

# **“How do successful food companies compete and what this means for Canada?”**

**Canadian Agri-Food Policy Institute**  
Webinar on Case Studies

May 6, 2014

## Webinar overview

### 1. What is this about?

- Key part of CAPI's research program into the competitiveness of Canada's food manufacturing sector
- Understanding “traits” of food company success

## Webinar overview

### 2. What will be covered?

- 3 of 13 case studies
- Cross case synthesis of 13 companies

## Webinar overview

### 3. Why is this relevant?

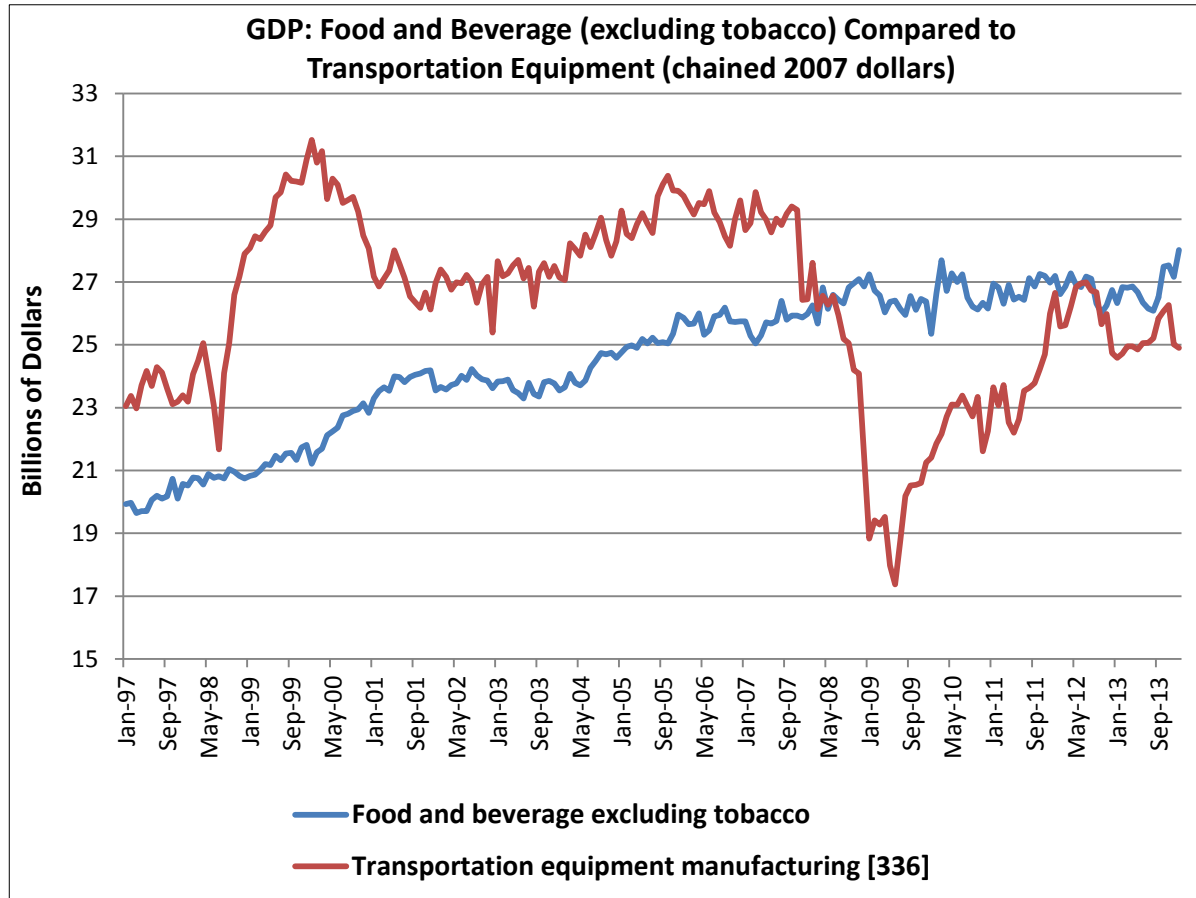
- For companies, investors, industry
- For governments and other stakeholders (e.g., financial institutions, researchers, innovation experts, producers, etc.)

