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Teys Bros Collaborative Innovation Strategy program

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Collaborative Innovation Strategy program

Meat & Livestock Australia (MLA) develops Collaborative Innovation Strategies throughout the Red Meat Value Chain with, but not limited to;

- Processors
- Value adders
- Pastoral companies
- Lot feeders
- Research providers
- Technology providers

Using a structure and tailored process for each client, MLA assists the partner to develop a comprehensive innovation strategy. The innovation strategy is integrated into the company's overall business strategy and includes measurable performance indicators which identify the contribution of innovation to the 'bottom line' and achievement of key business objectives. Ultimately the innovation strategy and associated improvement in innovation capability is expected to contribute to the enterprise's long-term profitability, competitiveness and sustainability.

This final report details the three year partnership between Teys Bros and MLA to develop and commence implementation of the Teys Innovation Strategy.

Teys Aust Collaborative Innovation Strategy - key points

- In the last 3 years there have been 30 co-funded MLA and Teys projects developed and delivered with a combined budget of \$ 5,409,653. These innovation projects have had a positive impact of Teys Bros from financial, capability and risk management perspectives.
- Teys invested strongly in innovation resources including an Innovation Manager and innovation graduates based at each company site
- Teys has received significant external recognition for its innovation successes including winning the AMPC innovation award for two years in a row as well as being awarded the Brisbane Lord Mayor's award for innovation.
- The Teys innovation system underwent a third party review by the University of Queensland Business School. This review found that "The innovation program at Teys Group has accomplished a great deal over the previous couple of years, both in terms of impact within the firm and of external recognition."
- Building innovation capability is not a short term journey and there is more work to be done by Teys to fully develop their innovation system and ensure it is sustainable.

Teys Australia (formally known as Teys Bros (Holdings) Pty Ltd)

Teys Bros (Holdings) Pty Ltd on behalf of the Teys Group of Companies and Meat & Livestock Australia (MLA) entered into an agreement in March 2008 to commence the development and delivery of the Teys Bros/MLA Innovation Program, 2008-2011. The first task involved the development of a Teys Bros Innovation Strategy, which described the intended research, development and education (RD&E) outcomes, resources and measures that would provide direction to the 3 year Innovation program.

The broad aim of the Innovation Strategy was to provide a clear framework for establishing Teys Bros policies, business goals and RD&E programs that will facilitate the development of innovative projects. This Strategy described:

- the strategic context and the drivers affecting the Teys Bros business and associated supply chain;
- the 5 strategic outcomes and associated focus areas to be addressed through the application of rigorous RD&E activities over the 3 year program.

The Innovation Strategy was developed in the context of the Teys Bros overarching Business Plan and on the basis of an extensive consultation process involving all business divisions and other industry stakeholders, including MLA. This Strategy was developed to contribute to improving long-term profitability, competitiveness and sustainability.

Company description

In 2008, when the innovation partnership was commenced Teys Bros was the largest Australian-owned and second-largest export beef processing company in Australia, processing one million cattle and turning over more than \$1.2 dollars per annum. Teys Bros comprised of four modern beef processing facilities, a 30,000-head feedlot, a tannery, wholesaling divisions, and a value-added facility.

Since that time, Teys Australia has been developed. This new business is a 50/50 partnership between the Teys family and the Cargill company

Teys Australia operates beef processing plants located across the Eastern seaboard of Australia at Naracoorte, Wagga Wagga, Tamworth, Beenleigh, Rockhampton and Biloela. The Company operates two cattle feedlots located at Jindalee and Condamine.

Teys Australia Food Solutions, based in Brisbane provides customers value added meat product solutions. Teys Australia Murgon processes cattle hides supplied by the Company's beef processing plants. The Company also has a 50% share in wholesale businesses located in Brisbane, Melbourne and Adelaide.

