \$120 billion behemoth. Pepsi now relies on snacks—not soda—for growth. And it's easy to see why. A recent survey by Nielsen found that one in ten people in this country say they eat snacks instead of meals, a number which the research company expects will increase.

### Beef jerky boom

Just look at sales for Jack Link's, the largest beef jerky maker in America.



Source: Euromonitor

The Washington Post



Figure 1: Insights into the size and growth of snacks including red meat products.

## Assumption

“What % of the existing Australian Market do we think Protein snacks could achieve?”

- Every 1% of the available & current Australian snack market is worth \$14.2 million.
- Would a strong protein snack offer cannibalise or grow the existing market?
- If the US jerky market is 1.25% of the available snacking market what might be the achievable % for the beef snacking opportunity for the Australian market? The below table indicates the potential market opportunity if similar market share to the US is achieved.

1%	1.5%	2%
\$14,200,000	\$21,300,000	\$28,400,000



### Total Available Market, Served Available Market, Target Market



Figure 2: Assumption on what size of growth of protein snacks (including red meat).

## Potential Next Steps

Activity	Inputs	Outputs
Consumer Research	- Consumer Clinics	- Available market - Target demographics
Product Development	- Consumer Sampling	- Product range
Marketing Activity	- Market Research	- Marketing strategy - Pricing Strategy
Production Planning	- Where can it get produced and in what quantity	- Production availability and forecast
Sales pitch to Market	- Present proposal to retail market	- Product launch plan



Figure 3: Potential next steps in the evaluation of the opportunity in snacks including red meat.

#### **4.3.5 Gamification concepts (e.g Zappar App)**

The project is proposed to evaluate the use of augmented reality embedded into Hot Box Roast packaging. Building on the success of recently launched hot box beef and lamb roasts as alternatives to the hot chicken, there has been some challenges as consumers can't see the product in the box with feedback that they want to see what's in the box at time of purchase. Further, there seems to be a lack of inspiration beyond QR codes on-pack to engage consumers with serving suggestions. Due to the high oven temperature, the cardboard is exposed to during the reheat process in store, images or clear panels cannot be used.

This project will design and deliver a solution (using Zapper) to capture insights and test assumptions related to hot roast usage and occasions. A target increase in sales from using zapper code and app (growing demand for red meat through the deli trading department) will also be measured along with a case study on the gamification trend applied to red meat. It is proposed that the "Zappar" code (app), which, when scanned with a customer's mobile device, will enable the user to navigate multiple media sources that can give the customer a variety of detail with respect to what is in the box, how to prepare and plate it as well as how to serve it.

This project builds on past MLA research investigating high value opportunities to grow red meat demand in the Deli Grab n Go category (V.RMH.0040, P.PIP.0462) and the emerging "experience more" trend (V.RMH.0071) and "digital supermarket of the future" concepts (V.RMH.0084).

There is an opportunity to invest in a potential AR campaign for the marketing of the Hot Roast Range.

Specifically:

- MLA is currently scoping areas of opportunity for the use of emerging digital technology in the Red Meat industry.
- As part of the Hot Roast Project trial above, there is an opportunity to incorporate an AR (Augmented Reality) solution as part of the marketing solution for the Hot Roast Range.

#### **4.3.6 Aged care meal solutions & alternative business models**

CFS is involved both cooked and raw divisions within the AMI business to better understand Aged Care facility protein requirements, so that custom solutions can be provided to providers, dependent upon their needs. Introductory meetings with Aged care providers and suppliers is also proposed to identify the barriers to alternative food service models.

In the current project (V.RMH.0112), a series of interviews and working group discussions will be conducted to review plans and identified constraints over the next five years that are/have been considered by aged care providers in Australia for inclusion of red meat as influx of baby boomers begin to become a target market. This project will build on past MLA Ageing Population research (A.RMH.0020, V.RMH.0048) to ideate and partially validate several opportunity spaces for Australian red meat inclusion within the aged care sector with the focus to look beyond the current infirmed 85 years old + residents lifestyle and food menus typical for today. Nutritional needs, ready to cook/heat mega trends and capabilities of centre kitchens and staff will be baselined against today's 2020 offer thereby providing insight into current and future food menu selection and budgets. Key considerations will be to identify what role red meat can play against key issues such as malnutrition, menu excitement, food waste and overall cost to operate Residential Aged Care Facilities (RACF) and supply into with red meat solutions.

The overall objectives of the project (V.RMH.0112) are to determine the description of "the cost to feed residents" today and for a future mode (year 2025) aged care service with development of range

of red meat dish prototype. This is to allow for complete transparency in understanding what the true cost of food service within aged care is, beyond the bill of materials product builds or pre-prepared ready meals heat and serve. This should consider the cost of all meals and snacking slots across the day and factor in Property/Plant/Equipment and Labour operating costs such as, real estate amortised space dedicated to kitchen and food storage.

