

# ***P5-M3 Sourcing For New Concepts***

For Healthy Food &  
Drink Products

 **Interreg**  
Atlantic Area  
Regional Programme Development Fund



 **CAHFES**

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After you have completed all the tasks its time to reject , adopt or launch

# 1. Why Sourcing for New Concepts is Necessary and Valuable in our business lives

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- It's a process for building knowledge, facilitating learning, and solving problems
- It's a means to understand issues and increase your awareness of your business sector
- It is an opportunity to find, gauge, and seize opportunities
- It can reduce costs
- It can solve current problems in Production/Logistics
- It can increase Profits and Market share
- It can address a customers need

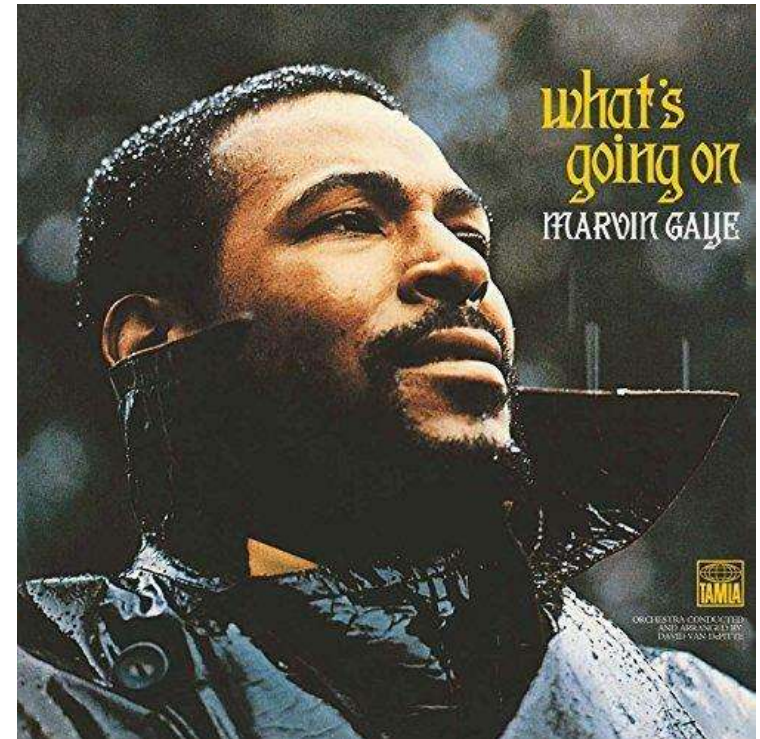
## 2. New Concept Research

A. Do some detective work – Watch, Look and listen – what have you got to lose?

None of us have all the answers,  
know the latest trends  
or where costs can be saved

Remember the profound question the  
great American philosopher, Marvin Gaye asked

*"Hey.. what's going On?"*



# New Concept Research

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B. Go to trade shows - Trade shows can be a rich source of suppliers and information

One day of your time trawling the exhibition floor can deliver a fantastic return in terms of ideas or potential suppliers

. ...But do your research

- It's crucial that you do your research before signing up to any shows
- Make sure the people exhibiting, are the people you need at the moment?
- Ask yourself ,will attending help you achieve your specific goals?

Make sure you ask these questions to avoid wasting your time and money in a wasted trip



# Here are a sample of the New Concepts display at the major food and drink trade fair Anuga in 2019

**CATEGORY: YOGURTS**

**INNOVA MARKET INSIGHTS**

## TASTE, HEALTH & NUTRITION DRIVE NPD

**HEALTH CONTINUES TO BE KEY**

1 in 2 German consumers report health to be the main reason for increasing their consumption of yogurt.  
(Innova Market Insights consumer survey, 2018)


**FOCUS ON REDUCING SUGAR...**

+34% average annual growth in yogurt launches with a sugar reduction claim.\*  
(Global, 2014-2018)

\*Sugar reduction claim = low sugar, no added sugar and sugar free.

**...AND INCREASING PROTEIN CONTENT**

2x  
Yogurt drink launches with a high/boost of protein claim have doubled in the last five years.  
(Global, 2018 vs. 2014)



www.innovamarketinsights.com



**TOP TEN TRENDS 2019: TREND 1**

**INNOVA MARKET INSIGHTS**

### DISCOVERY: THE ADVENTUROUS CONSUMER

Consumers are on a big and broad journey of discovery, moving out of their comfort zones to explore bolder flavors and multisensory food experiences.

