

WHITE PAPER

Anderson Partners
ADVERTISING

Marketing Your Capabilities When the Innovation Clock is Ticking

The background image is a monochromatic blue-toned photograph. In the foreground, a hand is holding a white, round alarm clock. Below the clock is a laptop keyboard. In the background, an hourglass is visible, symbolizing the passage of time. The overall scene suggests a focus on time management and innovation in a business context.

“When intellectual property is scarce, speed to market is everything,” said Carl Melville, president of The Melville Group, at a recent ProFood Tech event in March 2019.

Observations like this represent a changing tide in the food and beverage industries, where new brands are chomping away at the market shares of legacy ones by churning out products in record time, while frantic manufacturers try to keep up with ever-changing consumer demands. Unlike in the past, however, manufacturers no longer have the luxury of taking years to develop a new product.

In this new high-speed, high-demand world, larger food manufacturers are eyeing the success of smaller and mid-size manufacturers in order to increase their own rate of innovation. And rightfully so; in 2017, nearly half of the most successful new products [came from smaller manufacturers](#).

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Take Halo Top ice cream, for example, which burst onto the scene two years ago with just over \$340 million in sales, in an industry where brands typically average \$14.5 million.

Impressive numbers like these are enticing to larger manufacturers that can't typically innovate at the pace of smaller, more nimble companies. That's why food and beverage makers are taking new approaches to product development — teaming up with other manufacturers so they can get a taste of the success that smaller companies are experiencing.

New Approaches to Innovation

“No longer are brands coming to co-manufacturers saying, ‘here’s my product, please make it,’” [explained Melville at his session in March](#). “They’re coming to co-manufacturers and saying, ‘help me co-develop this and get it to market faster.’”

Many companies are cutting back on R&D in new product categories in favor of these partnerships; in some cases, acquiring other brands in order to accelerate development timeframes and allow manufacturers to get items in the hands of consumers like never before.

Sean Connolly, president and chief executive officer of ConAgra Brands, told [Food Business News](#) that after acquiring Frontera, a Chicago-based salsa and sauce business, they were able to quickly expand the product into the frozen category to create other, newer products in multi- and single-serve varieties.

“In the old days,” Connolly said of the process, “this would take us 1.5 years. This product took us a matter of months.” These reductions in development timeframes represent a “sense of agility” for ConAgra, said Connolly.

Agility is exactly what big brands like ConAgra and others are looking for as they [focus on speed to market](#) over releasing a flawless product with a much longer launch process. In an interview with Baking Business, Jonathon Nudi, General Mills’ group president for North American retail, described how in the past, they could have missed the timing of trending products because of two- or three-year development timeframes. However, thanks to a new iteration process based on test marketing and quickly implementing consumer feedback, that’s not the case anymore.

“We’re able to get from idea to market in less than a year,” said Nudi. “And as a result of that, we think we’re going to be on the front end of some of these trends.”

General Mills isn’t the only company using this feedback-driven model though; Tyson Foods just launched a new line of [functional refrigerated protein snacks](#), debuting them via an [Indiegogo campaign](#) before a wider rollout. Consumers who backed the product (called Pact Snack Bites) started receiving their samples this month and will be able to provide real-time feedback to the team handling the launch.

Noelle O’Mara, group president of Prepared Foods for Tyson Foods, said this new launch strategy is part of their “disruptive innovation model to create, iterate and bring products to market faster.”

In the race to get product innovations off the drawing board and onto the shelf, disruptive is exactly what manufacturers need to embody if they want their items to be the first on the market. Some brands are getting creative and turning to help from food ingredient companies who specialize in coming up with solutions for manufacturing problems.

Getting a Leg Up from Food Ingredient Companies

Brands like Corbion and Ardent Mills are leveraging their expertise and developmental capabilities to turn concepts into reality more quickly. Take [Corbion's Listeria Control Model](#), for example. Their online tool allows manufacturers to see when their meat products are at risk for *listeria* growth, even indicating how effectively each of their food-safety solutions could help inhibit this growth and increase shelf life.

On the baking side, [Ardent Mills' Innovative Bakery Resources](#) (IBR) facility partners with everyone from small-time bakeries to commercial baking outfits. This self-proclaimed “think tank” researches, designs, and produces custom items and limited run batches of products, which allows their customers to reduce some of the legwork in getting new items on their shelves. In a [press release](#), IBR Manager Scott Dillingham said the facility allows major food customers to use their “high-quality ingredients, customizable lines and custom blends to support regional pilots and national product launches.”

Ingredion, one of the nation's largest food ingredient companies, offers [virtual labs](#) where manufacturers can play with ingredients, review white papers and virtually design products to achieve specific mouthfeel or taste attributes. Valdirene Licht, senior vice president and president for Asia-Pacific at Ingredion, said in an interview with [FoodIngredientsFirst](#) that the purpose of the virtual lab was to create “an interactive and easy-to-use resource for food and beverage companies of any size pursuing increased agility and speed to market.”

Being first to the market comes with a cost, but so does being last. According to Kansas State University's Kansas Value Added Foods Lab, the average time a company dedicates to developing new products for the food market can be as lengthy as two years. And after pouring in time, money and other resources, a product can still flop – a costly misstep for any company. Out of [a whopping 15,000 new food products](#) introduced to the market each year, Kansas State's research shows that failure rates can be as high as 90%. With stakes this high, it's apparent that companies which can get products on the market faster can iterate faster too, quickly arriving at winning products without as many wasted resources. It's trial and error at warp speed, or at least a speed never before seen by the food and beverage industry.

Want to work with a team that prides itself on being experts in food ingredient marketing? [Get in touch](#) with our team.