Specifically, the following key focus areas have been completed:

i) Production trial design & menu selection

- Preliminary evaluation of 22 ready meals prepared for the JBS Convenience Food Solutions (CFS) teams.
- CFS will continue to work on some protein dense soups in the preliminary planning stages (i.e. the priority initially is to have 10 variants available to choose from).
- CFS are also planning on using the simple steps trays as these will be optimal for the purpose of heating and plating up. The single cavity trays will be a better option for any work we do in the Meals on Wheels space.  
\*\*Note that due to the advent of Covid-19 in February 2020, access to the originally organised facility was withdrawn. Access to another Queensland facility was investigated and permission to conduct the required research was provided during October 2020.

ii) Aged Care trial planning

- Aged Care facility has confirmed that there will be 50 residents participating in the trial, however I still do not have a date we can commence. If we assume that they will want a choice of 12 meals from the attached as well as six soups, we will need to provide around 1400 meals and soups per month. I would work with peter to determine the splits between the varieties.
- CFS is waiting for the research approach to be finalised by the University of Queensland so there are still a few moving pieces to lock away but just wanted to provide you with an update.

iii) Aged care workshop(s)

- Agenda and list of confirmed attendees and agreement to project Terms of Reference for committee members for Workshop(s) to be finalised

A series of workshops were conducted with key stakeholders to facilitate future interviews with key stakeholders and present key findings. This included planning how to determine a baseline on current aged care COGS and pain points for meat suppliers, operators and residents. It is proposed, the outcome of this discovery exercise will be at least three opportunity spaces for red meat to be ideated that will be captured on Business Model Canvas tools by the working group (in Milestone 3).

Due to the disruptions of COVID, aged care partners has conditions that have impacted on the ability to deliver the Workshop 1 (likely to me minimum of three months delays anticipated in conducting the interviews and data capture). The proposition going forward to evaluate the opportunity using design led principle: desirability, viability and feasibility.

On the viability side, University of Queensland (UoQ) has developed a series of concurrent proposals to engage with a smaller SE Qld aged care facility (in Southport Qld) to quantify the COGS and true costs of meal solutions. Concurrently, (on the desirability side) some discovery exercises will be facilitated by DJ Strategic who are proposing some deep-dive sprints, using trends and insights to further understand the desirability and consumer factors driving meal services choices for aged care residents. Finally, feasibility will be evaluated using multiple ready meal concepts (currently 22 concepts under development) that will be evaluated with the aged care facility provider. Currently,

Andrews Meats are arranging analysis of concept ready meals with NIP labelling etc. Terms of Reference for committee members and the next phase are being finalised.

The provider (DJ Strategic) has been appointed to oversee the project activities as project manager to facilitate and lead a series of discussions and business case development with key stakeholders. This will include engagement with service providers within the Aged Care sectors and food suppliers and menu planners and policy makers to baseline today's offer and identify opportunity spaces for red meat innovations.

UoQ has been identified as the lead provider to facilitate the aged care trial. The next phase (ie Milestone 3 and beyond) will require workshops to help "bring to life" the opportunity spaces and a final report in standard MLA template is required. A design led approach whereby assumptions are listed and partially validated with key insights and evidence that consider market-product fit (desirability), technical feasibility and capacity to execute and commercial viability (size of the prize against baseline for aged care operations and food procurement and handling is required).

During series of workshop, the participants will discuss:

- Why are Aged Care Food Budgets so low?
- Why is malnutrition so prevalent in RACF (Residential Aged Care facilities)? What is current role of red meat and impost in this space?
- What is the total cost of food production in the Aged Care Sector? That is: What are the COG's? What is the CODB in wages for food ordering, preparations, service and cleaning? What are the different models such as centralised kitchens, menu design etc
- What are the Total Costs of Ownership for the fit out, maintenance and running of a kitchen within an aged care facility? What is the cost of food waste within the sector? How does this compare against pre-prepared ready meals supply in?

Using a design led approach, findings of the next phase will be presented using Value Proposition Canvas and Business Model Canvas Tools to describe assumptions and insights across desirability-feasibility-viability criteria.

In addition to the current MLA levies funded project, AMI has pursued a number direct supply chain opportunities. AMI has also been part of an industry working group, specifically the Foodservice Roundtable for Aged Care (30 October 2019).

This project (V.CAP.2001) revealed that the red meat industry and the aged care sector are willing to work together to overcome the challenges. There is an enthusiasm to develop cuts, recipes and packaging options to meet the needs of elder consumers. However to work together well for the benefit of both industries, it is first necessary align the supply chain through common practices and language for products, specifications, handling and cooking instructions.

This report recommends an across sector collaborative group be convened to develop the Red Meat Guide to Aged Care. Using design principles, representatives of the ageing sector and their families will be at the centre of the development process. Supply chain representatives will be engaged to ensure that the result is a practical and relevant guide which will assist service providers and facilities to provide and procure red meat in the most cost effective and nutritious form. It is proposed the next phase will expand the focus with stakeholders.

"We have people that may not have a lot to look forward to in their life, when they could look forward to a warm meal during the evening,"

Gerard Hayes – Health Services Union national secretary



**Figure 5:** A crisis has been identified for healthy meal choices in the aged care sector.

## Food is 'the barometer' for aged care quality

"So if we get the food right and your staff are trained and you're really investing in really doing that food well, residents and family members will judge the entire organisation, including clinical care — everything — they'll be much more forgiving and more receptive, and more positive about the home."