Before collaboration with MLA

Teys Bros has always been an innovative organization. Innovation was largely introduced to the organisation through the employment and then the natural progression of innovative individuals. As a result innovation was organic, spontaneous, ad hoc and occurred more often in certain areas of the business.

Some of the key drivers of the innovation program where:

- the need to ensure there was an overarching strategy to guide innovation activities
- the development of systems and processes to support innovation
- to increase the ability to partner and collaborate with other organizations to achieve greater 'efficiency' of innovation
- to more effectively leverage off available funding opportunities

Strategic focus for Innovation

The Teys Bros Innovation Strategy 2008-2011 was developed through a wide consultation process involving key members of the Teys Bros business, technical experts and other industry stakeholders.

Teys Bros operated on five main principals:

- Food safety is something that can never be compromised. The consumer does not just expect food that is wholesome and safe to eat, the consumer demands it.
- Always provide a quality product, consistent with specification that meets the needs of customers.
- Enable staff to reach their ultimate potential. Many resources are allocated to equipping staff with the skills required to run the business.
- Reinvestment in modern and efficient beef plants.
- Minimising the impact on the environment by undertaking best practice initiatives.

The Innovation Strategy was developed to assist Teys Bros to address new and emerging issues and enhance technology, process and practices to improve efficiency and productivity within the business.

The Strategy presented a high level approach to managing risks to the business and towards making improvements along the supply chain. It addresses the long term needs of the business and provides a basis for communicating, establishing linkages and collaborating towards shared goals with wider industry, government and the community.

TEYS BROS STRATEGIC PERSPECTIVE

The Teys Bros vision for 2011, as provided in the Teys Bros Strategic plan, was embodied in the following business goals of the company:

1. To be recognised as an industry leader;
2. To be one of the most successful and efficient meat companies in Australia;
3. To focus and value add to our core beef processing business;
4. To diversify our markets and develop relationships with end users;
5. Be the preferred employer in the Australian meat industry;
6. To secure the supply of cattle and other resources, through long term relationships;
7. To be recognised as a good corporate citizen;

8. To employ environmentally sound strategies and systems;
9. To be innovative and flexible.

Innovation Strategy Development – the process

Following a review of Teys Bros business goals, consultations within all business divisions within Teys Bros and with MLA were facilitated towards establishing priority areas for the application of RD&E that could deliver on their business goals.

Broad RD&E priorities were identified as follows:

- Increasing the 'value-add' of Teys Bros products, including further development of products for retail and food service;
- Increasing the penetration of international markets and maintenance of existing markets by initiating closer relationships with end users;
- Improving overall supply chain management towards delivering more consistent throughput and the supply of cattle;
- Developing and applying environmental management strategies that improve efficiency and ensure compliance with standards and community expectations;
- Improving capability, skills and knowledge and retention of Teys Bros personnel;
- Improving information and processing technologies and their application;
- Improving processing efficiency and reducing costs.

The consultation with each division of Teys Bros was aimed at identifying:

- the issues and challenges facing each division;
- priorities (strategies) for RD&E towards improving/alleviating the identified issues and challenges;
- the relative importance or 'ranking' of the RD&E priorities and;
- the potential for the RD&E priorities to underpin the aforementioned Teys Bros business plan.

The results were captured and presented as a '*Theory of Action*' for the business. The *Theory of Action*, a common strategic planning tool, was utilised to establish real and achievable outcomes for Teys Bros in the short, medium and long term.

The Theory of Action describes the inputs, activities and outputs of the business, the next users (e.g customers), the priorities for RD&E and required outcomes determined from the consultation process above.

Further consultation was carried out during June 2009 towards evaluating the accuracy of the defined objectives and programs in the Strategy. This process included staff from all Teys Bros locations to identify RD&E priorities for the business.

This process resulted in gaining broad ownership of the Strategy amongst staff and management. In some cases 'site specific plans' were developed to provide further operational linkage with the broader objectives of the Strategy.

It is recognised that other organisations, including RD&E providers and investor organizations, Government and the wider industry contributed towards the continual development, application and evaluation of the Innovation Strategy on a project by project basis.