**INCREASED BRANDING EFFORTS ON DISCOVERY**

+17%  
+17% average annual growth in food & beverage launches with a discovery claim.\*  
(Global, 2014-2018)

\*Discovery claims = e.g. discover, explore, unravel.

**CONSUMERS LOVE TO DISCOVER NEW FLAVORS**

61% of UK consumers "love to discover new flavors."  
(Innova Market Insights consumer survey, 2018)

**ETHNIC FLAVORS PROLIFERATE**

+65%  
+65% growth in food & beverage launches with an ethnic flavor.  
(Global, 2018 vs. 2014)



www.innovamarketinsights.com



## Get Social, Watch Listen and Learn

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c. Become involved in Social Media platforms.

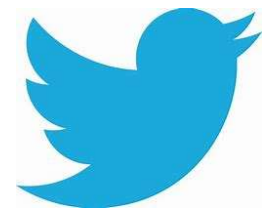
In our opinion, LinkedIn is currently the best social media channel for B2B business use

Sign up, build an accurate profile and then ask your existing networks to provide endorsements

This will make it easier for prospective followers to find you

Take advantage of LinkedIn's advanced search tool, a ready-made platform to expand your contacts. Within minutes, it will allow you to build a comprehensive network of competitors, manufacturers and key people within your sector

What's more, once you're connected, you can see others' contacts



# Webinars Podcasts and Forums

New ideas of concept  
ideas are the lifeblood  
of many products'  
development teams

**October 4th, 2021**  
10:00 h (CEST) | 09:00 h (GMT+1)

**The Eurostars programme**  
R&D and innovation opportunities for SMEs in the Atlantic Area space

5 6 shares

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**Atlantic Area Healthy Food Eco-System Project**  
AHFES Project (Atlantic Area Healthy Food Eco-System)  
4mo • 5

Join #AHFES webinar to learn about soft drinks sector! What are the main #consumertrends in the #softdrinks sector? What are the opportunities, innovations? ...see more

**22/09 - 11:30 h (CEST) / 10:30 h (GMT+1) | WEBINAR**  
**Soft drinks sector in 2021**  
Consumer trends, market and innovations  
Webinar series on trends in healthy food

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**Atlantic Area Healthy Food Eco-System Project**  
AHFES Project (Atlantic Area Healthy Food Eco-System)  
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Join #AHFES webinar to learn about soft drinks sector! What are the main #consumertrends in the #softdrinks sector? What are the opportunities, innovations? ...see more

**22/09 - 11:30 h (CEST) / 10:30 h (GMT+1) | WEBINAR**  
**Soft drinks sector in 2021**  
Consumer trends, market and innovations

**Chris Elliott • 1st**  
Professor of Food Safety at Queen's University Belfast  
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What's in store for food in 2022?  
My top 6 predictions through my scary crystal ball @NewFoodMag



**What's in store for food in 2022?**  
newfoodmagazine.com • 3 min read

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### 3. Data Analysis Questions

**Will this process for generating and evaluating concepts meet the needs of the company?**

**Should concept searches be targeted or open-ended?**

**Should the search be restricted to those ideas that correspond to production, cost reduction, business development and the company's strategy?**