Dr Cherie Hugo - Dietician



**Figure 6:** Food is widely recognised as the indicator of quality in the aged care services.

## The Numbers

- In 2016 there were 3.7 million Australians aged over 65, by 2056 there will be 8.7 million\*
- In 2016, 57% (2.1 Million) were aged between 65–74, 30% (1.1 million) were aged between 75-84 and 13% (487k) over 85\*
- By 2056 the representation of the above groups is expected to be 45% (3.9 million),35% (3 million) and 20%(1.8 million) respectively\*
- Residential care is overwhelmingly filled with people aged over 85 years\*\*
- Approximately 28% of females aged 85 and over are in residential aged care\*\*
- As people age in greater numbers they desire to remain in their homes for as long as possible and to be cared for in their homes\*\*
- In 2017 there were 902 organisations that operated 2672 services in residential aged care providing 200,689 funded places. The average occupancy rate is 92%\*\*
- An increase of 83,500 beds will be required in residential care over the next 10 years
- Dietician Dr Cherie Hugo led research on more than 800 aged care facilities in Australia and found on average, homes were only spending \$6.08 a day on food per resident \*\*\*
- More worrying to Dr Hugo than the low spend was that the amount spent on food dropped by 31 cents per person per day in just one year, while facilities spent 50 cents a day more on nutrition supplements \*\*\*

\* "Older Australia at a glance – Australian Institute of Health & Welfare" April 2017 \*\* Auscript – In the matter of the Royal Commission into aged care quality and safety Feb 2019  
 \*\*\* "Would you eat this? The real food inside aged care facilities in Australia" – Clare Blumer, ABC investigations, Sept 2018

**Figure 7:** Statistics and trends on aged care sector.

### 4.3.7 Vending machines meal solutions

MLA Research has highlighted the opportunity to use vending machines for the provision of red meat meals in isolated areas or out of business hours access (See past projects P.PIP.0461; P.PIP.0501 & V.RMH.0057). It has been shown that the opportunity for producing meals with high meat content and direct vending as hot food to consumers represents a potential growth area. An important part of the project has been the assessment of distribution and direct sale with the use of automated vending merchandising and dispensing that handles a select number of sealed prepared meals packs from chilled state. The practical feasibility of producing meals to cost and dispensing using a trial vending machine with microwave technology has been achieved. An innovative business model to expand Australian Meat Export in the longer term has been identified, potentially overcoming the current tariff/quota status where certain restrictions for fresh meat compared to cooked or partially prepared meats represent incremental growth opportunities (e.g. European Union Countries). Operating models for establishing a supply process as a new business venture have revealed high profitability potential for processors in Australia. Further research and practical feasibility with a small cluster of vending machines is necessary to reach understanding of many factors including ergonomics of the process, supply chain management, consumer acceptance and behaviours. The establishment of a new business based on the concept of this project would potentially return a further \$5.00 per lamb as the value proposition to Australia through increased export. There is potential for exploring opportunities in a similar way using lower priced, but quality red meats, expanding Australian exports, beyond the products considered by this project.

### 4.3.8 Stadium meal solutions

- Work is currently underway with the operators of ANZ stadium in Sydney.
- Opportunities to expand on the existing hot food offer have been presented to the venue chefs.
- The potential introduction of this extended offer would see a significant improvement of the existing offer and may see other venues improve the hot food offer in their venues also.

### **4.3.9 Supermarket server solutions (Behind the Glass)**

The convenience food trend is one that food retailers of all types are having to respond to. Busy shoppers have less time to prepare food and are seeking convenient, easy meals that are not fast food.

Retailers want to understand if there is a consumer need and/or benefit to having a range of fully cooked proteins, sides and sauces that can be selected, packed and taken home to be heated and consumed.

A range of 17 products in total have been ranged as part of the trial. This range includes a selection of 4 proteins, 9 starch and vegetable accompaniments and four sauces. All products are cooked, post pack pasteurised and sent to the store ready to be placed upon display. Customers are able to select one of the proteins and up to 3 sides plus a sauce. The meal is placed into a microwaveable container so the customer can simply take it home and reheat the meal in a microwave oven.

This offer is unique to the Australian supermarket sector. Whilst frozen or chilled meals and cooked chickens and salads have been available in the market for many years, never before has the customer been presented with the opportunity to mix and match from a range of fully cooked proteins, sides and sauces to assemble a fresh chilled meal.

In order to better understand consumer thoughts on the offer, the research company Ipsos, were commissioned to gather consumer research on the range through a series of in-depth customer immersions as well as consumer sampling sessions accompanied by in-store intercept interviews. Specifically the research aims to identify the answers to the following questions;

- What are customers' needs and motivations in the heat and eat food category?
- Understand what is different about preparing and consuming red meat compared to other dinners – what are the perceived tensions, benefits and delighters?
- Explore what makes desirable heat/eat convenience foods and the criteria customers use to determine what to buy in this category
- What tensions they have that can be solved by easy to prepare meals
- Explore what innovations they are noticing in convenience food and what appeals.

### **4.3.10 Co-botics**

Currently investigating opportunities to evaluate cobotics technologies into the facility. Specifically,

- Liaising with multiple equipment suppliers to determine the best possible outcome with the introduction of the cobotics solution in the packing room.
- Trial cobotic solutions are currently being investigated as part of a plan to improve the operational efficiency of the CFS finished goods pack off room.
- A plan for the installation of two cobotic palletisers has been produced and submitted for initial review.
- Pending capital approval and sign off the cobotics solution will see both an improvement in pack room efficiency as well as a reduction in the risk of manual handling incidents.