## CAPI Processed Food Research Program

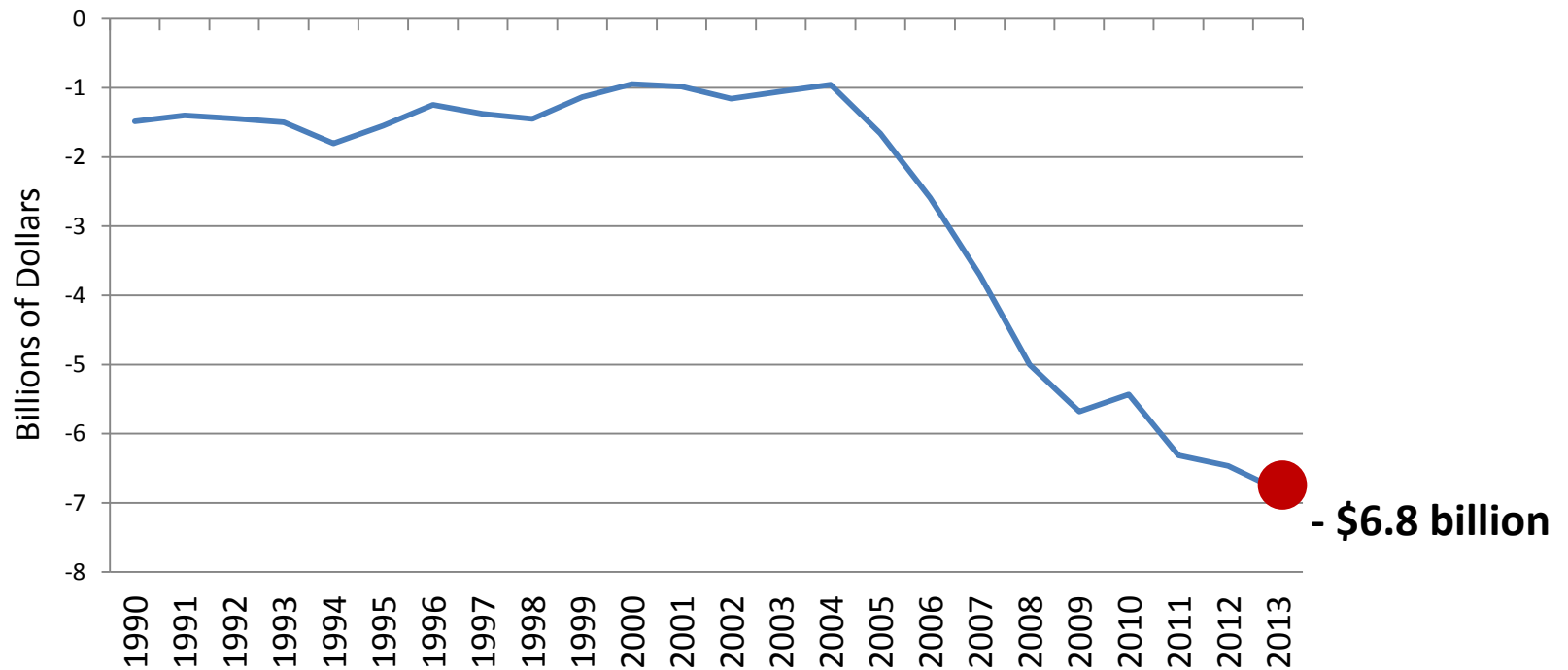
PHASE 1	PHASE 2	PHASE 3
“Diagnosis”	“Inspiring practices”	“Competitive advantage”
1a. Diagnosing the trade deficit 1b. Reasons for the trade deficit 2. Explaining the trade deficit 3a. Food manufacturing performance 3b. Plant openings, closings & investments	<b>4a. Case studies on company success</b> <b>4b. Cross-case analysis</b> 5. Consumers and markets 6a. Capital investment 6b. Talent, skills and people 6c. Innovation and off-grade food	7. Conclusions 8. Implication for policy & strategy 9. Dialogue on outcomes

# Food Manufacturing Sector: #1 in Canada

GDP Compared to Transportation Equipment Sector;  
includes primary & secondary food manufacturing