**How extensive and aggressive should the concept idea search activities be?**

**Should search be an active or passive function within the firm?**

**Where will responsibilities for new concept ideas search be placed?**

**How will new concept planning activities be directed and coordinated?**



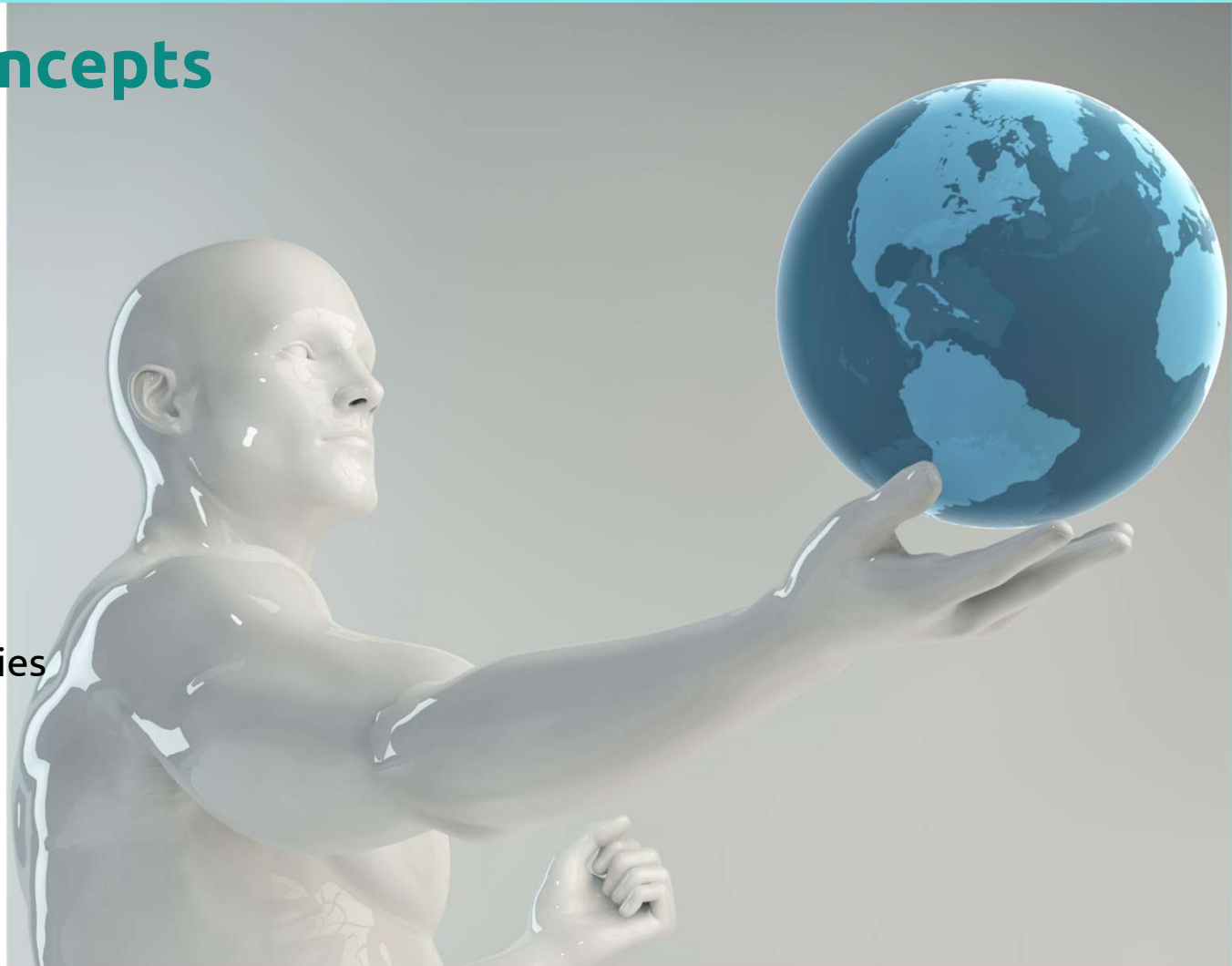
## 4. Source Of New Concepts

Many new concepts ideas start with Customers' needs or trends, particularly ideas for new product concepts

New Concept ideas for products come from various sources

Limiting the search for new concepts ideas to internal research and development activities is far too narrow an approach for most companies

Sources of new product ideas include company employees, customers, competitors, outside inventors or new academic research





# Sources of New Concept Ideas

Systematic monitoring of various information sources.

New idea publications and online sources are available from companies that wish to sell or license and ideas they do not wish to commercialise.

**New sources may also yield information about the new activity of Competitors.**

**Many trade publications contain new announcements on new technology, processes and products.**

## 5.Screening for new Concept ideas

Any new concept should receive an initial screening to determine its strategic fit



Three important evaluations are

1/ The strategic capability of the idea

2/ The commercial feasibility

3/ Remember a concept that could be strategically compatible in one company may not be in another

*The purpose of screening is to eliminate ideas that are not compatible or feasible for the company.*

# Systematically Reviewing Concepts is a Good Idea

Management must establish a screening and evaluation procedure that will kill unpromising ideas as soon as possible

Expenditures can build-up from the idea stage to the commercialisation stage

Moving too many ideas too far into development and testing is an expensive mistake

If the level of risk for rejecting an idea is set too low, then too many ideas will be developed that later must be rejected

Risk of developing a bad concept can decline as more and more information is obtained