### **4.3.11 Classic burger**

- Premium burger (direct competitive to the NZ Angel Bay Classic burger)
- Packaging and labelling concepts under development with MLA assisting.



- In November 2019, MLA reviewed and provided JBS AMI with Pilot Trade Mark Licence SF Ref:LC0012876 [EFILE-SAF.FID9795885], which provided JBS with guidelines of the use of the “Aussie Beef The Greatest labels on cartons of classic burgers.
- The AMI team were provided access to MLA’s Beef Product Guide from the True Aussie Beef website. AMI requested reference some of the key callouts and images in the development of the Flint”n”Fire brochure.
- An example of similar types of brochures that AMI is looking at producing for the Flint”n”Fire range. The Jefferson’s Brochure features products supplied by Bidfood (See Photos 5-7).
- AMI is evaluating the opportunity to call out the “Product of Australia” credentials. The first PDF above shows the front page of the brochure and a pulled beef pastrami (See Photo 5)
- AMI proposing to develop their brochure to promote their Aussie Flint’n’Fire Classic Burger, and requesting MLA permission & input for using the “Aussie Beef The Greatest” icons.



Photo 5: Jefferson’s classic beef burger (beef sourced from Angel Bay, NZ)

## SUPER-PACKED *-with-* FLAVOUR

OUR MEAT IS COOKED *sous vide* STYLE WITH FLAVOURS AND SPICES LOCKED IN THE BAG – MOUTH-WATERING AND RELIABLE EVERY TIME.

BY USING THE SOUS VIDE METHOD, THE COOKING TEMPERATURE IS EXACT SO *consistent quality* CAN BE GUARANTEED.

The convenient 1kg BAGS MEANS LESS WASTAGE IN THE KITCHEN, ONLY USE WHAT YOU NEED WITH EASY PORTIONING.

- CONVENIENT 1KG BAGS
- PRE-COOKED – READY TO HEAT AND SERVE
- FLAVOURS ARE LOCKED IN THE BAG
- CONSISTENT QUALITY

**Finger FOOD**



### Spicy Chicken BUFFALO WINGS

PRODUCT CODE: 167744  
Carton – 6 x 1kg

Meaty and juicy – just the way wings should be! Pre-cooked to make prep time easier and portioned into 1kg bags to reduce wastage, perfect for Wings Wednesday.

**PREPARATION:**

NUTRITION INFORMATION		Serving per pack: 10 Serving size: 100g	
Average Quantity per Serving		Average Quantity per 100g	
Energy	802kJ	802kJ	802kJ
Protein	13.1g	13.1g	13.1g
Fat, total	12.0g	12.0g	12.0g
- saturated	4.5g	4.5g	4.5g
Carbohydrate	2.5g	2.5g	2.5g
Sodium	2.3g	2.3g	2.3g



### Texas Beef RIB FINGERS

PRODUCT CODE: 167401  
Carton – 6 x 1kg

All the goodness of beef ribs without the bone. Cooked and cooked in Texas style barbecue sauce, they're tender, juicy and ready to heat and serve.

**PREPARATION:**

NUTRITION INFORMATION		Serving per pack: 10 Serving size: 100g	
Average Quantity per Serving		Average Quantity per 100g	
Energy	1820kJ	1820kJ	1820kJ
Protein	18.1g	18.1g	18.1g
Fat, total	14.5g	14.5g	14.5g
- saturated	6.4g	6.4g	6.4g
Carbohydrate	15.5g	15.5g	15.5g
Sodium	2.8g	2.8g	2.8g

THESE PRODUCTS ARE NOT ONLY *unbelievably tasty* THEY'RE ALSO EXTREMELY PRACTICAL

- ✓ RELIABLE QUALITY EVERY TIME
- ✓ VERSATILE ACROSS YOUR MENU
- ✓ LONG SHELF LIFE - THOUGH WHO CAN RESIST?
- ✓ QUICK TO HEAT AND SERVE
- ✓ CONVENIENT SIZE TO REDUCE WASTE
- ✓ EASY TO MANAGE PORTIONS

### PREPARATION INSTRUCTIONS

**MICROWAVE**  
Remove from pouch and empty the contents into a microwave safe dish. Cover and place in the centre of the microwave, cook on HIGH (1100W) for 3-4 minutes stirring half way through until fully heated. Remove from microwave, let stand for 1 minute and serve.

**STOVE TOP**  
Remove from pouch and empty the contents into a pot. Cook on medium heat for 3-4 minutes, stirring occasionally until fully heated.

**BARBEQUE / GRILL**  
Preheat grill to medium heat. Remove from pouch and place on a baking tray with cooking liquid. Cook for 15-20 minutes until fully heated. 3kg beef brisket will require 35-40 minutes.

**OVEN**  
Preheat oven at 220°C. Remove from pouch and place contents on a baking tray with cooking liquid. Cook for 15-20 minutes until fully heated. 3kg beef brisket will require 35-40 minutes.

**SOUS VIDE TANK**  
All products can be reheated in a sous vide tank. Chicken and ribs can be reheated in pre-heated grill or oven to caramelize.

OUR JEFFERSONS MEAT IS VACUUM SEALED IN FOOD GRADE POUCHES AND COOKED IN A WATER BATH - A PROCESS CALLED SOUS VIDE.

