



# Navigating the High-Value Nutrition ecosystem

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Host Institution











#### We know how to do what we know how to do

- New Zealand has a highly developed ecosystem supporting the production and export of traditional food & beverage products, as a result of 100 years of public and private investment (including foreign investment), including
  - Science / skills / tacit and formal knowledge and capabilities within professional, technical & financial service providers & Government departments / Government services / infrastructure and logistics / regulatory systems & resourcing / external relationships e.g. with customers













CHEESE







#### Can we do we do what we don't know how to do

- The capabilities required for a <u>consumer focused</u> (FMCG) / <u>premium</u> food and beverage export industry (diversified product portfolio, large number of exporters) <u>are very different from a business-to-business commodity export industry with a few major players
  </u>
- While NZ "knows" how to do commodities, it has a less developed base of knowledge, experience & capability around FMCG / premium

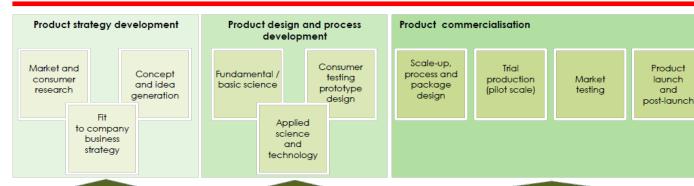






# The system for NPD in food and beverage needs to START with market and consumer insight

Simplified model of the food product development chain



#### Service providers

- · Market research provider, e.g.
  - GNPD Mintel
  - Euromonitor
  - Frost & Sullivan
  - Nielson data
  - Coriolis
- Brand and market strategy consultant (e.g. Dow Design)
- Business consultant
- Accountant

#### Service providers

- University
- Crown Research Institute
- Private research provider
- Contract food technologists
- Accredited testing labs
- Food Innovation Network (e.g. FoodPilot, Palmerston North)
- Distribution partners
- Brand designer
- Legal for IP protection
- MPI for overseas market access requirements information
- Food safety consultants

#### Service providers

- Food Innovation Network (e.g FoodBowl, Manukau)
- · Packaging designer
- · MPI for RMP accreditation
- · Shelf-life testing (private and university providers)
- Packaging designer
- Brand designer
- · Consumer panels and surveys (market research providers)
- Advertising agency

#### Other providers

- Packaging supplier
- Equipment supplier
- Contract manufacturer
- Distribution partner