The balance is to keep at an acceptable level the risks or rejection of good ideas



# New Concept Ideas Screening Factors

A new concept idea should be evaluated regularly as it moves through the planning stages

The best screening procedure is one that is not too tight

Established a level of risk appropriate for the situation

Ideas may be rejected at any stage



The objective is to eliminate the least promising ideas before too much time and money are invested, but the tighter the screening procedure, the higher the risk of rejecting a good idea

# Concept Evaluation & Strategy

## Product Strategy

Companies that focus on their product strategy perform much better over a long time span than those that do not

## Aligned Strategy

For most companies, the idea search program should be aligned with the corporate strategy and objectives

## Restricted Strategy

While some far-out new product ideas may change the future of a company, more often, open-ended ideas stretch the resources and misdirected efforts

## 6. Proto Type OR Production Line

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Create a proto type product or run a mock up production line.

Test your new concept as much as you can in the safety of the factory or market testing panel

Test before you commit to expenditure on Ingredients, packaging or technology

Test all the elements within the new concept to ensure it can,

- Hit budget
- Taste profile
- Production timelines

*Remember it's not just about next week, but for the duration of the concept lifetime cycle*

# Product Concept Testing

The objective of concept testing is to obtain a reaction to the new market concept from **a sample of potential buyers** before the product is developed

The product concepts are presented to the test participants in various forms, such as,

- a written description,
- a drawing,
- a model,
- a packaging mock-up or prototype.

Typically, a statement of a concept is part of the testing procedure

The statement should be brief, consisting of one or two paragraphs

Try to avoid anything that would bias responses in the wording of the statement



## 7. Specifications - Initial & Ongoing Updates

*Stress test the inputs you will need and the type of information that will be important*

1. Finding suitable suppliers of raw materials, packaging, equipment or services
2. Requesting detailed and relevant information from suppliers
3. Ensure the suppliers are able to meet your documentation requirements for raw materials packaging, equipment or services in a timely way
4. Ensuring information is updated appropriately and promptly when needed



# Specifications- Information Management, Tracking and Maintenance

With new concepts , comes the need for new providers of raw materials

Best practice would be to ensure you can locate and compare the offering from a range of suppliers

Then it will be your responsibility to understand

- What information, support & documentation is needed from raw material suppliers to ensure food safety compliance & the legality of all finished products
- What level of detail of information is needed from suppliers
- In what formats it should be documented and how it should be stored and made accessible
- How the information should be kept up to date
- How the information is relevant in relation to the safety and legality of your own products



# Some Tips for Selecting New Suppliers

## Reputable & Reliable

Choose suppliers with a good reputation – both for reliability and quality, as well as their business integrity. Their approach to food safety and preventative measures to avoid food fraud, modern slavery and negative environmental impacts needs to be such that you can rely on and trust them, as your reputation will become associated with theirs.

## MOQ's Aligned

Check that the Minimum Order Quantities the suppliers demand you place are well aligned with your anticipated volumes and the shelf life of the item. Misalignment can lead to expensive write off of overstocks, food or packaging wastage, tying up your working capital and high storage costs.

## Available, Open & Collaborative

You need to be able to contact your suppliers easily for any discussions required and be sure of a swift response to your needs. They must supply you with accurate and comprehensive information and specifications.

## Supportive Expertise

Your suppliers can be a great source of expertise – so choose those who are willing work with you to support your business, offer new ideas or solve problems

## Flexible Lead-times

How long will it take from you placing the order to receiving the goods ? Will the supplier reliably deliver on time & in full ? Volumes of new products can be unpredictable and you may need stock urgently, sometimes it is better to pay a little more in the launch phase than to choose a supplier with longer or inflexible lead-times or who delivers erratically.






## 8 Market Research and Feedback





A group of five business professionals are gathered around a table in a bright, modern office setting. A woman with long blonde hair stands in the background, looking on. Four people are seated around the table: a man with a beard and glasses on the left, a woman with brown hair next to him, a man with dark skin in the center, and a man with dark hair on the right. They are all engaged in a discussion, with some looking at a laptop and others at each other. The background shows large windows with a view of a city.