DURING THE SLOW COOKING PROCESS THE WATER TEMPERATURE IS ACCURATELY REGULATED FOR CONSISTENT RESULTS, THE MEAT IS COOKED EVENLY AND RETAINS MOISTURE THAT IS OFTEN LOST WITH OTHER COOKING METHODS.

To place an order or for more information, contact your local Bidfood branch or log on to myBidFood.  
[bidfood.com.au](http://bidfood.com.au)

Photo 6: Jefferson's brochure featuring the classic beef burger among others.

**QUICK TO heat and serve**

DON'T SPEND HOURS IN THE KITCHEN SLOW COOKING WHEN YOU CAN HAVE PERFECTLY TENDER MEAT READY IN MINUTES!

CHECK OUT THE PREPARATION INSTRUCTIONS ON THE BACK PAGE



### Sweet Barbeque BEEF RIBS

PRODUCT CODE: 167400  
Carton – 6 x 1kg

Sweet and sticky ribs already slow cooked for juicy tenderness. Easy to heat in the oven or grill.

**PREPARATION:**

NUTRITION INFORMATION		Serving per pack: 10 Serving size: 100g	
Average Quantity per Serving		Average Quantity per 100g	
Energy	1214kJ	1214kJ	1214kJ
Protein	17.4g	17.4g	17.4g
Fat, total	7.7g	7.7g	7.7g
- saturated	3.3g	3.3g	3.3g
Carbohydrate	7.9g	7.9g	7.9g
Sodium	8.8g	8.8g	8.8g



### Memphis SPLIT CHICKEN

PRODUCT CODE: 167745  
Carton – 6 x 1kg

Half a split chicken coated in our special Memphis spice blend and slow cooked. Simply crisp up the skin in the oven and serve.

**PREPARATION:**

NUTRITION INFORMATION		Serving per pack: 10 Serving size: 100g	
Average Quantity per Serving		Average Quantity per 100g	
Energy	1676kJ	1676kJ	1676kJ
Protein	22.6g	22.6g	22.6g
Fat, total	13.7g	13.7g	13.7g
- saturated	3.9g	3.9g	3.9g
Carbohydrate	9.1g	9.1g	9.1g
Sodium	5.9g	5.9g	5.9g

**ONE PRODUCT FIVE WAYS**

- LOADED FRIES
- BURGERS
- WRAPS OR BURRITOS
- NACHOS
- SALAD TOPPINGS



### Spicy PULLED BEEF PASTRAMI

PRODUCT CODE: 167396  
Carton – 6 x 1kg

Cooked in boards of spicy, peppery flavours. Great for Reuben sandwiches.

**PREPARATION:**

NUTRITION INFORMATION		Serving per pack: 10 Serving size: 100g	
Average Quantity per Serving		Average Quantity per 100g	
Energy	429kJ	429kJ	429kJ
Protein	15.5g	15.5g	15.5g
Fat, total	2.7g	2.7g	2.7g
- saturated	1.0g	1.0g	1.0g
Carbohydrate	1.1g	1.1g	1.1g
Sodium	1.4g	1.4g	1.4g



### Smoky Barbeque PULLED BEEF BRISKET

PRODUCT CODE: 168178  
Carton – 6 x 1kg

Slow cooked in smoky barbeque sauce, versatile across your menu.

**PREPARATION:**

NUTRITION INFORMATION		Serving per pack: 8 Serving size: 250g	
Average Quantity per Serving		Average Quantity per 100g	
Energy	2202kJ	2202kJ	2202kJ
Protein	44.6g	44.6g	44.6g
Fat, total	27.6g	27.6g	27.6g
- saturated	15.6g	15.6g	15.6g
Carbohydrate	36.1g	36.1g	36.1g
Sodium	21.7g	21.7g	21.7g



### Sweet Smoky Barbeque PULLED PORK

PRODUCT CODE: 167743  
Carton – 6 x 1kg

Long strands of slow cooked pulled pork in a smoky barbeque sauce, ready to lock and load.

**PREPARATION:**

NUTRITION INFORMATION		Serving per pack: 10 Serving size: 100g	
Average Quantity per Serving		Average Quantity per 100g	
Energy	1724kJ	1724kJ	1724kJ
Protein	14.2g	14.2g	14.2g
Fat, total	10.1g	10.1g	10.1g
- saturated	2.8g	2.8g	2.8g
Carbohydrate	3.9g	3.9g	3.9g
Sodium	7.7g	7.7g	7.7g



### Smoky Tomato Barbeque PULLED LAMB

PRODUCT CODE: 167746  
Carton – 6 x 1kg

Succulent pulled lamb in a smoky tomato barbeque marinade. The unsung hero of our pulled meat range.

**PREPARATION:**

NUTRITION INFORMATION		Serving per pack: 10 Serving size: 100g	
Average Quantity per Serving		Average Quantity per 100g	
Energy	2742kJ	2742kJ	2742kJ
Protein	16.2g	16.2g	16.2g
Fat, total	6.0g	6.0g	6.0g
- saturated	3.0g	3.0g	3.0g
Carbohydrate	8.4g	8.4g	8.4g
Sodium	1.0g	1.0g	1.0g

Photo 7: Jefferson's brochure featuring the classic beef burger among others.