THE TEYS BROS INNOVATION STRATEGY

The overall vision for the Innovation Strategy was as follows:

Conduct strategic and targeted research, development and education (RD&E) to address challenges facing the Teys Bros business and to enhance business productivity, efficiency, profitability, sustainability and market access.

The Strategy comprises 5 RD&E programs, each with specific outcomes. Each program comprised of several "key focus areas" which defined the core RD&E activities sought to achieve the specified outcome. Within these focus areas, projects were developed in accordance with the previously identified RD&E priority and their relative importance when compared with the Teys Bros Business plan goals.

PROGRAM 1: CAPABILITY

Required outcome: Empowered staff able to mitigate risk and build capability towards more effectively managing and adapting to change

FOCUS AREAS:

- Human Resource Management;
- Training and Education;
- Innovation adoption and capacity.

ANTICIPATED PROGRAM DELIVERABLES:

- Reduced staff turnover and absenteeism;
- Improved culture of learning and continuous improvement;
- Improved innovation adoption capacity;
- Improved safety performance;
- Regular provision of industry best practice training and education;

ACTUAL PROGRAM ACHIEVEMENTS

- The innovation program led to significant improvements in capability and succession planning. A Teys Graduate and undergraduate program was developed with all processing sites currently participating in this program. A comprehensive graduate training program has been developed to support these new positions.

- Development of a comprehensive Teys Management Development training program;
- Development of Change Management Tool for Teys Aust and for the Australian meat processing industry in general;
- Use of the diagnostic tool Headstart to gather baseline data with which to measure the impact of capability programs.

PROGRAM 2: SALES & MARKETING

Required outcome: Market access is maintained and enhanced and revenue is maximised

FOCUS AREAS:

- Increasing and strengthening demand within existing markets;
- Improving relationships with end-users, market intelligence and customer management and assessment.

ANTICIPATED PROGRAM DELIVERABLES:

- Improved revenue generated from the sale of Teys Bros products
- Improved production co-ordination and livestock pricing decisions;
- Growth in business with existing customers and markets;
- Improved linkages with end users of Tey Bros products
- Improved market intelligence and customer information;
- Increased assessment of customer feedback;
- Agile development of new potential products;
- Further development of MSA in export and the domestic market.

ACTUAL PROGRAM ACHEIVEMENTS

- Ongoing participation in MLA's ICA program
- Investigating and subsequent implementation of Dynamic Alignment as a methodology for understanding customer behaviours and aligning strategies to better service customers.

- MLA and Teys explored a range of new products resulting in the production of a capability development program for value added fully cooked products. The process was then implemented into Teys Food Service over the following 24 months.

PROGRAM 3: OPERATIONS

Required outcome: Increased operational efficiency.

FOCUS AREAS:

- Technology and process innovation for maximising production output;
- Production, processing, packaging and manufacturing practices for increasing efficiency;
- Lowest total cost.

ANTICIPATED PROGRAM DELIVERABLES:

- Improved operational efficiency;
- Improved packaging and boning technologies / processes;
- Improved product recovery;
- Reduced costs through more efficient and effective manufacturing and the application of new technologies;
- Minimising food safety risks and subsequent market failure;
- Ensuring the safety, integrity and consistency of Teys Bros. products.

ACTUAL PROGRAM ACHIEVEMENTS

- Knuckle and aitch bone puller co-biotic technology was developed and installed at all Teys meat processing sites. This technology has led to \$3.42/head saving across the Teys group.
- Spray chilling lead to increases in saleable meat yield of 1.2% leading to a net revenue of over \$3 million for one plant. This technology is currently being rolled out across all sites. The results of the spray chilling work were disseminated to industry within 3 months of the project being completed. This has been extremely valuable due to the intense interest industry currently has in spray chilling
- Investigating block freezing technology;
- Development of generic cost benefit calculators – In addition to providing demonstration sites for technologies such as naked block freezing and beef pulling technologies, Teys have approved the use of their plant data to be utilised in industry calculators, which enables other companies to make informed adoption decisions with more confidence.
- Innovative fast chilling project installed and commissioned at Teys Food Service. Forecast \$ increase in margin of over \$3 million over a three year horizon.

