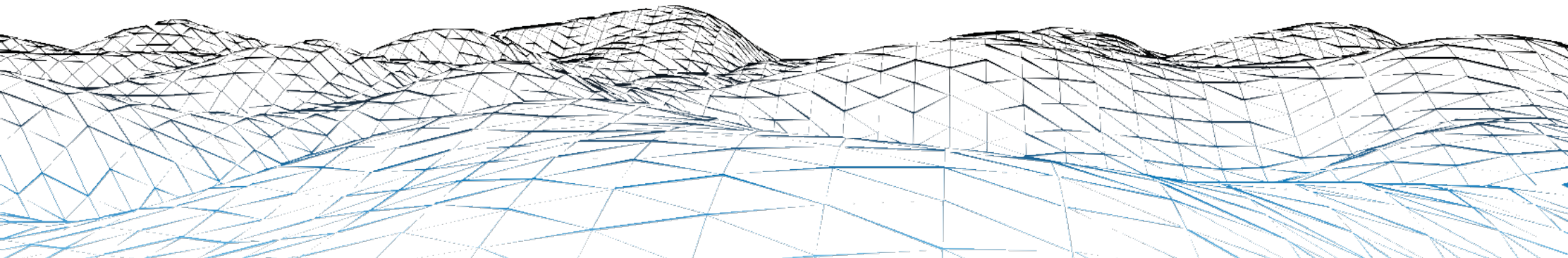




FOODINNOVATION  
CENTRE

# **How to** Win and delight consumers with Aussie dairy products in domestic and export markets

## Examples from the Food Innovation Centre



# The local **Food Manufacturing Sector** is facing a number of headwinds

**Challenging  
Retail Environment**

“Understanding Asian taste preferences and adapting products to suit their requirements”

“Understanding the best channel to market eg: supermarket, traditional retail, foodservice or ingredient distributor”

**Import Threat**

“Understanding the whole process of doing business in Asia, taking into account the different business practices, legal systems and cultures”

“Finding reliable, trustworthy partners in Asia”

**High Global  
Commodity  
Prices**

**Without substantial changes to the Australian Food and Grocery Industry, a recent study by the AFGC estimates that 100,000 jobs could be at risk to 2020<sup>1</sup>**



There are more people  
living **inside** this circle  
than outside of it.



Mining Boom to Dining Boom...