#### **4.3.12 Processor supply chain diagnostics to improve efficiency and effectiveness of meal solutions processing – JBS Andrews Meats**

AMI is looking to undertake an independent processor supply chain diagnostics to improve efficiency and effectiveness of meal solutions processing. The independent review is proposed to be conducted by Partners in Performance (PiP). In our preliminary engagement with the meat production and processing industries (JBS Brooklyn in project P.PIP.0767) PiP have found a disconnect between identifying operational issues and effectively capturing the resultant opportunities. The development of PiP intellectual property, proprietary tools and approaches have been linked to driving rapid, sustainable results with our clients, particularly in changing organisational behaviours through driving the application of new and innovative tools to new industries. Over time PiP have innovated their approaches across industries and have successfully adapted our approaches to the meat industry as specifically seen in our recent work in New Zealand meat industry.

Partners in Performance (PiP) proposes to apply a structured set of business improvement diagnostic tools, initially developed in the mining industry and since proven to be effective in numerous industries, including the meat processing industry. It is proposed that this toolset is applied to an Australian processor (JBS AMI) as a test case to demonstrate performance and capability.

There are three key elements to the PiP process:

1. Rigorously building and managing an ideas pipeline using PiP proprietary approaches to maintain delivery of idea value throughout implementation.
2. Wiring the organisation through the PiP wiring elements to provide the foundation behaviours for successful implementation.
3. Building organisational capabilities to ensure that the transformation is sustainable and that the business can continue to see benefits long after consultants have left.

The provider will ensure public reporting of the diagnostic process and methodology is comprehensive for wider red meat industry interest, and an open invitation workshop to extend the learnings to this wider audience.

#### **4.4 Co-innovation program – Independent Evaluation**

An evaluation of the baseline innovation capability was commenced in the current quarter with a CFS workshop (on 22 November 2018) including a series of interviews and follow up exercises at the CFS offices. CFS was the second pilot company to undertake the innovation capability assessment. In addition to analyses of innovation maturity and individual(s) innovation capabilities, a series of innovation case studies were captured. There is an opportunity for individuals who have successfully influenced an idea to reality, and opportunity for CFS to participate in the Innovation Rewards & Recognition program and recognise those involved in innovation. The outcomes of the innovation evaluation (an industry funded project) will be presented once other evaluations are completed later in the year.

An independent evaluation of the CFS Co-innovation program has now been completed with a summary captured in the interview notes (i.e. Appendix, See Section 7.10) and detailed partners (CFS) Snapshot (Section 7.11). An innovation rewards story board, which will use third party accreditation of innovation credentials, is now under development.

AMI have been engaged with MLA and the Co-Innovation Program since November 2017 and have initiated seven projects. As a result of this partnership, they reported increased sales at the date of the interview, with projected ongoing increases. They also anticipate further growth in markets, customers, products. They expect productivity savings through increased health and safety practices. AMI confirm that none of this would have been possible without the MLA Co-Innovation partnership.

According to CFS, they wouldn't have done any of this without the partnership with MLA. They acknowledge the unique value provided by MLA including:

- The introduction to new technology (e.g. Enwave and 3-D printing).
- Access to MLA market data, forums and consulting (eg Aged age opportunity spaces).
- Increased confidence because of the support of MLA staff and expertise.
- Increased collaboration with the MLA workshop to explore the healthcare initiative.
- Increased resources (project funding and funding of critical positions) from MLA which made the projects doable.

## 4.5 Insights & trends

MLA has provided customised insights & trends in support of current new initiatives, including

- Top 5 Digital Consumer Trends in 2020 webinar & slides (Source: Euromonitor International)
- Attached is a ppt deck with up to date latest projections / market information.
- These two documents provide further detail and discussion around many of the charts and an overview of the latest supply and global demand dynamics. See links:
  - [Beef projections update](#) (October 2019)
  - [Global beef snapshot](#)
- The latest trade data can be accessed via the monthly trade summaries on the website, [here](#) [See attached the September beef trade summary].
- Information on specific quota usage can be found on the [Global Quota Tracker](#) , updates of which can also be found on the website above.

## 5. Conclusion

During the Co-innovation program, CFS has made significant progress in the development of co-innovation strategy aligned to their overall business strategy. Steering group consisting of CFS and MLA is formed. The collaborative CFS-MLA strategy and priorities has been further refined awaiting steering group approval.

Overall, the collaborative Innovation Program development and implementation program with CFS successfully delivered the following outcomes:

- Finalise position description & recruitment of the Product Innovation Manager. The Product Innovation Manager appointed to the position, externally from the JBS business in November 2017.

- Company / MLA steering committee formed. Steering group consisting of JBS and MLA has now been formed with representatives from JBS Andrews Meats / CFS & MLA. Initial steering committee meeting completed (15 March 2018).
- Set overarching goals, metrics and outline. (Status – Commenced & underway). A draft Product Innovation Strategy including priorities has commenced with ongoing input required by steering group approval.
- Attended conferences and tradeshows (Aged Care tradeshow 2018). Attended workshops including MLA's 3D printer workshop in late July 2018.
- A number of R&D opportunities have been identified and are currently underway.
- Go / No Go decision review points have been approved by previous project steering group meetings (June 2018 & September 2018). Specifically, the project steering group approved Milestone 5 Go-No Go point (22/9) and agreed to move to next phase (Milestone 7).
- An evaluation of the baseline innovation capability was commenced in the current quarter with a CFS workshop (on 22 November 2018) including a series of interviews and follow up exercises at the CSF offices. The evaluation process was facilitated by the provider (Tess Julian, Catalyst Exchange) as a pilot. The outcomes of the innovation evaluation (an industry funded project) will be presented once other evaluations are completed later in the year.
- Participated in internal and external networks to accelerate outcomes (including the Co-Innovation & Digital / Supply Chain managers networking event (26 March 2019)).