PROGRAM 4: SUPPLY CHAIN

Required outcome: Supply Chain enhancements to reduce costs and improve customer and regulatory expectations

FOCUS AREAS:

- Improving productivity and sustainability of the Teys Bros supply chain;
- Ensuring product wholesomeness, integrity and safety;
- Improving on time delivery performance.

ANTICIPATED PROGRAM DELIVERABLES:

- Improved quality assurance practices to meet regulatory and customer requirements;
- Improved standards to meet customer and regulatory requirements;
- Safeguarding against biosecurity and exotic disease risks and continual improvement in livestock health and welfare;
- Minimising food safety risks;
- Improved supply consistency and compliance with Teys Bros specifications;
- Enhanced application of electronic commerce to Teys Bros business processes.

ACTUAL PROGRAM ACHIEVEMENTS

- Investigation of the application of the Signal Demand System to Australian meat processing.

PROGRAM 5: COMMUNITY

Required outcome: Acknowledged, responsible, sustainable and ethical processing/production systems.

FOCUS AREAS:

- Minimising environmental impacts;
- Enhanced resource allocation and use;
- Enhanced “good corporate citizen” image.

ANTICIPATED PROGRAM DELIVERABLES:

- Improved resource allocation and use;
- Ethical and responsible processing practice through systems that safeguard the environment;
- Reduction in carbon emissions.
- Appropriate management and/or communication with surrounding communities.

ACTUAL PROGRAM ACHIEVEMENTS

- An Innovative containerised Biofilter was installed and commissioned at Beenleigh.
- Environmental open days – Teys have hosted an open day to showcase the successes of the Modular Biofilter which was developed as a partnership project. The MINTRAC environmental network attended this day.
- The investigation towards recycling of water from the evisceration table at Naracoorte was successful, resulting in savings of 500,000 litres per week and securing endorsement by AQIS. This led to savings of \$134,462/year.
- Measuring carbon footprint and building Teys environmental capability;
- Development of the Environmental Management System (EMS) structure;

KEY PERFORMANCE MEASURES

To evaluate the success of the Strategy in delivering its outcomes and meeting the stated goals of the Teys Bros Business plan, it was agreed that key performance measures (KPMs) were applied. The following table shows the areas where KPMs were developed:

PROGRAM	CRITERIA	KEY PERFORMANCE MEASURE
Capability	Capability and skills	Reducing gaps in core capability
Capability	Available and sustainable workforce	Reduced capacity due to labour shortage
Capability	Staff Satisfaction	Staff survey responses and turnover data
Capability	Safety	Reduced LTI rate / insurance costs
Sales and Marketing	Revenue	\$ per kilo/per head
Sales and Marketing	Quality and food safety	Customer Complaints and corrective actions taken
Sales and Marketing	Build end user relationship	\$ value of program business
Sales and Marketing	Delivery performance	On time delivery
Operations	Return on investment	NVP or payback period
Operations	Product Recovery Value	Boning Model or Yield
Operations	Sustainable Cost Reduction	\$ per head
Supply Chain	Product quality, safety, integrity and meeting regulatory requirements	Customer/supplier complaints and corrective actions taken
Supply Chain	Logistics	On time delivery

Community	Environment	Reduction in Adverse Output or input costs
Community	Corporate image	Customer Complaints and corrective actions taken
Community	Corporate image	Public or Government recognition

Innovation metrics were successful at an individual project level, however Teys Aust. have recognised there is significant opportunity to improve in this area. The need to progress to measuring the benefits from increased innovation capability has been identified and is a focus of the innovation system moving forward.