## The deteriorating trade balance in secondary processed food/beverages



**Challenges abound... change is constant...**

**But, why is it that some companies are succeeding?**



## Our case study companies



Multinational firms

Larger domestic firms

Publicly-listed companies

Privately-held

Smaller firms

National in scope

Diverse foods/beverages

Primary & secondary

## Our research partners



HEC MONTRÉAL



a place of mind  
THE UNIVERSITY OF BRITISH COLUMBIA

**Land and Food Systems**

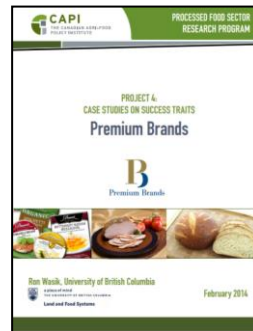
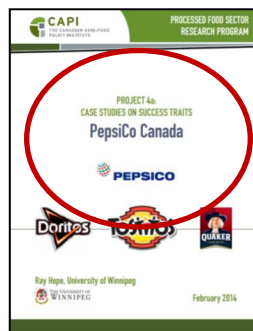
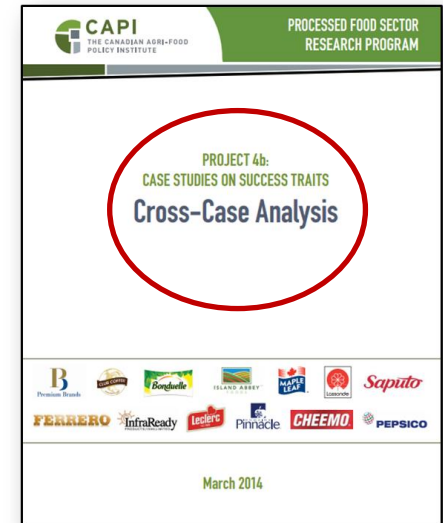
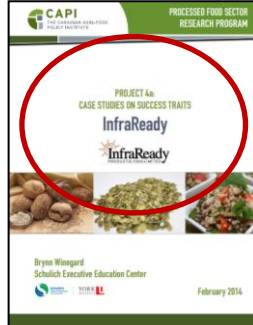
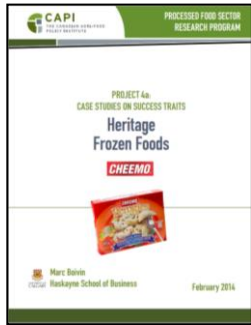
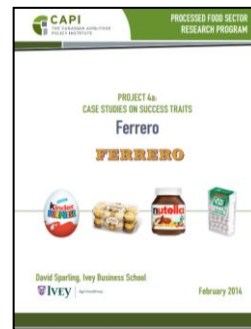
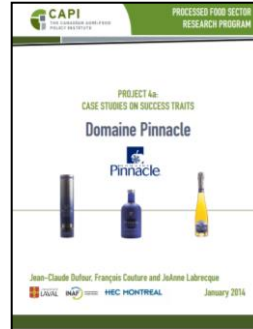
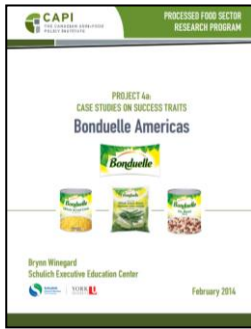