The Product Innovation Manager has now been appointed to the position, externally from the JBS business in November 2017. Steering group consisting of JBS and MLA has now been formed with representatives from JBS Andrews Meats / CFS & MLA. A draft Product Innovation Strategy including priorities has commenced with ongoing input required by steering group approval. Initial steering committee meeting completed (June 2018). A number of R&D opportunities have been identified and implemented to enhance JBS's capability.

An evaluation of the baseline innovation capability was commenced in the current quarter with a CFS workshop (on 22 November 2018) including a series of interviews and follow up exercises at the CFS offices. CFS was the second pilot company to undertake the innovation capability assessment. In addition to analyses of innovation maturity and individual(s) innovation capabilities, a series of innovation case studies were captured. There is an opportunity for individuals who have successfully influenced an idea to reality, and opportunity for CFS to participate in the Innovation Rewards & Recognition program and recognise those involved in innovation. The outcomes of the innovation evaluation (an industry funded project) will be presented once other evaluations are completed later in the year.

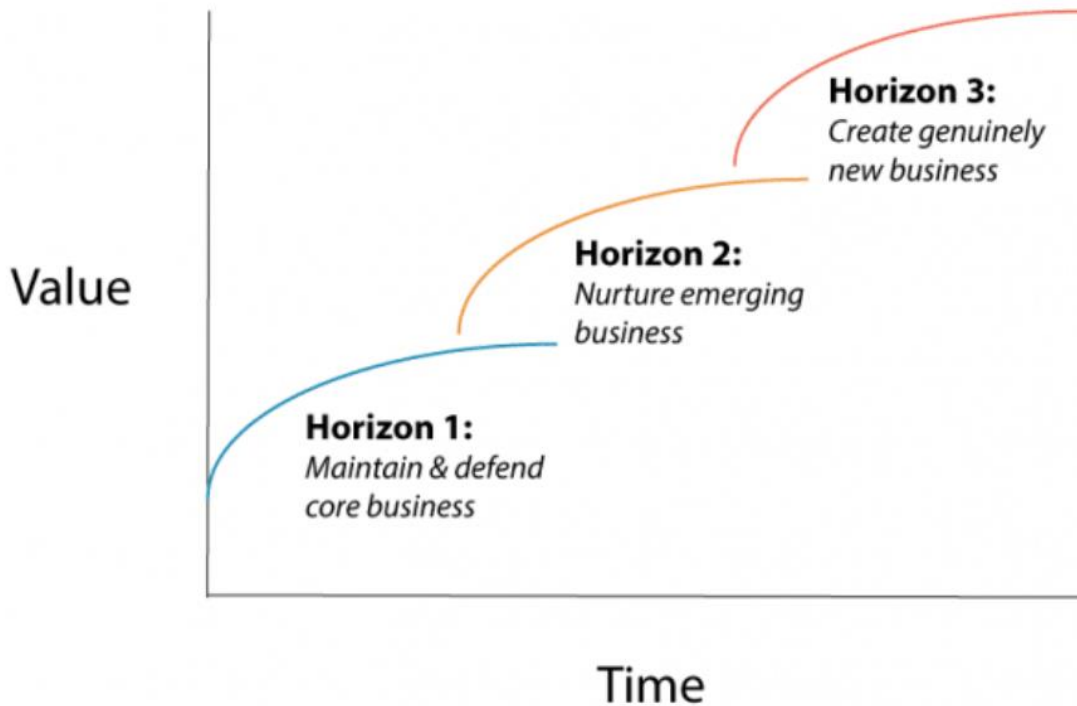
AMI has been engaged with MLA and the Co-Innovation Program since November 2017 and have initiated seven projects.

As a result of this partnership, CFS reported increased sales through one initiative alone (ie Hot Grab & Go roasts), with projected ongoing increases. CFS also anticipate further growth in markets, customers and products. CFS expected productivity savings through increased health and safety practices. It was confirmed that potentially none of this would have been possible without the MLA Co-Innovation partnership.

## 5.1 Key findings

Key insights and learnings from the program were:

- Traditional companies are not always intuitively aligned to being/thinking innovative/innovatively, as such, McKinsey’s Three Horizons of Growth were introduced to ensure that appropriate focus was placed upon maintaining and defending core business growth activities, before introducing and engaging with new and emerging business models, processes and procedures (See Graph 1).



**Graph 1:** McKinsey’s Three Horizons of Growth model to inform strategic priorities in management of new products portfolio.

- Using insights and trends to inform strategic direction & priorities in NPD and evaluating business models.
- Using design lead thinking approaches with customers provides efficient new ways of undertaking NPD.
- Not only did the collaborative approach provide return on R&D investment, other potential customer benefits were identified with the collaborative NPD approaches and the promise of increased markets and customers, including:
  - The introduction to new technology (e.g. Enwave and 3-D printing).
  - Access to MLA market data, forums and consulting (e.g. Aged care market assessment)
  - Increased confidence because of the support of MLA staff and expertise
  - Increased collaboration with the MLA workshop to explore the healthcare initiative
  - Increased resources (project funding and funding of critical positions) from MLA which made the projects doable.