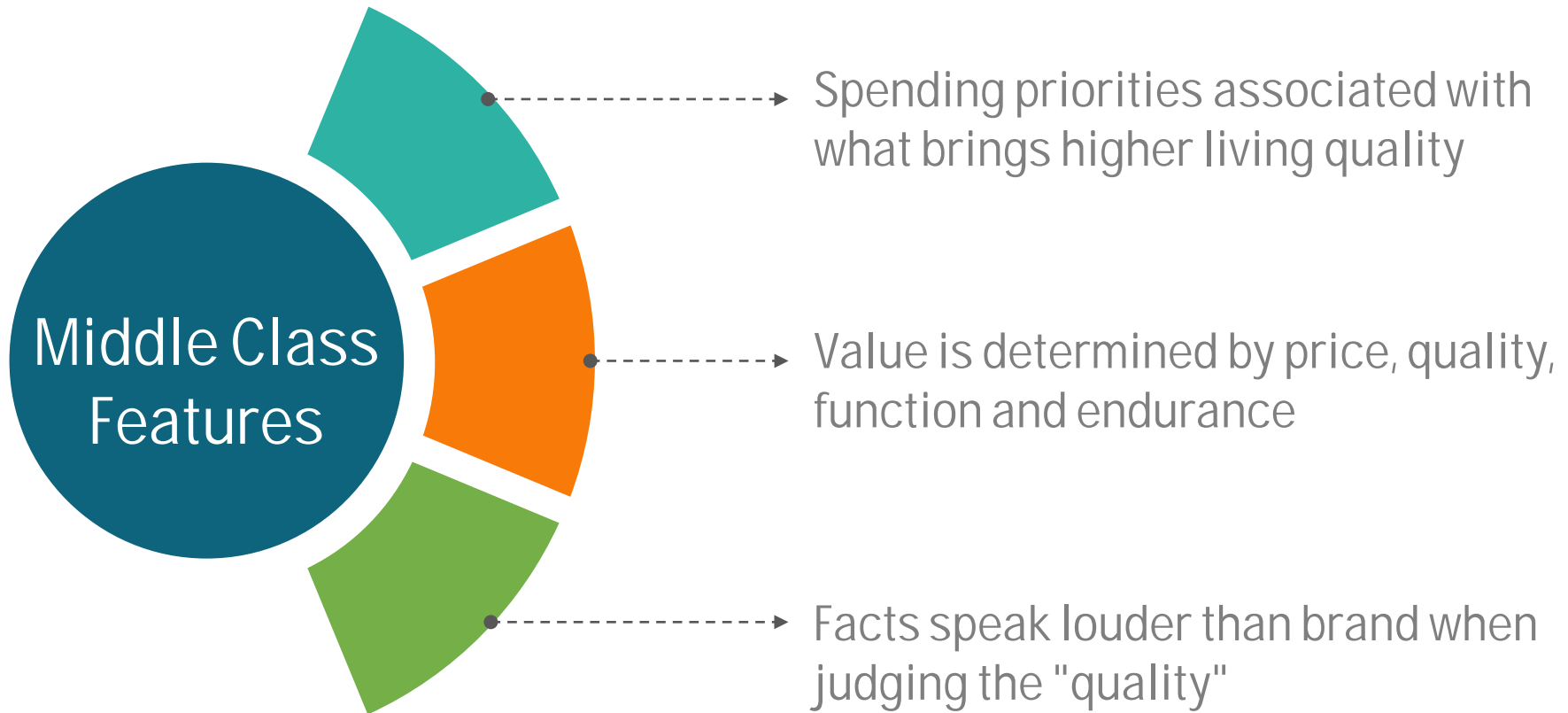
OR **The Delicatessen to Asia!**





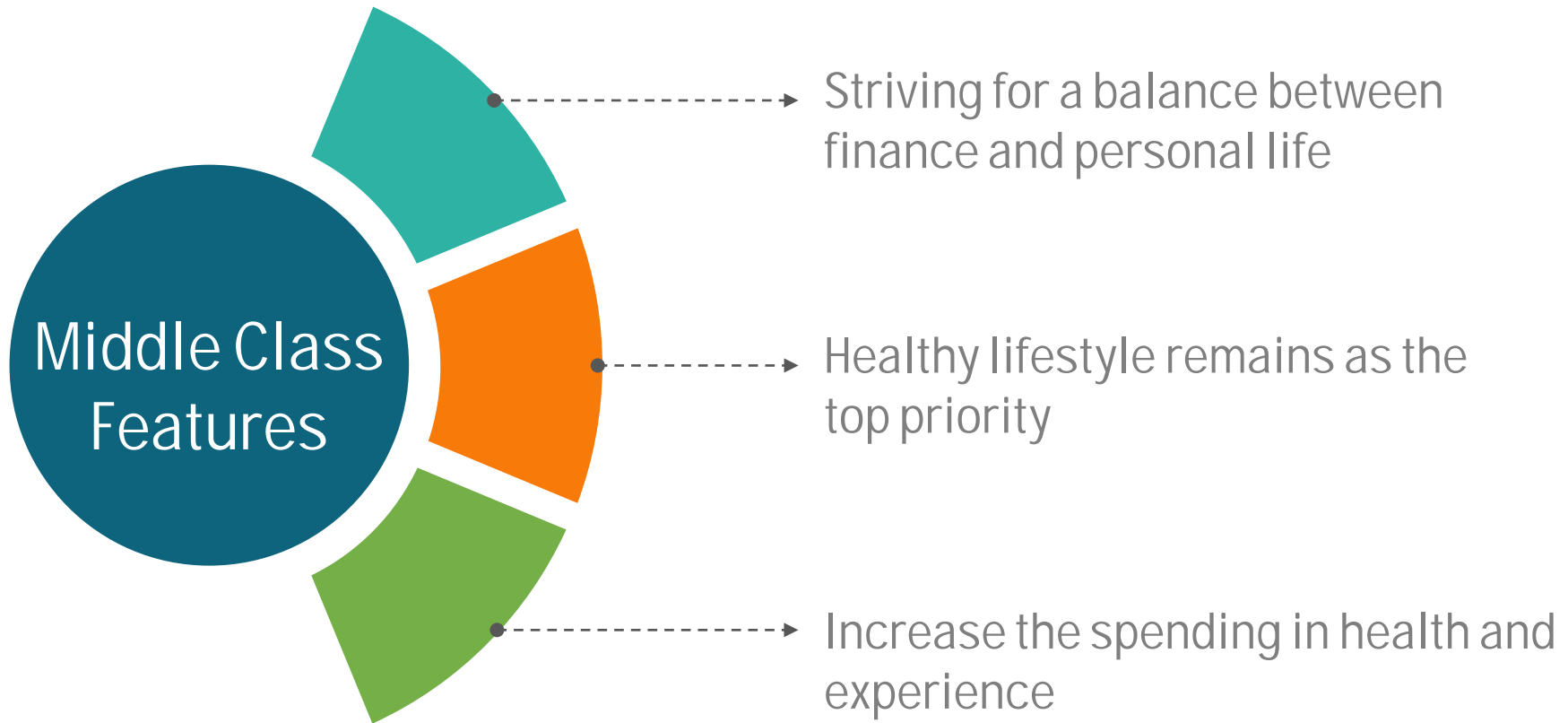


# China Middle Class Features





# China Middle Class Features





# Tips and Watch Out's for Exporting to China





## Product safety mistakes can be devastating

- Food and product safety problems exposed in the media can strongly influence Chinese consumers.







中糧  
COFCO  
自然之源 重塑你我



# ADAPTING YOUR PRODUCT FOR THE CHINA MARKET – *COFCO PARTNERSHIP*



# The Benefits of Our Exclusive COFCO Partnership

*Introducing an exclusive partnership between COFCO NHRI and the FIC @ MONASH for Australian Food & Agricultural companies looking at accessing the Chinese market!*

China Oil and Food Corporation (COFCO) is an agri-food commodity business. COFCO Group appears on the Forbes Fortune 500 list of companies and is the largest food manufacturer, processor and trader in China.

- COFCO's Nutrition & Health Research Institute (NHRI) will perform **consumer, sensory** and **safety research** in collaboration with the FIC to ensure your product offer has the best chance of success in China.
- Our network encompasses **regulatory** and **food safety compliance** to import food into China.
- If your product tests well, COFCO's NHRI **may endorse** the results to their **e-commerce platform womai.com**, giving you the unique opportunity to trial your product's potential in the Chinese market.
- This **unique partnership** will offer a **less hazardous path** to market for Australian companies wanting to test the Chinese market with adapted product offers.



中粮  
COFCO

我买网  
womai.com





# Australia-China Joint Research Centre in Future Dairy Manufacturing

## WELCOME TO OUR FIRST NEWSLETTER

Welcome to the inaugural newsletter of the newly established Australia-China Joint Research Centre in Future Dairy Manufacturing. Our Centre focuses on seeking engineering solutions to practical problems in the dairy manufacturing sector.