Source: MBIE

Sour

NEW ZEALAND

TRADE & ENTERPRISE
TE Tauraga Tühono

National SCIENCE Challenges

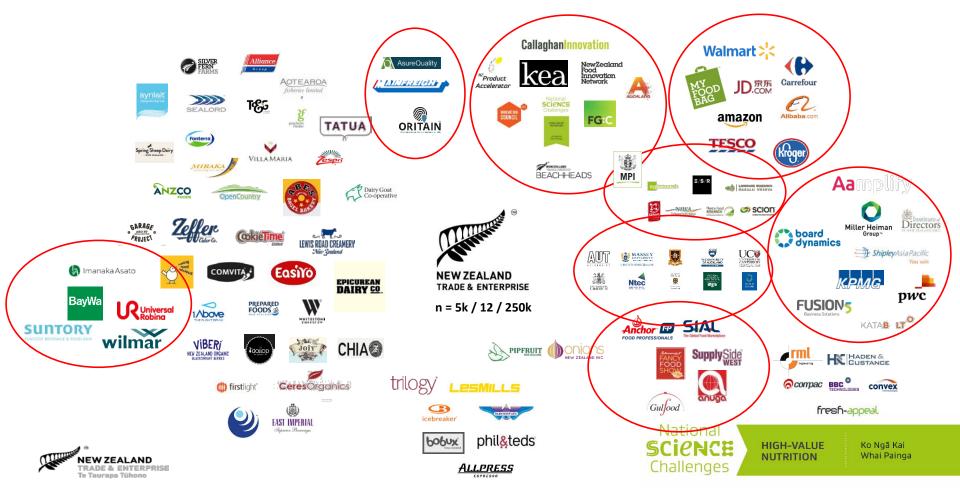
#### NZTE know-how and know-who



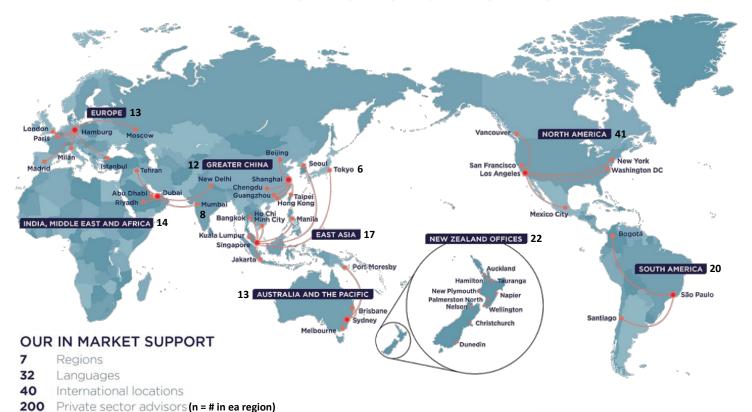




#### Who NZTE works with – network of networks



#### **NZTE** international network





270

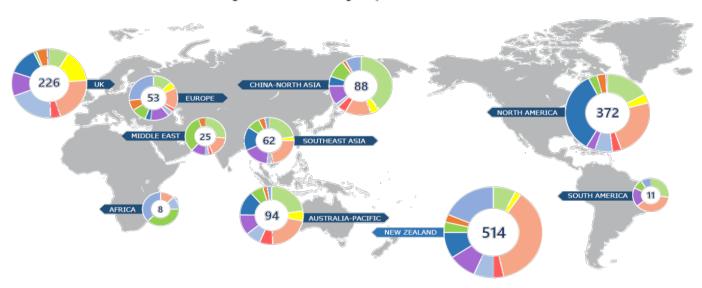
Offshore NZTE employees



Ko Ngā Kai Whai Painga

### **Access to World Class and Kiwi Expats**

Connecting Kiwi businesses to high-impact New Zealanders offshore



Kea connects you to thousands of global Kiwis to find international contacts and advice in key sectors:

Academia & Education

Agriculture

Construction & Manufacturing Entertainment & Media Financial & Investment Government & Legal

Healthcare

Hospitality, Food & Beverage ICT, Science & Biotech Retail & Fashion

**HIGH-VALUE** 

NUTRITION





# Working across the NZ Inc network: No wrong door



Ministry of Business, Innovation & Employment

"Grow NZ for all"

Providing the foundations for economic development



Carolyn Tremain CE, MBIE



Martyn Dunne Director General, MPI

Ministry for Primary Industries Manatu Ahu Matua

"Grow and protect
New Zealand"

Unlocking the constraints for growth; infrastructure, access, regulation

BUSINESS GROWTH AGENDA 30 -> 40%

exports to GDP by 2025

#### Callaghan Innovation

"Accelerate commercialisation of innovation"

Focus on high value manufacturing sector



Vic Crone CEO, Callaghan Innovation



Brook Barrington CEO, MFAT



FOREIGN AFFAIRS & TRADE

"Kick the doors down"

Market access and entry



NEW ZEALAND TRADE & ENTERPRISE

"Go to market"

Partner with companies to grow internationally



Peter Chrisp CEO, NZTE



National SCIENCE Challenges

HIGH-VALUE NUTRITION

Ko Ngā Kai Whai Painga

#### To develop products to satisfy a consumer need

- Product Development is systematic, industrial research to develop products and processes satisfying a known or suspected consumer need
- It is a combination and application of natural sciences with the social sciences – of food science and processing with marketing and consumer science – into one type of integrated research whose aim is the development of new products
  - Ice cream flavours in Asia: coconut, mango, durian, corn
  - Ice cream flavours in western countries: chocolate, vanilla, strawberry flavours





#### Knowing the true cost of commercialisation

- > 90% of the cost of new product development is spent on the product commercialisation stage (after a prototype product has been prepared)
- The technical hurdles (fundamental / applied sciences often done in Universities and CRIs) are relatively minor components of the commercialisation process \*
- A global issue: How to move from R&D to Marketing?
  - HMT team at Vitafoods Asia, asked visitors about their biggest innovation hurdle
  - 53% of the respondents answer: Moving from product development to successful marketing

<sup>\*</sup> Professor Ray Winger, Massey University





# In summary, a functioning system lowers costs and risks for growth – more firms innovate and grow, markets can perform their function

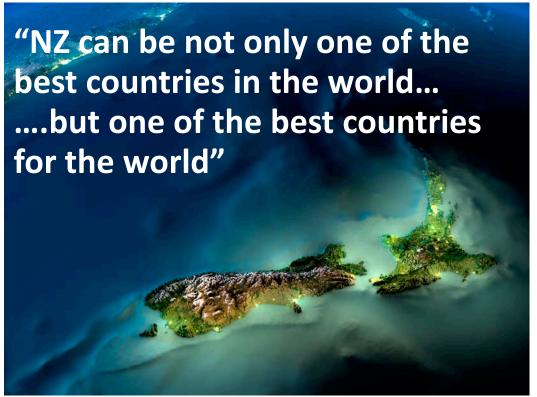
- Innovation is not just a function that occurs inside the firm, but is an outcome of a <u>complex system</u> of institutions, industrial structures, educational capabilities, knowledge infrastructures and regulatory frameworks
- The <u>functioning</u> of the innovation system affects which industries can innovate, and the abilities of firms to create capabilities, to manage risks, and to access and deploy knowledge \*
- Without a market, no matter how innovative a change, there will be no sales and the product is worthless

\* Keith Smith, MBIE





# A Parting Thought



<sup>\*</sup> Simon Anholt – top global country brand advisor