**A survey of product end-users can be useful in identifying needs that new concepts can satisfy**

**One useful technique to identify and evaluate a new product concept is the Focus group**

**Focus group sessions can evaluate product concepts formulated to satisfy the needs identified**

**Another consumer research technique is the advisory panel**

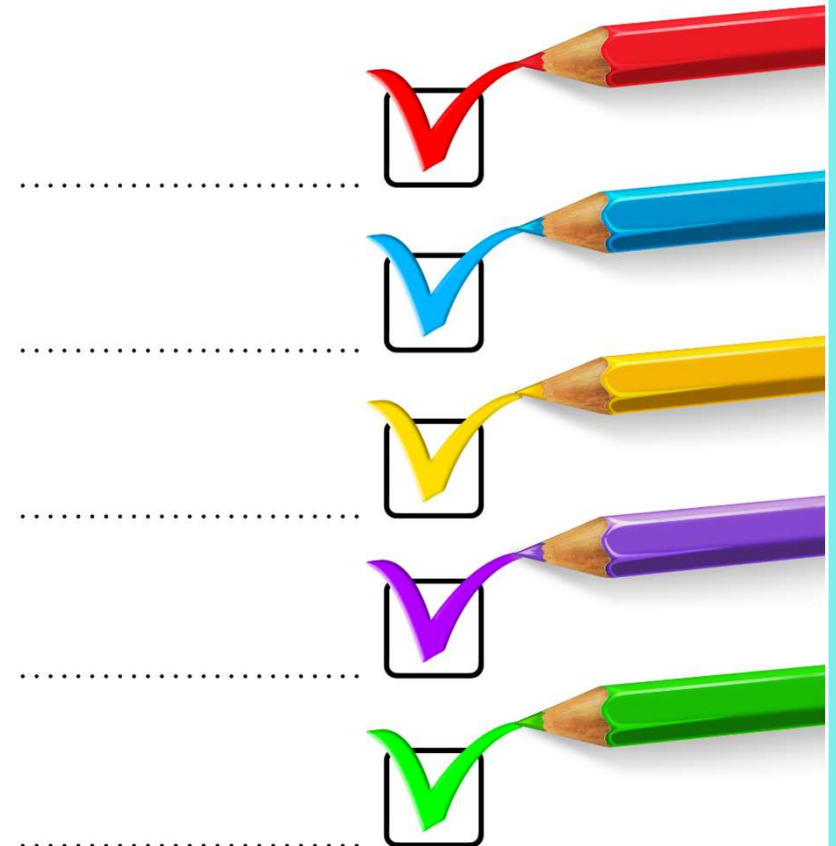
**These groups are selected to represent the target market of the company**

## 9. Final Stage, Review Reject Adoption Launch



## Possible Review Questions To Use

- Does it add value to the customer and your business ?
- Does it address and solve a problem?
- Does it fit with your strategy ?
- Does it reflect your brand values ?
- Is it achieving objectives ?
- Is it opening new opportunities ?
- Do you have viable routes to market ?
- Is it profitable?
- Is it sustainable?





# Concept Review

## Reject

Costs Unaffordable  
Production Issues  
or Incompatible with your  
Current Production  
Lack of Access to Ingredients  
Bad response from your Target  
Market

These would all be justifiable  
reasons to reject a new Concept  
Idea

## Adopt

Success !  
The Concept has been  
accepted.

Now you have to project  
manage the next stage  
of production or  
process integration and  
or product launch

## Launch

Introducing a new  
Ingredient, production or  
product concept will still  
require a process of  
integration and launch.

This needs to be well  
planned and managed  
systematically to hit your  
launch deadlines.

Now with all the research, planning implementation and integration complete.....

You can sit back and watch the success of your endeavour,



*And all that product  
being shipped out*



..happy days!!





We hope that you have found this training module a useful and helpful support to your healthy food and drink innovation.

This training module is one of a number of training opportunities, organised into themed training programmes to support SME's (small & medium sized enterprises) in the participating regions of Wales, Northern Ireland, Ireland, Spain, Portugal and France to successfully bring new and reformulated healthy food and drink products to market.

The training was created by the partners within the AHFES project which is a quadruple helix Atlantic area healthy food eco-system for the growth of SME's funded by the European Union under the Interreg Atlantic Area Funding Programme.

This programme promotes transnational cooperation among 36 Atlantic regions of 5 European countries and co-finances cooperation projects in the fields of Innovation & Competitiveness, Resource Efficiency, Territorial Risks Management, Biodiversity and Natural & Cultural Assets.

For more information about other training available [please click here](#).





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# Acknowledgements

This is where you give credit to the ones who are part of this project.  
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