A one-day Symposium titled Australia-China Joint Research Symposium in Dairy Manufacturing was hosted by Monash University in July. This event created an historic precedence by bringing together leading dairy researchers from Monash University and China's Soochow University, as well as senior leaders from both Chinese and Australian dairy manufacturers.

The symposium was opened by Prof Pauline Nestor, Interim Provost and Senior Vice-President of Monash University who officially welcomed the visitors to Monash, and Dr Xiaoming Hao, Nutrition & Health Research Institute (NHRI), COFCO Corporation. The event included presentations by myself as ACJRC's Australian Director and Chinese Director Professor Xiao Dong Chen. The symposium showcased advanced capabilities and innovative dairy technologies for industry to use and co-develop into high-value, high-tech applications that could generate new revenue streams.

In this newsletter we present some of the highlights of the symposium, introduce our Chinese director and briefly present some of our recent activities.

If you would like to learn more about our Centre's research and people, please contact me anytime or visit our website ([acjrc.eng.monash](http://acjrc.eng.monash)).

Professor Cordelia Selomulya

## Introducing the ACJRC for Dairy Manufacturing

The Australian dairy industry is set to reap significant benefits from a new research partnership with China, thanks to a million-dollar grant from the Australia-China Science and Research Fund (ACSRF).

China has become an important market for many Australian agricultural products, and this is especially so for dairy – with 2016 dairy imports accounting for 20% of the Chinese dairy market<sup>1</sup>.

To further opportunities for Australian dairy manufacturers, funding was secured from the Australian Government's Department of Industry, Innovation and Science (DIIS) to establish the Australian-China Joint Research Centre (ACJRC) in Future Dairy Manufacturing.

Monash University leads the Australian research push, with Centre Director Professor Cordelia Selomulya leading the strongest dairy research teams in the Asia Pacific region. Professor Selomulya's international research reputation in the manufacture of high value particles for functional foods and the pharmaceutical industry will ensure the Centre will provide the dairy industry with manufacturing process efficiencies and new high-value products, developing a strong link between Australia and the large distribution network in China.

**"The joint research centre provides an opportunity to create a strategic partnership between the Australian and Chinese dairy industry for a sustainable and long term commercial relationship"**

Professor Selomulya

Australian partners include Bega Cheese Limited, Fonterra Australia Pty Ltd, Devondale Murray Goulburn Co-operative Co Limited, Geoffrey Gardiner Dairy Foundation Limited, Monash Food Innovation Centre and The University of Queensland. This Australian collective will join forces

with China's Soochow University, in conjunction with China National Cereals, Oils and Foodstuffs Corporation (COFCO) and Mengniu Dairy, the second largest dairy company in China and one of the top 10 companies in the world. The Chinese consortium has received funding from the Chinese Ministry of Science and Technology (MOST), with Soochow University's Professor Xiao Dong Chen, Director of the China Node.

Professor Selomulya stated that the centre's research will enable the Australian dairy industry to go beyond the traditional production of cheese, butter and skim milk powder to the large-scale manufacture of products such as infant formula, which are in high demand in China.

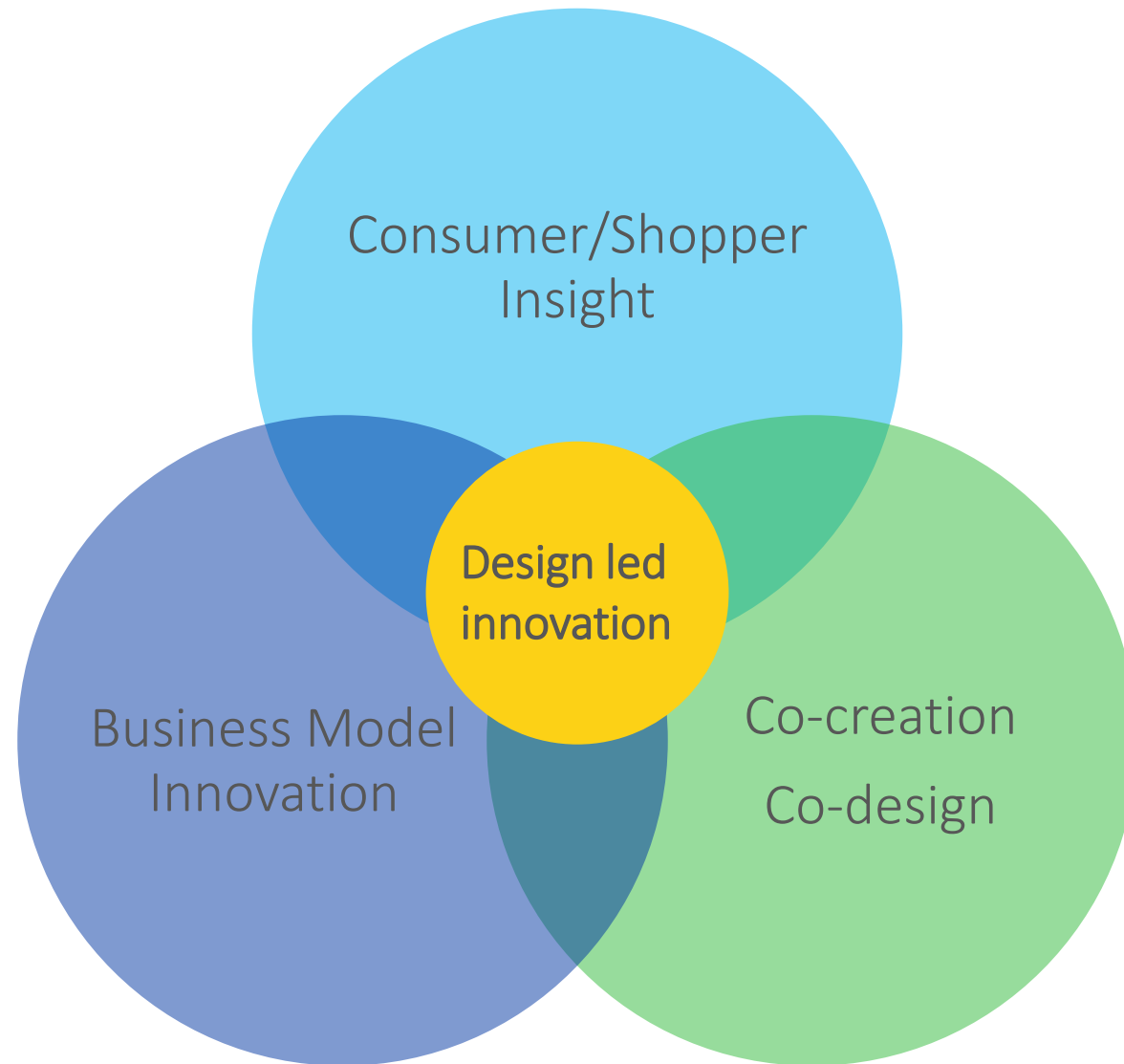
Bega Cheese's Product Development Manager spoke about the potential of the partnership to facilitate strategic research and development, with a strong focus on the preferences of Chinese consumers. "Bega Cheese Limited foresees that this collaboration will assist with increasing export volumes, thereby supporting Australian employment opportunities in regional dairy communities".