CONTRIBUTION TO WIDER INDUSTRY

The Teys Bros Innovation Strategy 2008-2011 was supported by the Commonwealth Government, the Australian Meat Processor Corporation (AMPC) and Meat and Livestock Australia. On this basis, this Strategy has been designed to contribute benefits not only to Teys Bros as a company, but to the broader Australian meat processing industry.

This Strategy has contributed to industry sustainability, growth and productivity by;

- Enhancing industry innovation capability;
- Improving the understanding and analysis of critical issues impacting on the competitiveness of the meat processing industry;
- Identifying, investigating and applying new technologies and new scientific knowledge that has application for the meat processing industry;
- Developing strategies and solutions to mitigate risks and address problems that impact on broader industry;
- Developing new practices, processes and procedures that contribute improvement to meat processing efficiency and productivity;
- Facilitating consultation and communication amongst stakeholders;
- Developing and pilot-testing research, education and training initiatives that deliver on the needs of broader industry.

Projects developed within this Strategy had the capacity to contribute the above to a greater or lesser degree depending on the specific issue being addressed. On the basis that a large number of challenges faced by Australian meat processing enterprises are common, this Strategy has contributed solutions to wider industry in both the medium and long term.

Role of the Innovation Manager

One of the key factors of success has been the appointment of dedicated innovation resources both within Teys Bros and with MLA. From a Teys perspective these resources have included an Innovation Manager who has been supported by all members of the Teys senior management team. The Teys Innovation Manager was responsible for the following areas:

- Developing and aligning innovation strategy with company's current business strategy
- Developing and managing a range of innovation measures as appropriate to the strategy
- Instigating innovation idea generation and filtering and feedback process
- Developing and co-ordinating an agreed number of substantial innovation projects that will be ongoing during the 1-3 year period
- Determining appropriate funding mechanisms for agreed projects
- Overall facilitation of multiple projects
- Support and coordination of site project teams
- Developing and/or evaluating innovation tools for facilitation of innovation
- External relationship management with research partners, research providers, equipment suppliers, processing sector and value adding sector as appropriate
- Participating in innovation network meetings and collaborating with other industry Innovation Managers as appropriate

MLA also appointed an Innovation Development Manager who was responsible for the following:

- Managing the relationship between Teys and MLA
- Supporting the development of the innovation strategy and system as required
- Managing cofounded projects through the MLA system
- Ensuring that project outcomes are disseminated to industry in an appropriate manner
- Helping Teys source appropriate technical and innovation expertise as required
- Identifying opportunities for MLA to add value to the Teys innovation system.
- Assist the company to develop and manage a range of innovation measures as appropriate to the strategy
- In collaboration with MLA, determine appropriate funding mechanisms for agreed projects
- Develop and/or evaluate innovation tools for facilitation of innovation
- Relationship management with research partners, research providers, equipment suppliers, processing sector and value adding sector as appropriate

- Provision of templates for reports and review documents, and assistance in delivering the required reports;
- Assistance in identifying and implementing the most appropriate people and process enablers.

External Review

In 2010, Teys Bros and MLA agreed to commission the University of Queensland Business School to conduct an independent review of the progress made by the Innovation Program. The objectives of this review were to:

- Assess the current state of innovation management within Teys
- Evaluate the impact of the CISp agreement on the Teys's performance, and the overall success of the program from the firm's perspective
- Provide suggestions for embedding innovation more deeply within the strategy and the day-to-day operations of Teys

Research Methodology

Data was gathered for this review from a number of sources, including:

- Discussions with the senior management at Teys and MLA
- Study of documents pertaining to the innovation process, and the CISp projects
- Semi-structured interviews with 10 Teys Group managers (included CEO, GMs and Managers from across the company)

The Current Status of Teys Group's Innovation Capability

The UQ analysis of the innovation process at Teys Group led to a number of observations:

- The innovation program at Teys Group has accomplished a great deal over the previous couple of years, both in terms of impact within the firm and of external recognition.
- The Teys group benefits from its private ownership governance structure – primarily through the long-term strategic view that this structure enables.
- There is a clear imperative within the organisation to integrate innovation within the broader strategic business plans.
- There is a need to develop a more flexible approach to measuring the impact of innovation within the firm. Benefit-Cost Analysis fails to capture all of the impacts generated through the execution of new ideas within the firm.