THE UNIVERSITY OF WINNIPEG  
PROFESSIONAL, APPLIED AND CONTINUING EDUCATION

HASKAYNE  
School of Business



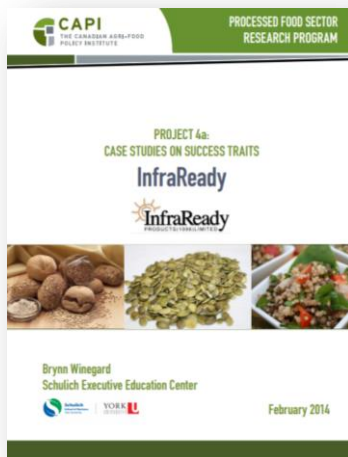
# Published now on CAPI's website



## Today... our panel of case writers

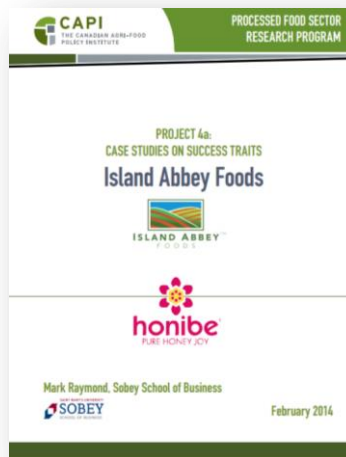
**Brynn Winegard\***

Schulich School of  
Business



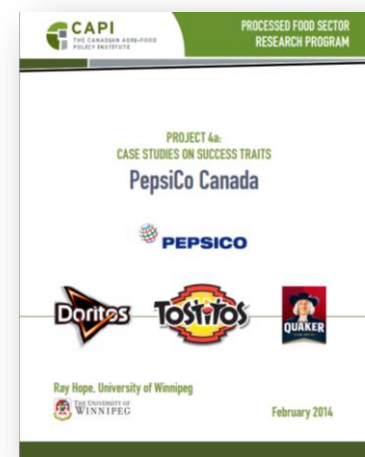
**Mark Raymond**

Sobey School of  
Business



**Ray Hope**

University of  
Winnipeg



\*Brynn also wrote the case for Bonduelle Americas and Club Coffee

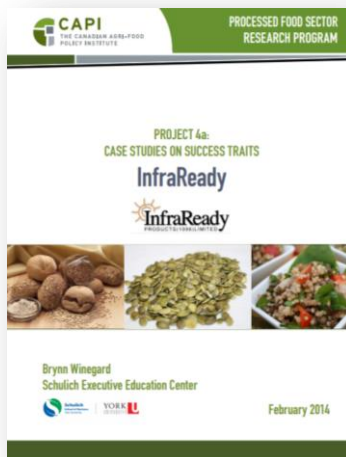
## Case study process

- **Interview the CEO and/or senior management**
  - Each research kept 1 key question in mind
- **Internal (CAPI) review process**
  - Cases signed off by company
- **Case researchers engaged in synthesizing the results (for the cross case analysis)**
  - Dialogue with external experts, the case companies & researchers on the cross case analysis

# InfraReady

## Brynn Winegard

Schulich School of  
Business



## Key question:

“How did Mark take a singular technology idea and parlay it into so many products with such diverse applications (e.g. breakfast/lunch/dinner foods, energy bars, baked goods, vodka, kitty litter) with relevance to so many global manufacturers?”

# InfraReady Foods: Factors of Success

## **Visionary Leadership and Management Style**

- Solid vision of what the future holds, what they want to accomplish, and to some extent how to get there

## **Deep Knowledge of Food Science and Technology**

- Solid knowledge about food science and food technologies
- Partnering with research houses, incubators, innovative organizations

## **Strategic Infrastructure Model**

- Stated vision, mission, purpose
- Reinvestment model

# InfraReady Foods: Factors of Success

## Perpetual Product Innovation and Development

- Continuous product innovation
- Mark is always thinking about how better and differently to use the existing raw materials and technology

## Proprietary Technology

- Infrared technology that is hard to replicate
- Improves food safety, shelf stability, flavour, texture, grain water absorption, grain water retention, cooking convenience, digestibility, manufacturer production times

## Accreditation and Credibility

- Certified by British Retail Consortium (Grade A), Global Food Safety Initiative, Organic Crop Improvement Association (organic), INFANCA (Halal), Montreal Halal (Halal), Health Canada, COR (Kosher), among others



# InfraReady Foods: Factor of Success

## An International Scope

- Mark thinks Globally
- 50% of IRP's business is exported from Canada

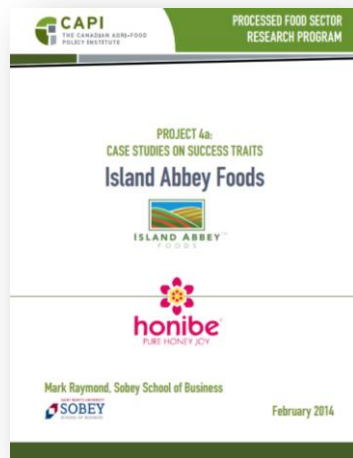
## Commitment to Transformative Value Creation, Customer Focus

- Incremental innovation is 'value-add', transformative innovation is 'value created'
- Customer-centric organization--everyone is empowered to help make the customer happy

# Island Abbey Foods

**Mark Raymond**

Sobey School of  
Business



## Key question:

“What have been the key factors underpinning the phenomenal growth both domestically and internationally?”