Demand is increasing in China for consumer-ready dairy products, and with the recent signing of the free trade agreement, the Australian dairy industry is well-positioned to grow its current share of the market.

<sup>1</sup> ABC News online "Australian dairy exports encouraged to look at new markets as Chinese growth slows". Clint Jasper 27/06/2017. Part of this material was produced by Monash University

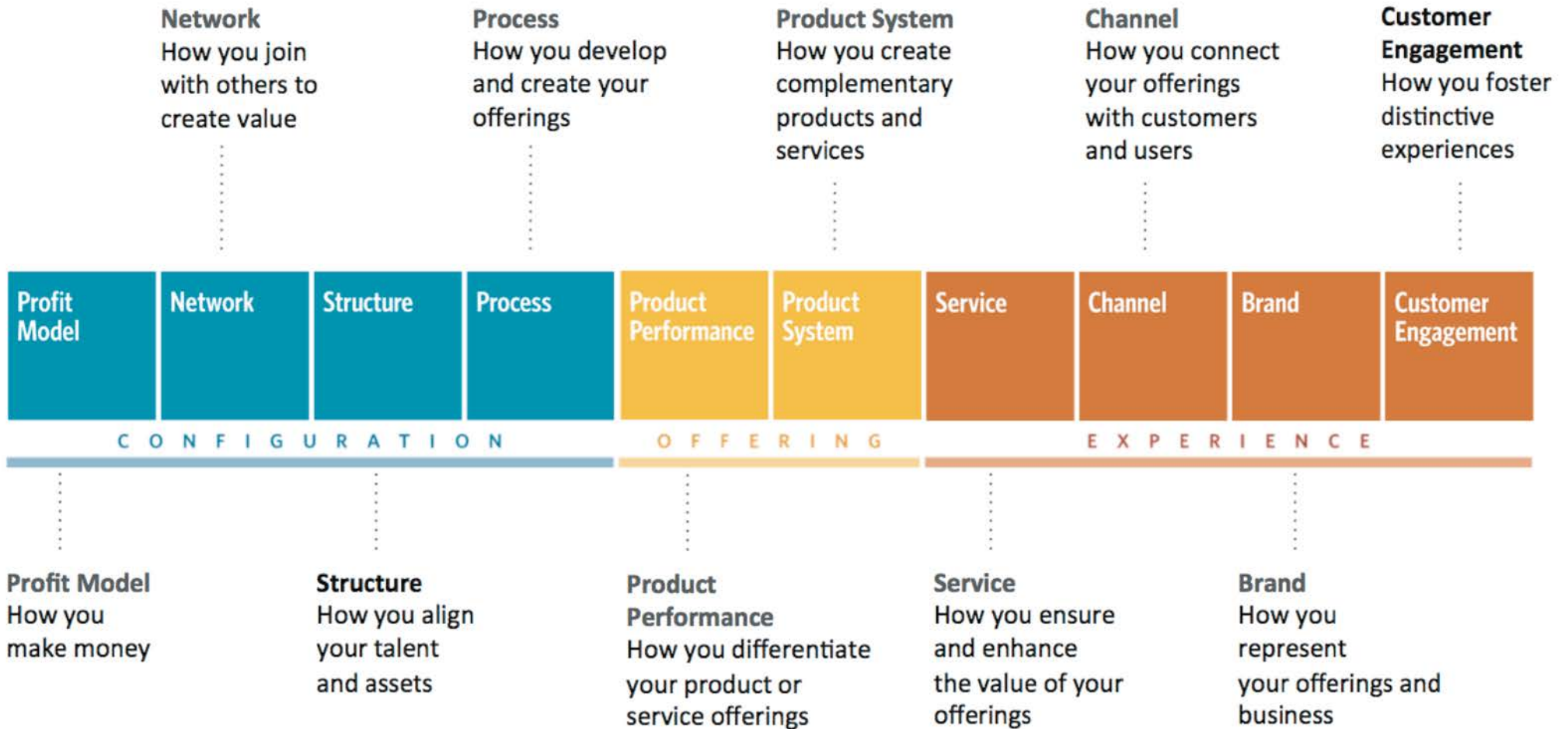


# Design-Led Innovation



# Innovation is more than product / package...

## THE TEN TYPES OF INNOVATION

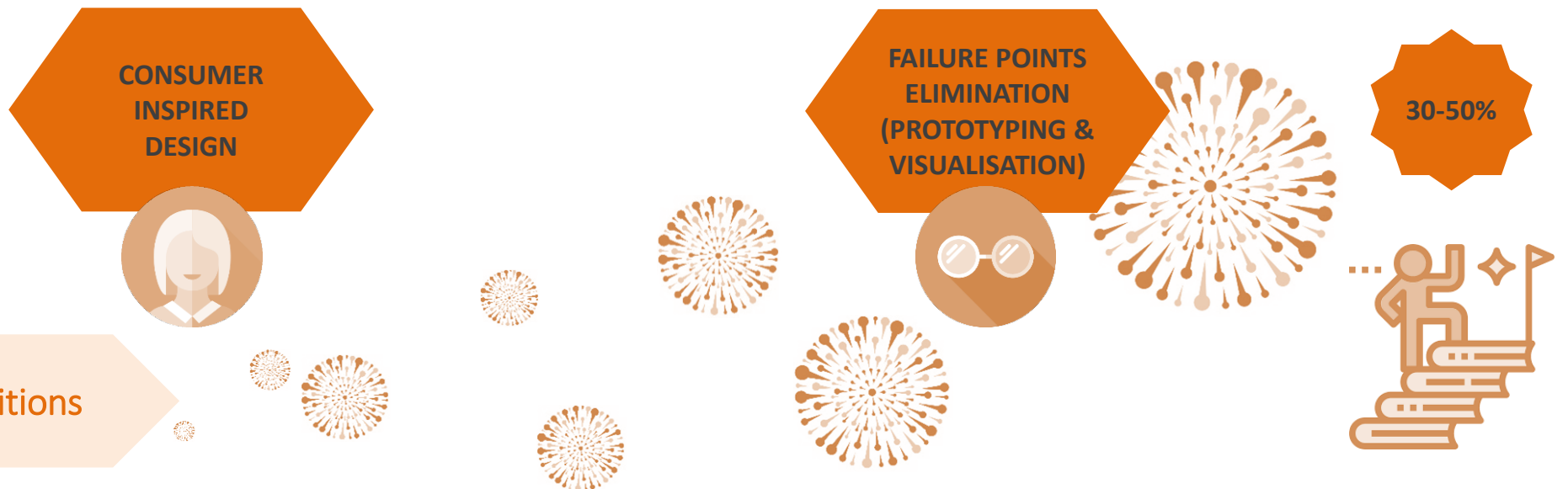


# Approach to increase the odds of success

Traditional approach



With FIC additions



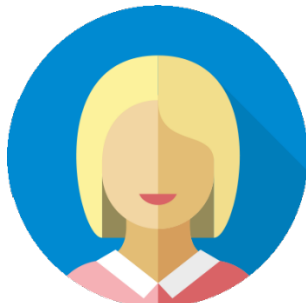


**CONSUMER  
INSPIRED  
DESIGN**

# Front End Innovation Process

## *Consumer Inspired Design*

For when you are starting an innovation project