Recommendations

1. Stage-Gate Thinking

Stage-Gate processes are primarily used as a method for managing new product ideas from inception to launch. However, they can also be used to develop new processes and/or new services as well. The key idea is that each potential new idea is put through a rigorous screening process to ensure that the firm invests in the most suitable ones. A stage-gate process may help with the new product development process within TFS. A well-designed process would enable Teys to make sound decisions on the best areas for investment in new products.

Within the rest of Teys, a stage-gate process might be less useful. If it were to be used to assess many of the joint MLA projects, for example, it would require significant changes to the selection criteria since these are mostly process improvements. Nevertheless, even if Teys does not adopt a full stage-gate process, it would be extremely useful to evaluate potential new projects with a set of clearly defined selection criteria.

2. The Service Science Approach

Service science brings together thinking and analytical techniques from management, social sciences and engineering to understand the value-creation logic in services-centric businesses where intangibles such as customer relationships and brand loyalty are key.

For Teys, the multi-disciplinary skill set represented by a Service Science approach could be applied to the 'Horizon 3' strategic thinking needed to ensure new and diverse revenue sources are created over the longer term. This combination of engineering, analytical and marketing -related knowledge will be particularly important for the business as it seeks to carve out new product niches and build customer demand in the red meat and related markets.

3. Open Innovation

Open innovation is based on the premise that innovative ideas can come from anywhere, not just within a firm. This has two important implications. The first is that firms need to develop methods for gaining access to ideas that originate elsewhere. The second is that firms might not execute all of the ideas that they generate, they may need to find alternate paths to market. Teys could investigate participating in a solutions community such as this in two ways. It can submit problems for solution if there are any that might be fruitfully addressed in this manner. Also, actively participating in problem solution could be a good way for Teys to leverage its skills in this area.

4. Innovation Metrics

One of the problems with innovation is that there is no single measure for it – it is impossible to reduce “innovation down to a single metric. Furthermore, all of the commonly used metrics are proxy measures. In other words, they end up measuring parts of the innovation process, or things related to innovation, rather than measuring “innovation” itself. As a consequence of these two issues, organisations need to construct sets of innovation metrics that will collectively provide a measure of innovation success.

There are three common errors in constructing innovation metrics. The first is to have too few. Many organisations try to reduce innovation measures down to a single metric. The flaw in this approach is that doing so makes it impossible to measure innovation as a process, or to capture the extent of an innovation portfolio. Multiple measures are required to successfully track innovation.

The second problem is to only measure incremental innovations. This happens most commonly in organisations that overly focus on idea generation as being the only part of innovation. This leads to paying too much attention to innovation ideas that are relatively easy to implement and justify in terms of cost. Only incremental innovations meet these criteria.

The third error is to only measure inputs. The two most common innovation metrics used are patents and R&D expenditure. Both of these measure inputs into the process. While in many cases these can be important, they are not universal (and they are not very useful for Teys).

The best solution is to develop an innovation metric dashboard, with several measures across three categories: input, process-related and output measures. Some innovation metrics that would be appropriate for Teys include:

Input Measures:

- Financial resources dedicated to innovation
- Human resources focused on innovation (time)
- Number of ideas generated
- Senior management time invested in new growth (H2 & H3) innovation development

Process Measures:

- Process speed (average time from idea generation through to execution)
- Participation in idea generation (number of people involved in upper management, middle management and workers)
- Innovation portfolio balance (number of ideas and resources invested in H1, H2 and H3)
- Kill rates by stage (how effectively are ideas being selected at each step?)

