



VALUE ADDING ROADMAP FOR SUCCESS

THE FOODIEFACTORY

YOUR STEP BY STEP GUIDE FOR CREATING VALUE ADDED PRODUCTS

PROVIDING YOU WITH A COMPETITIVE ADVANTAGE IN THE MANUFACTURING AND PRODUCTION OF CONSUMER GOODS

Let's face it—starting a value adding food business on top of managing a farm can feel pretty complicated and overwhelming, especially when you are just getting started. With so much information coming at you from so many different sources, regulations to follow, food safety requirements and licences, how are you really supposed to know what to do, and in what order, to actually make progress and get the results you are looking for?

The worst part is that so much of the information floating around about producing a value-added food products is unclear at best, and downright contradictory at worst. Half the advice doesn't make sense, and the other half doesn't work.

But what if the problem isn't the lack of information, but the lack of a clear framework in which to apply it? What if it turns out you are actually doing the right things, but in the wrong order? And what if there was a way to reverse your course in order to get back on track? That's exactly what this Value-Adding Roadmap For Success is all about.

Because, believe it or not, the problem for most farmers considering value-adding is not that they don't know what to do, but that they haven't taken the time to complete the steps in the right order. They jump around from one thing to the next, trying this and trying that, getting frustrated when something doesn't work, and then wondering why they haven't seen great results.

If you are truly ready to take your value-added food product idea to the next level, The Foodie Factory will walk you through each phase of this framework, step by step, and help you apply it to your own food business in a very concrete and incredibly effective way.

If not, you can still use this blueprint as a reference guide to determine where you are at in this process, where you might be missing a piece or two, and where you still need to go.

Food entrepreneurship doesn't have to be complicated—you simply need to know which steps to take, and when. This Value-Adding Roadmap will show you the way.

The Foodie Factory

RESEARCH, RESEARCH, RESEARCH

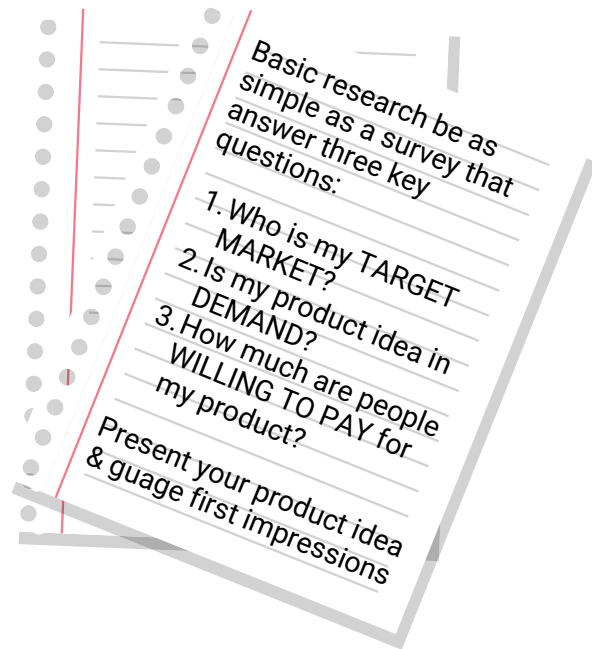
Pursuing a value-added food product idea can be really exciting, but before you go any further, it's time to make sure your idea is grounded in reality.

Before you can bring an innovative product to market, you need to understand the market really well, the shelves of your local supermarkets, food halls and delicatessens are cut throat places. Space is tight and there's a constant land grab afoot. If a product is too similar to competitor products, too obvious, too plain, too downright boring, it won't even get a look in – those making the buying decisions and assigning shelf space will disregard your product entirely.

To understand your target market, you need to face the fact that countless days of research may be required. If done objectively you can evaluate your food business idea before investing significant time and resources into it.

Workshops, online seminars, evenings spent with your nose in a business strategy book – these are the undertakings that you'll need to realise if you want to pursue a profitable career in value-adding.

If you find out through this process that your idea is not actually viable, that's a bummer, but you just saved a lot of time and money by deciding not to move forward with an idea that would have failed.



THE NUTS & BOLTS QUESTIONS

- Is there a consumer demand for the product you want to produce?
- Where will you make the product?
- How much can you make with the available produce you have?
- Do you have the ability to scale production if there is a high demand?
- How much will it cost to make and market it at scale?
- How much is the consumer willing to pay?
- How many will they buy?
- Where will they buy it from?
- How will you get the product to the purchasing location?

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**INNOVATION IN FARMING
& AGRIFOOD PROCESSING
ARE IMPORTANT TO
REMAIN COMPETITIVE &
HAS SEVERAL TIMES THE
ECONOMIC IMPACT OF THE
AGRICULTURAL
PRODUCTION ALONE**

To take advantage of opportunities in this area, one must know and understand customers. What consumer segments might want your product? What are the benefits desired by these potential customers? What criteria are they looking for when purchasing?

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WHERE TO START?

DESCRIBE THE VALUE YOU WANT TO GET FROM VALUE-ADDING
What crops do you consistently have in excess, and when? (If you have excess tomatoes when you are in our busiest time, then maybe you don't have time to make a product from tomatoes. So could you freeze them and make something later?)

