



Cornerstone of Industry Competitiveness

Innovative Value Chains

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Overview

- Introducing Value Chain Management Centre
- Why value chain approaches will increasingly determine the competitiveness of ANY agrifood business / industry
- Examples of innovative value chains and what they achieved
- Common determinants of innovative sustainable value chains

Value Chain Management Centre

- Canada's only organization dedicated to value chain research, training and facilitation
- Formed in 2008 with ACAAf seed funding
- Disseminates non-proprietary information developed from research and analysis
- Provides trusted, objective source of information on value chain issues
 - » Inc. interaction between enterprise and environment
- Strategic partners – *research, consultation, teaching*
- Accountable to Advisory Board
- Arms-length enabled flexibility and objectivity

Focused On Achieving Outcomes

- Knowledge is simply theory, unless acted upon
 - » Knowledge does not automatically lead to change
 - » Knowledge is one of many motivators and enablers
 - » Change often attracts risk, resistance, rejection
- Achieving positive economic impacts relies on
 - » Facilitating/motivating objective causal reasoning
 - » Increasing aspiration for change
 - » Reducing resistance to change
- Enable change by targeting 3 stakeholder groups
 - » Commercial businesses: physically form chains
 - » Other industry: commercial and non-commercial
 - » Governments: bureaucrats and politicians



Innovative Value Chains

*Competitive Businesses = Competitive
Industries*

Blade Farming (Beef)



- 2001: in response to challenge by McDonald's
 - » Grown to become UK's largest beef initiative
- Clearly defined and enforced protocols / KPIs
 - » Developed in conjunction with strategic partners
- Incentivize performance by providing farmers with price commitment, forward contracts
 - » Finished animal essentially sold before conceived
- Take ownership of animal twice along chain
 - » Ability to exert greater governance over operations
- Support through financing and technology

Little Potato Company



- 1996: Jacob van der Schaaf
 - » Desire to replicate potatoes consumed in Europe
- Success enabled by 3 complementary factors
 - » Consumer focus, product differentiation, share \$\$\$
- Choose varieties in consultation with partners
 - » Functionality, taste, agronomics, visual appeal
- Proprietary genetics are tools, rely on how used
 - » Root cause, continual monitoring and improvement
- Knowledge, skills, technology and infrastructure
 - » Ability to guarantee consistent quality and supply

SeVita International

Brought chain together to understand each others' needs and innovate through learning

- Guaranteed white (*clear*) hilem soybeans
 - » Grown in Eastern Ontario / Canada
 - » Targeted for use in specific Japanese products
- Government funding (2003) acted as a primer
 - » Enabled market exploration, varietal testing, etc.
 - » Showed clear opportunities of growing for traits
- Passionately customer/consumer focused
 - » Technology supports objective decisions/processes
 - » Development of close constructive relationships

Common Factors That Determine Sustainable Innovative Chains

- Focus on managing determinants of quality
 - » Purposely do not focus on managing outcomes that are symptoms of an often dysfunctional system
- Have a strong recognized leader and lieutenants
 - » Primarily respected for their capabilities and ethics, not for their rank in the organization(s)
- View trust as outcome of connecting the chain
 - » Incentives, culture, roles, accountabilities
- View premiums as a bonus that must be earned
 - » Primary efforts focused on reducing costs, accessing markets, creating ability to learn then adapt

What Innovative Chains Are Not!!



Their Mindsets Determine...

Attitude towards others, and their surroundings



Ability to learn, and make appropriate decisions





Thank you!

Questions / Discussion



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