### Knowledge Mapping

- Identify what you don't know (and need to find out!)
- Holistic review
- Stakeholders to same knowledge level

### Product Mapping

- Identify White Space
- Understand product paradigms – what attributes drive perceptions?

### Product Labs

- See the world through consumers eyes & design correctly
- Consumer-centric design guidance
- Using stimulus to elicit responses

### Design Guidelines

- Understand what your product **MUST BE**, **CAN BE** and **CAN'T BE**, and the different ways this can be expressed in a product

Internal / Scoping Exercise (Facilitated by FIC)

Consumer Research

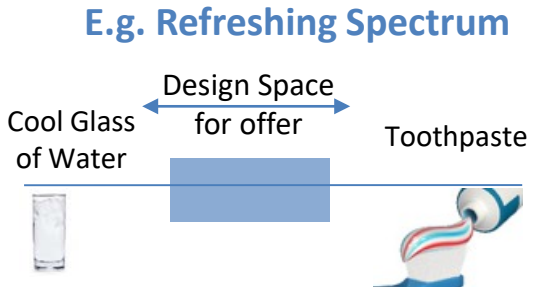
Output



Design guidelines ...

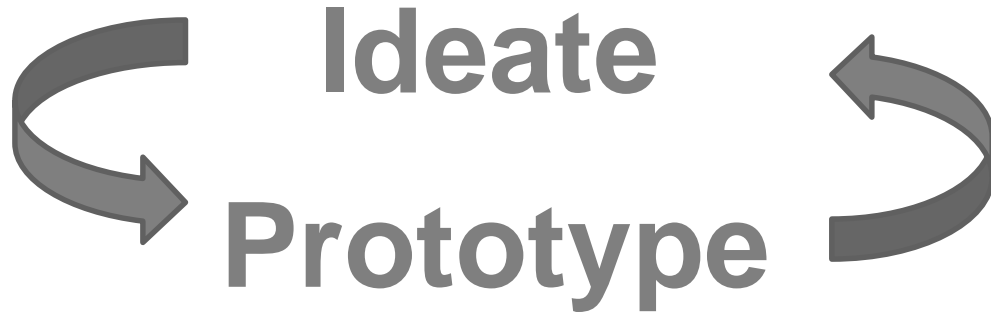
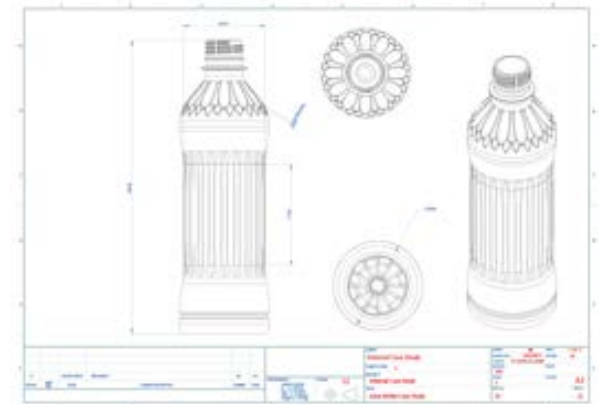
MUST BE	CAN BE	CAN'T BE
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This can be expressed via...