What other crops could you grow for value-adding if the money was right?
Choose only your four most important values. For example: make more money, diversify my product line, have shelf-stable product in between seasons.

WHAT CAN YOU MAKE FROM YOUR CROPS?

Brainstorm a short list of product options based on your excess crops and/or waste:

You are ultimately looking for products you could:

- make from crops you already grow, or could easily grow;
- make through easy processes (not too messy, dangerous, complicated);
- make in the least amount of time;
- make with the smallest investment in equipment and facilities;
- make with the lowest cost of ingredients; and
- sell for the highest possible price.

When deciding on a product range your recipe how your recipe will scale is a critical factor. If you made 12 jars in your test batch, how would you change your recipe to make 120 jars? Most recipes don't scale linearly. For example, a batch 10 times larger may not need 10 times as much salt. So you'll want to make test batches at the higher volume. Keep track of your costs as you go. If you find that this product doesn't work at higher volumes, try another product or find the volume that works for you.

PRODUCTION CHECKLIST

- Do I have a reliable and affordable source of ingredients?
- What regulations apply, and can I comply with them?
- How is the product is going to be packaged?
- What equipment and facilities do I need to make & package my product?
- Will I need to use a commercial kitchen?

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CONSIDER SCALABILITY

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FOOD SAFETY REGULATIONS

Next to profitability, regulations are the biggest factor that will determine what food products you can make and sell. Some rules and restrictions are painless, while regulations and licensing requirements make other activities extremely difficult or impossible. You absolutely must follow all the rules and take them seriously, and things are easier if you stick to foods allowed under the Australian food safety laws.

Check the regulations that apply to your products. You may need to have your products tested by a food safety lab before you sell it. Depending on the product, you may need to test pH, water activity, shelf life, or shelf stability, among other things. You may need special training and certifications, and you may also need to do nutritional analysis. Consider the following:

- What products am I allowed to sell?
- Where am I allowed to sell my products?
- To whom am allowed to sell my products?
- How much money am I allowed to make selling my products?
- What licenses, permits, registrations, or training do I need?

POST-PRODUCTION CHECKLIST

- Where will you keep your product until it's sold?
- How will you transport your product to your customer?
- How will you keep a refrigerated/frozen product cold whilst transporting?
- How will you display it?

STORAGE & DISTRIBUTION CHECKLIST

- Where will I store my products until I sell them?
- How many products will I need to store and for how long?
- How long can I store my product and still keep it safe?
- How will I get my products to my customers?
- What is the minimum order size you are willing to ship or deliver?
- What is the turnaround time you need to fill orders and get them to your customers?
- How much will distribution and storage cost?



LAUNCHING YOUR PRODUCT

- I've got the right personal aptitude for this.
- I know what crops I will process.
- I know what products I will make.
- I've made test batches that look, smell, and taste great. People love them.
- I know the quantity I need to make.
- I know I'll have enough crops available to make this quantity.
- I have adjusted my recipes for the size of the batches going to make.
- I know where I will make my products, or who will make them to my specifications.
- I have the equipment and facilities that I need to make this product at the scale I've chosen.
- I've made an operational prototype, simulating actual processing equipment and volume.
- I'm certain that I can make these products safely, without causing food-borne illnesses.
- I know I can conform to all local, state, and federal regulations, including FANZA rules.
- I have a reliable source for ingredients and packaging.
- I know how to package my products.
- I know how to label my products, so they are attractive to customers and follow all applicable rules.
- I have enough storage for my products.
- I know how I'm going to transport my products to the point of sale.
- I know who will buy my products.
- I know the price I'm going to charge, and I'm confident it will be acceptable and attractive.
- I have a marketing plan for reaching likely customers.
- I know all my production and non-production costs. I'm not overlooking anything. I've run the numbers and I'm certain this enterprise is profitable.
- I have the funding or financing that I need to make all this happen.
- I know I'll have sufficient cash flow to repay loans (if any).
- I have sufficient cash reserves to address production problems that may occur.

Building a successful value-added enterprise is rarely the result of luck alone. Usually, a significant amount of planning, re-search and investigation, study and learning takes place as a business develops and grows.

Often this knowledge results from trial and error and learning from mistakes – as the old saying goes, “hindsight is 20-20.” Some of the most valuable lessons and experiences of other entrepreneurs are referred to as “tricks of the trade.” In fact, learning from the experiences of others is a proven and effective tool for shortening the learning curve of start-up, value-added entrepreneurs.

WHO ARE WE?

The Foodie Factory is the brainchild of The FNQ Food Incubator, who has been working one-on-one with food entrepreneurs wanting to create and scale products for the past two years.

Through their mentoring sessions with artisanal food producers, they have developed a platform to assist the makers that house all the resources that are required to construct a successful and resilient food business.

It’s a complete business environment for food entrepreneurs and often a frustratingly expensive one. That’s why our team – the smart squad of business advisors behind The Foodie Factory – realised that it was time to dish-up a brand new solution and are now offering structured online resource hub specifically for foodies.

The online portal gives exclusive access to relevant industry resources, workbooks, checklists and links designed to help build successful and sustainable food processing businesses.