Output Measures:

- Percentage of revenues in core categories from new products
- Percentage of profits from new categories
- Number of new products or services launched
- Number of process improvements implemented
- New product success rates

Innovation Awards

Teys was awarded the AMPC Innovation Award for two years in a row and has also been awarded the Brisbane Lord Mayor's Leader in Process Innovation Award in 2010.

Key Learnings

The key learnings for Teys during their three year innovation journey are as follows

- The need for a common language. Innovation can often be a word that doesn't connect with people as it has many different interpretations. Its important to agree on what language is used to describe the company's version of innovation, whether it be business improvement, doing things differently etc. The language needs to be used consistently
- Engagement of workforce at all levels. While it is essential that the CEO drives innovation from the top down, there also needs to a commitment from middle level management and the people at an operational level. This can be difficult to achieve and needs continual focus, incentives and small wins to succeed.
- Change management. Innovation must be supported by appropriate change management programs to ensure that the workforce is supported and engaged in the process.
- Metrics are hard. The ability to accurately gauge the impact enhanced innovation capability makes to the bottom line of a business is difficult. There is a tendency to continually rely on cost benefit analysis of individual projects which is a missed opportunity. More focus is required in this area for Teys.

- Strategies are a work in progress. The innovation strategy has evolved rapidly over the three year program and has changes significantly as a result of the formation of the joint venture. The Teys innovation strategy no longer exists as a separate document and process and now sits as a core component of the overall business plan.

Proposed Next Stage for the MLA/Teys CISp program

Teys Bros were one of the first companies to partner with MLA in the Collaborative Innovation Strategies (CISp) program. The CISp was developed as an initial three year agreement with an additional two years of engagement for those companies who meet the required criteria. MLA and Teys have agreed to continue their innovation partnership for a Stage 2 for an additional 2 years.

To be eligible to participate in Stage 2 CISp, companies must have demonstrated through their Stage 1 participation, progress and continued commitment to the following areas:

- Significant progress in their innovation capability as evidenced by an external third party review
- CEO commitment to continue to embed innovation within the organisation through further investment in appropriate innovation resources and infrastructure
- Demonstrated progress in implementing innovation metrics as well as a commitment to continue to improve in this area and report progress to MLA
- Willingness to support MLA's drivers in increasing the industry's innovation capability through the sharing of information regarding innovation capability as well as individual project deliverables.

For Teys the areas of metrics, knowledge and learning, enabling systems and processes have been identified as priorities for development in the second stage of the Innovation Agreement.

Engaging in a second phase of the CISp program will enable Teys Bros to achieve the following objectives:

- The development and implementation of an integrated capability building plan to support the innovation strategy
- The development, implementation and measurement of more effective innovation metrics
- Participation in diagnostic tools and external reviews as appropriate to measure innovation capability of Teys and monitor progress after the program completion.
- Continued integration of innovation into business processes and systems to ensure innovation becomes sustainable independent of key staff members
- Continued development of innovation strengths such as the sourcing and application of new ideas
- A reduction in reliance on MLA

Engaging in a second phase of the CISp program would enable MLA to achieve the following objectives:

- Continue to build the industry's innovation capability.
- Case study demonstrating what makes a firm's innovation capability sustainable.
- Incorporate learnings into programs with other partners.
- Maintain the close relationship with Teys and have a conduit for the facilitated adoption of its technologies.

Conclusion

MLA and Teys participated in a three year partnership to develop and implement a Teys Innovation Strategy. The components of the innovation strategy and system included:

- Innovation strategy development and engagement
- Innovation systems and structures
- Innovation metrics – development and measurement
- Workforce engagement
- Skills development
- Idea generation and project selection
- Project support

The Teys/MLA Collaborative Innovation Strategies program has been extremely successful from a Teys, MLA and industry perspective. It has led to an increased innovation capability for Teys, stronger relationship development with MLA and faster adoption of R&D to industry.