## Background:

Output at IAF has increased a hundredfold in four years.

# Island Abbey Foods

## Patentable Idea, Organizational Values and Structures

- Patentable idea is the key
- IAF trying to create premium world wide honey brand
- A willingness to have continuous improvement
- An expectation that everyone leads in some way

# Island Abbey Foods

## Strategic Relationships, Teams and Collaborations

- Co-branding is a major factor for the success of IAF
- Marketing is developed in concert with retailers
- Failures must be expected and handled accordingly
- Key personnel for regulatory and strategy facets, both domestic and international

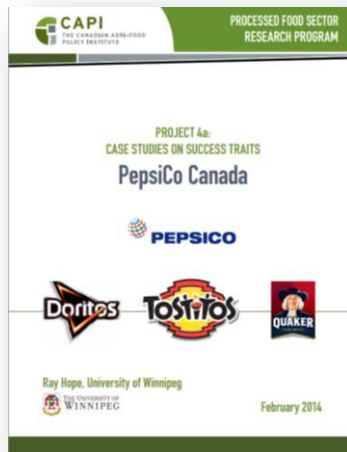
# Island Abbey Foods

## Data, Research and Planning

- Collection, analysis and use
- KPI daily, weekly, monthly, quarterly
- Working with suppliers
- Constant diligence

# PepsiCo Foods Canada

**Ray Hope**  
University of  
Winnipeg



## Key question:

“How does a subsidiary within a mature market maintain relevance within its multinational organization and compete for corporate investment?”

## PepsiCo Foods Canada: Collaboration & Partnerships

- **Leveraging the Multinational Organization**  
Access to brand strength, global/comparative data, best practices, subsidiaries
- **Government**  
Influence public policy, cutting through red tape
- **Suppliers/Growers**  
Creating a community of food producers
- **Customers**  
Understanding the customer and their [end] customer
- **Academia**  
A talented workforce begins with developing the right skills

## PepsiCo Foods Canada: Executional Excellence

- **Planning for Success**

Multi-year strategic plan with annual input and adjustments from all areas

- **Adding value to the value chain**

Working with all links in the value chain to create a system of partners

- **“Lift & Shift” Innovations**

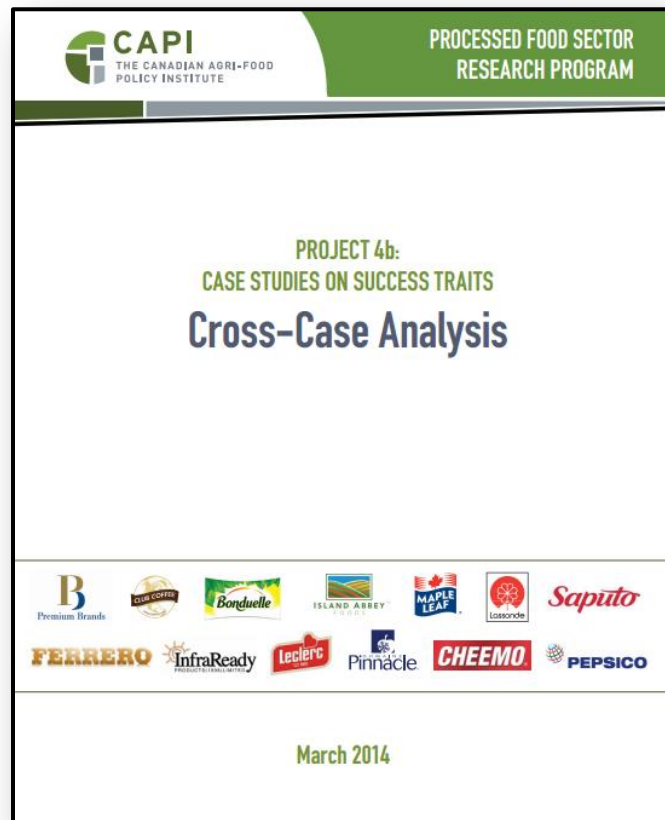
Leveraging global resources to find the right opportunities to execute in Canada