FAILURE  
POINTS  
ELIMINATION

# De-risking ideas by failing fast & pivoting



Marketing Mock ups

Machinability

Value perception

Fast track mould development

Concept screening



FAILURE  
POINTS  
ELIMINATION

... in all aspects of your innovation journey!!



Efficient  
assortments

Point of sale  
solutions

Pack graphics cut  
through

Off location

...



# How can the FIC help you with R&D End to End Project Management?

Bring to life your innovation concept or product ideas through recipe development and research across the process from idea through to commercialisation

- Recipe development
  - Theoretical formulations
  - Bench top sample making
  - Indicative nutritional information
  - Indicative formulation costs (ingredient costs to be provided)
- Connect you to best in class industry and research projects & partners
- Customised R&D workshops & coaching / mentoring
  - I.e. risks & issues, product development process, asset mapping



*Services are customisable to your needs and quotes provided based on your requirements*

# Support your needs from opportunity to market launch with a range of partners

**A** FRONT END INSIGHTS & DEDICATED INNOVATION INFRASTRUCTURE

**B** MARKET CAPABILITY ASSESSMENT & ENABLING TECHNOLOGY

**C** PRODUCT TESTING & COMMERCIAL TRIALS CAPABILITY

**D** SUPPLY CHAIN TESTING & NEW TO MARKET TECHNOLOGY

A & B delivered by front end capability

C & D delivered by a network of facilities



FIN – Food Innovation Network is a Victorian state initiative linking the above providers

FIAL – Food Innovation Australia Ltd is the Federal Growth Centre

# Learn with us - Bespoke Intrapreneurship Training Program

- **Intrapreneur Program** - 5 days training with practical tools and interactive exercises
- **Innovation Best Practice** - 1 day workshop providing overview of best practice tools & proven methodology

Designed to upskill owners / employees (commercial and technical teams) in the art of successful innovation.

Supporting the growth of the Australian Food Industry with more than 1500 businesses leveraging our capabilities to date.

## Module 1



### Best Practice Innovation

- Best practice techniques devised by international innovation masters.
- 10 types of innovation

### Innovation Culture

- Developing & supporting an environment to greenhouse innovation, including innovation & intrapreneurial behaviours

## Module 2



### Knowledge Mapping

- A holistic review of all knowledge
- Identifying what you know and what you don't know (and need to find out!)

## Module 3



### Product Mapping

- Mapping products fulfilling similar needs on relevant dimensions to understand market space & product attributes defining it

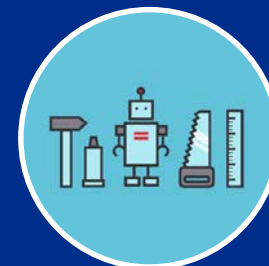
## Module 4



### Ideation

- Identify the best options for execution through a creation workshop to brainstorm your optimum offer

## Module 5



### Prototyping

- Utilizing sketches and ideas from ideation to prototype and design packaging formats.
- Visualize and bring your ideas to life

### Optional Consumer Step



- *Consumer/end user immersions*
- *Qualitative Product Labs with your target market to develop consumer-led opportunity areas and understand your product design space through your target's eyes.*
- *Optional add-on before ideation!*



# We are making a dent in the Australian Food Industry with more than 2500 business's leveraging our capabilities

**Building Innovation Capability**  
 – domestic & export

**Mondelez International** **Real World Marketing**

**nothing but good. CHOBANI GREEK YOGURT** **FOOD SOUTH AUSTRALIA FEEDING CONNECTIONS** **GOURMET UNION** **IRREWARRA SOURDOUGH**

**PREMIUM AUSTRALIA FOODS** **mla MEAT & LIVESTOCK AUSTRALIA** **Sun RICE** **TACCA quality that's visible** **Horticulture Innovation Australia**