## 5.2 Benefits & impacts

### 5.2.1 Collaborative Partner benefits

According to the independent review of the CFS Co-innovation program by Hargraves Institute (Project V.RPD.1035), CFS has been engaged with MLA and the Co-Innovation Program since November 2017 and have initiated seven projects. As a result of this partnership, CFS reported increased sales (on one initiative alone being Hot Roasts), with projected ongoing increases. They also anticipate further growth in markets, customers and products. CFS expect productivity savings through increased health and safety practices. CFS confirmed that none of this would have been possible without the MLA Co-Innovation partnership (See Table 3).

**Table 3:** Project benefits delivered through the collaborative program.

Sample projects	Benefits
<b>Beef snacking opportunity</b>	Responding to a mega-trend through MLA research, JBS set up a trial using Enwave equipment, which allows quick drying of proteins while preserving the nutritional value. Samples have been produced and are being trialled with consumers.
<b>Aged-care Cooked Protein and Meal Supply</b>	Still at the early stages, this project has been discussed with three aged care providers- BUPA, Uniting and Catholic Health Care.
<b>Hot Roast Project</b>	A range of proteins for Hot Food for Now offers (Hot Roasts) have been developed in collaboration with a retailer.
<b>Hot Roast Consumer research</b>	Ipsos research has completed research into consumer acceptance of the new hot food offer with a retailer.
<b>Gamification</b>	Exploring the opportunity to incorporate augmented reality (AR) into the marketing solutions for the Hot Roast range.
<b>Stadium Solutions</b>	Exploring opportunities to expand the hot food offer at ANZ Stadium in Sydney.
<b>Supermarket Servery Solutions</b>	Exploring how to extend “Food for Now” offers in inner-city supermarkets.
<b>Cobotics</b>	A plan to install two cobotic palletisers is pending capital approval to improve pack room efficiency and to reduce the risk of manual handling.

## 5.2.2 Impacts

Apart from ROI, the organisation has identified other potential customer benefits and the promise of increased markets and customers for CFS. Specifically, they nominate:

- Increased quality: More nutritional meals for Aged Care including salt reduced and gluten-free options.
- Improved customer experience: The Hot Roast project, Stadium solutions and Beef Snacking provide a range of nutritional options for the consumer.
- Enhanced safety: The potential introduction of a cobotics solution in the pack off room will significantly reduce the manual handling risks associated with the palletising of shipper cartons
- Capability development.
- New markets/consumers: Andrews Meat is exploring new markets including stadiums, aged care and Food for Now consumers.
- External collaboration: A range of collaborations have been initiated including with IPSOS, retailers, packaging manufacturers and multiple Aged Care providers. Andrews is assessing partnerships with suppliers for cobotics.
- Internal collaboration: The cooked and raw division are working together to better understand the nutritional requirements for the Aged Care sector.
- Social Impact: The Aged Care project is driven by a desire to improve the quality of food in aged care facilities to overcome the problems which have been identified.

## 5.2.3 MLA's contribution

According to CFS, they wouldn't have done any of this without the partnership with MLA. It was acknowledged the unique value provided by MLA including:

- The introduction to new technology (e.g. Enwave and 3-D printing)
- Access to MLA market data, forums and consulting (e.g. aged care opportunity assessment)
- Increased confidence because of the support of MLA staff and expertise
- Increased collaboration with the MLA workshop to explore the healthcare initiative
- Increased resources (project funding and funding of critical positions) from MLA which made the projects doable.

## 5.3 Success in achieving the milestones

In the current collaborative Innovation Program development and implementation phase (Milestone 5) the following were successfully delivered:

- Develop strategic portfolio of growth opportunities in "value add/insights" theme within JBS
- Manage collaborative R&D projects in this theme.
- Review and provide input into new R&D proposals.
- Track and report on quantifiable benefits of JBS Australia projects.
- Participated in internal and external networks to accelerate outcomes (including the Co-Innovation & Digital / Supply Chain managers networking event (26 March 2019).
- Action steering committee tasks.



The contribution of the JBS's Product Innovation Manager to the overall success of the Innovation Strategy will be determined by:

- Evidence of effective implementation of JBS'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 value chain concepts
- 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 Insights to Innovation events and network meetings

## **6. Future research and recommendations**

### **6.1 Future research**

The next phase will focus on Digital program development and implementation with the following key deliverables:

- Develop strategic portfolio of growth opportunities in "value add/insights" theme
- Manage collaborative R&D projects in this theme.
- Review and provide input into new R&D proposals.
- Track and report on quantifiable benefits of CFS projects.
- Participate in internal and external networks to accelerate outcomes.
- Action steering committee tasks

Further evaluations are proposed through pilot trials, with a specific focus on 'Behind the Glass' with retailer trials continues on hot ready eat roast (two red meat products). Introductory meetings with Aged care providers and suppliers is also proposed to identify the barriers to alternative food service models.

### **6.2 Recommendations**

For the next phase (i.e. beyond Milestone 12) CFS proposes to develop business cases for new product & business opportunities for:

- Hot roasts
- Premium burger
- Aged care
- Institutional markets
- Stadium foods
- Snacks & convenience foods containing red meat ingredients
- Vending machines
- Supermarket servery counter food solutions (i.e. Behind the Glass) concept