- **Respond to Trends**

Research and respond to market and policy trends – know your customer/environment

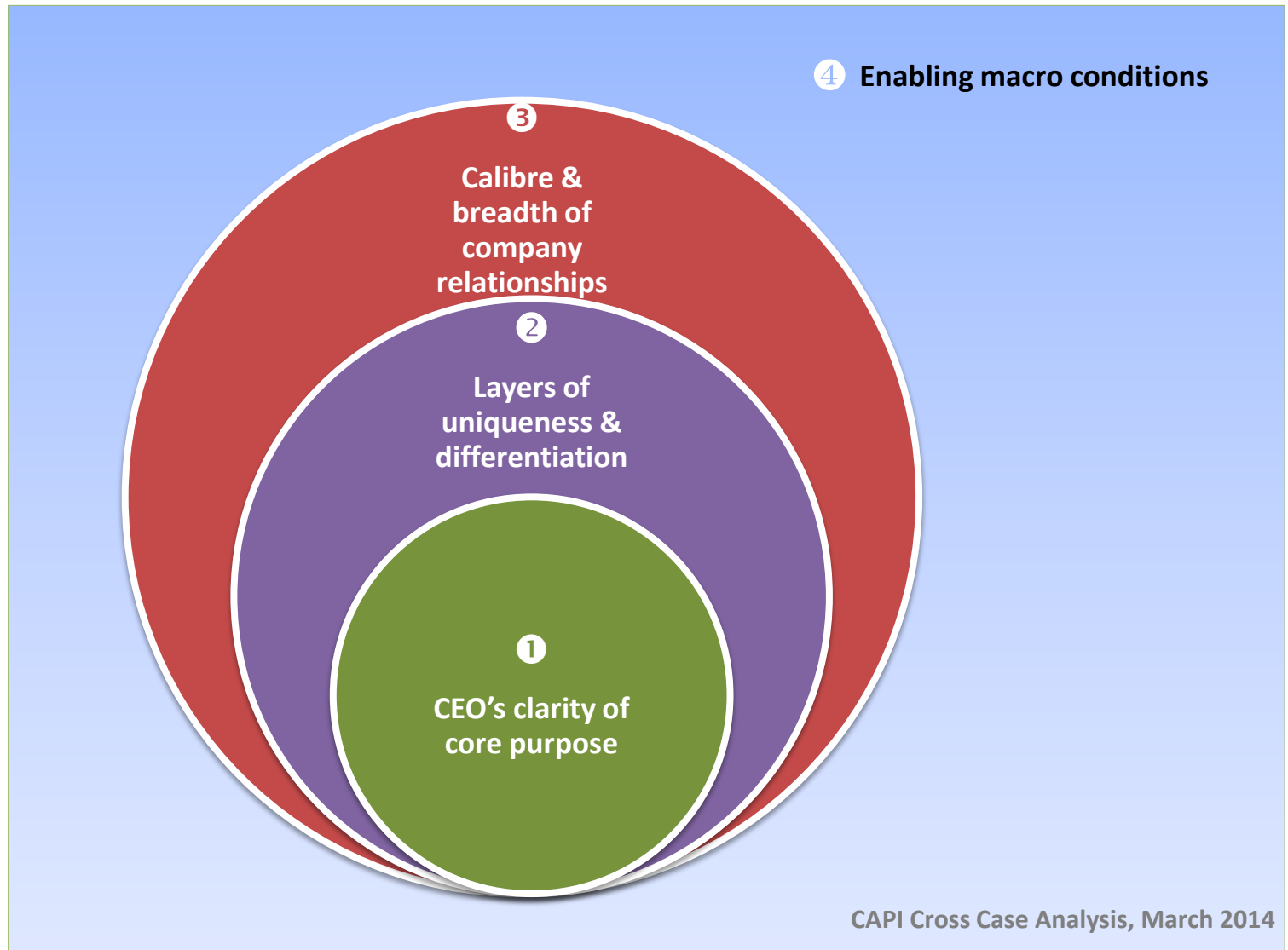


# CAPI Cross-Case Analysis



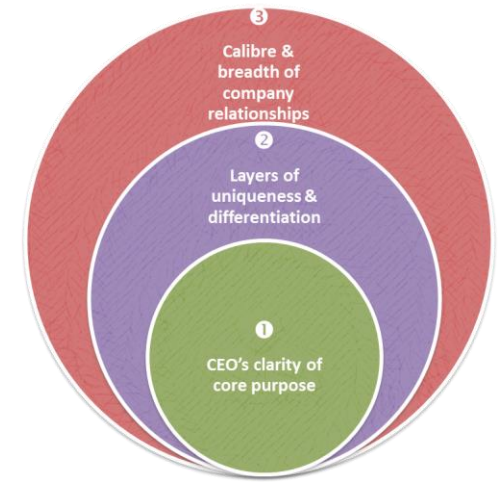
- 13 companies
- Examples from each case
- 4 factors of success

# Four factors determining company success



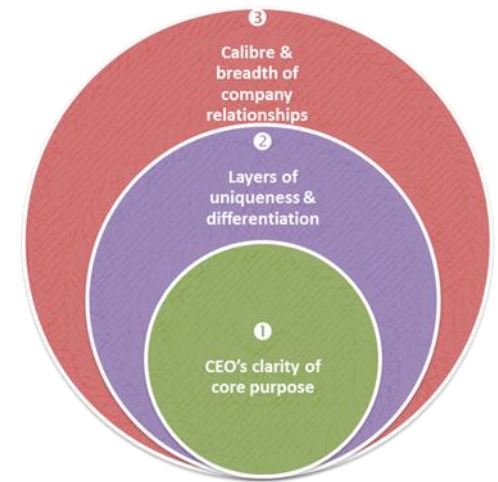
## 1. CEO clarity of purpose

- The company's "DNA"
- What the company was founded on
- Defines all its actions and backbone of strategy



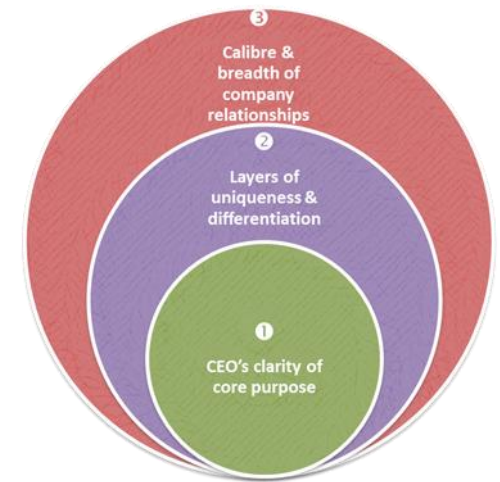
## 2. Layers of differentiation

- To deliver on the core purpose...
- Develop uniqueness and differentiation at every level
- The essence of innovation



### 3. Relationships

- Collaboration is strategic
- Diversity of quality partners
- To mitigate risks and leverage opportunities



## 4. Enabling environment

- The economy, marketplace & regulatory environment
- Overall attractiveness to do business
- Government a focus but includes others across the food system



## Processed Food Research Program

### Next steps

- Dialogue on the findings on the cases and the cross case analysis is underway
- CAPI's final report on the program soon
- Champions to adapt and take forward key ideas – to create change

# Questions?

***Thank you for joining the webinar today!***

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- Brynn Winegard: [bwinegard04@schulich.yorku.ca](mailto:bwinegard04@schulich.yorku.ca) or @DrBrynnWinegard
- Mark Raymond: [mark.p.raymond@gmail.com](mailto:mark.p.raymond@gmail.com)
- Ray Hope: [rhope@kibogroup.ca](mailto:rhope@kibogroup.ca)
- David McInnes: [mcinnesd@capi-icpa.ca](mailto:mcinnesd@capi-icpa.ca) or @CdnAgriFood

...thank you to the Schulich School of Business for co-hosting today's webinar.