**>850 Victorian SMEs**

**>80 Farmer/Producers**

**>25 Indonesian Seafood SMEs**

**>15 New Zealand SMEs**

**Helped business to accelerate & de-risk Innovation**  
 - Domestic & export

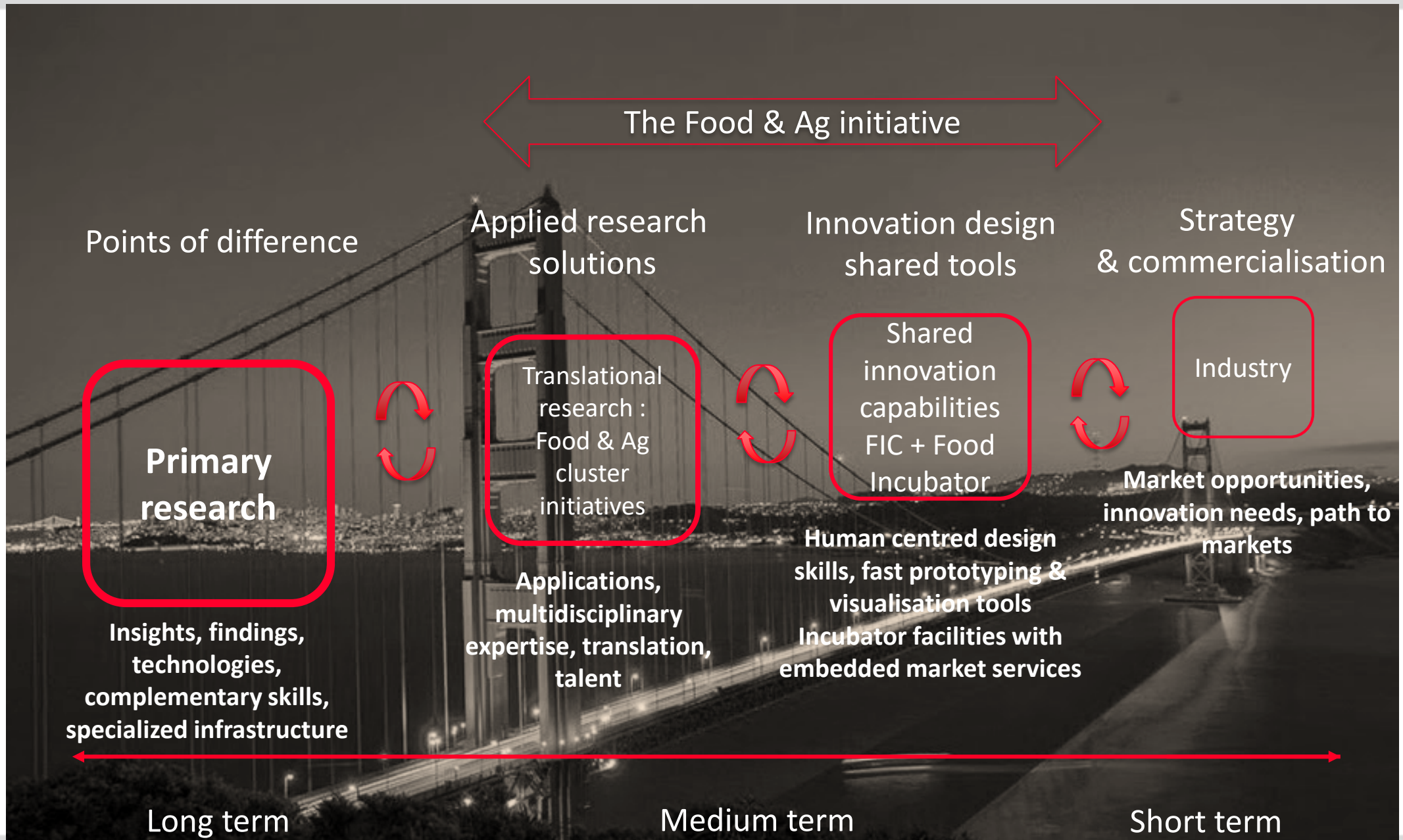
**Le Tan** **Mondelez International** **Charlie's COOKIES Take your pleasure seriously.** **CHEF GOOD be good to yourself** **HEAL'R rooted**

**mulgowie FARMING COMPANY natural perfection** **gsk** **Perfection** **Sisko CHOCOLATE MELBOURNE** **parmalat** **General Mills** **DuluxGroup** **Cobram Estate**

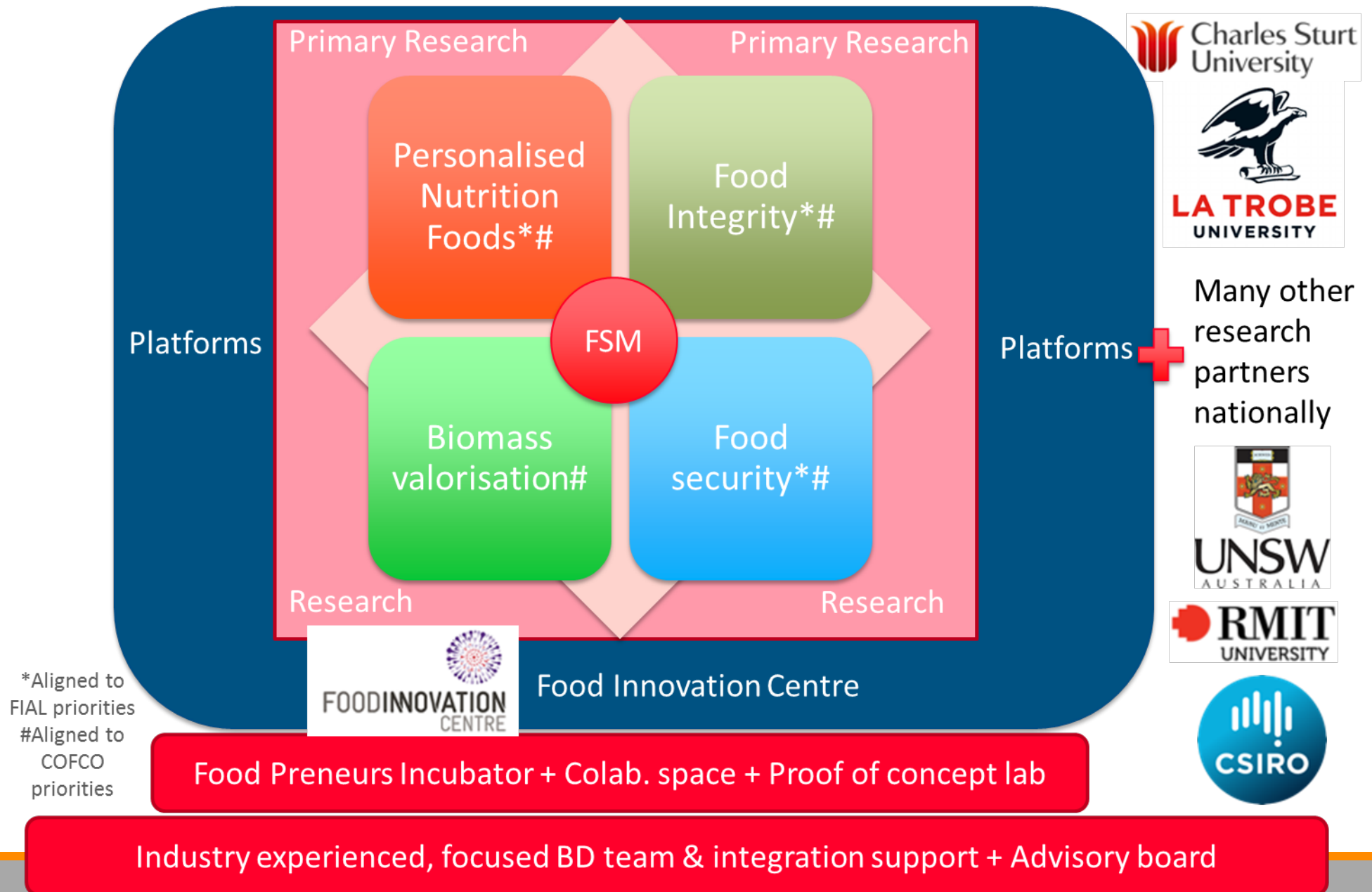
**nothing but good. CHOBANI GREEK YOGURT** **harvest box BECAUSE EVERYONE'S A LITTLE MUTTY** **TWINNINGS OF LONDON** **Naturally Good it's good naturally** **Slendier**

**Fonterra Dairy for life** **Alibaba.com** **TNS** **PLANET SALES** **HOUSTON'S FARM** **sharebox** **Nestle** **Kimberly-Clark** **McCormick**

By developing a successful model of commercial and social innovations connecting and leveraging industry opportunities and research discoveries



... via **focused multidisciplinary applied research clusters**, supported by an industry led base, inspired by solving the **2050 food challenges** to create commercial and social value

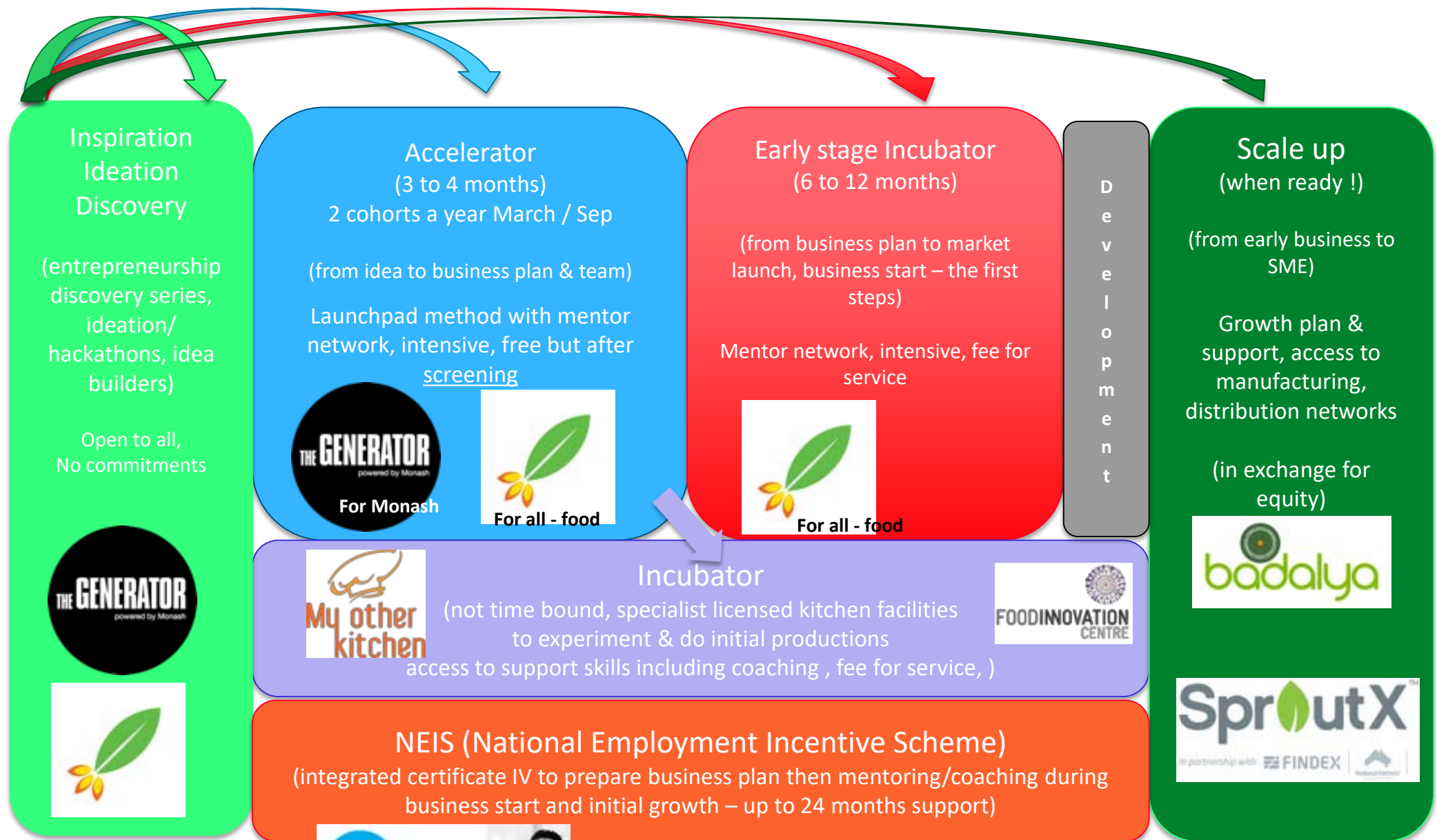






# Monash Food Incubator

There are many ways & entry points to use this network depending on your degree of readiness, commitment, budget and idea and specialized partners to suit them all





# Our new look Incubator space ...





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**We look forward to co-creating with you**