



final report

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John Dee Collaborative Innovation Strategies Partnership program Stage 1

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Abstract

The purpose of this project is the development and implementation of a Stage 1 Collaborative Innovation Strategy between John Dee Warwick and Meat and Livestock Australia. Stage 1 will be integrated into the company's overall business strategy and will include measurable performance indicators which identify the contribution of innovation to the bottom line and achievement of key business objectives. Ultimately the innovation strategy will contribute to John Dee's long-term profitability, competitiveness and sustainability. It is anticipated that in Stage 1, the scope of the innovation strategy will include initiatives in the key business areas of:

- Operational efficiency (focus on materials handling)
- Innovation resource planning and people development
- Sustainability (Environment)
- Feedlot/livestock
- Supply chain innovation (including areas such as eating quality; information management; supply chain alignment; through chain assurance)
- Marketing/product innovation - including integration between CISP and Co-marketing programs as appropriate (separate contractual arrangements are in place for the Co-marketing program)

The timeframe for development and implementation of the Stage 1 Collaborative Innovation Strategy is three years, although agreed innovation and R&D projects may be implemented and supported to address short, medium and long term time horizons outside of this 3-year period. During the 3-year period, a range of strategy development and implementation activities are planned including (but not limited to):

- Documentation of key objectives and innovation initiatives in each of the above key business areas
- Quantifiable innovation performance targets in each of the key business areas, including the development of baselines and measurement systems to monitor progress
- Development of an innovation skills and resources plan to build John Dee's capability to effectively implement the innovation strategies
- Initiatives to support the cultural change required across the business to deliver against innovation objectives
- It is noted that where external expertise is required to undertake any of the above activities, these will be treated as separate projects and will be contracted under individual schedules in the same way that other innovation/R&D projects are.

The John Dee/MLA Collaborative Innovation Strategy program is linked to the outcomes of the John Dee CISP Stage 1 program and John Dee Innovation Manager with coverage of the following projects:

- P.PIP.5003 – John Dee Collaborative Innovation Strategies Partnership program Stage 1
- P.PIP.0384 – John Dee CISP Innovation Manager

The current Innovation Managers project is currently being finalised. Once finalised a detailed combined report will be developed with the outcomes of John Dee CISP program.

1 Background

1.1 Collaborative Innovation Strategies Program

In September 2007, Meat & Livestock Australia (MLA) launched the Collaborative Innovation Strategies program (CISP). The program involves the co-development of comprehensive innovation strategies with individual enterprises which meet commercial imperatives in addition to focusing on the implementation of key industry and government innovation priorities. The CISP is a flexible enterprise innovation capability building program that is customised for large and small enterprises throughout the red meat value chain. Enterprise innovation capability within the context of this program is defined as the underlying capacities that enable a firm to be innovative on a sustained basis, rather than producing one-off product innovations from time to time.

Using a structured and collaborative process, MLA will partner with your company to develop a customised strategic innovation capability building program for a three to five year duration. The program can encompass the entire business (whole-of-enterprise program) or alternatively remain focused on a specific business area in which you identify a need to develop innovation capability (focussed program). The partner company can appoint an internal innovation manager, and/or can develop multiple resources to implement and sustain innovation initiatives.

To be effective the CISP will be aligned and integrated with your company's overall corporate strategy as presented in Figure 1, and will be integral in enabling your company to successfully achieve its business objectives.

1.2 Innovation Strategy (John Dee CISP Stage 1)

The central focus of the CISP program is an innovation strategy which, when developed, will be integrated into the company's overall business strategy including measurable performance indicators to identify the contribution of innovation to the John Dee's bottom line and achievement of key business objectives (Refer to Fig 1).

Specific areas and company priorities were identified through initial discussions involving senior management in John Dee operations, environment and engineers with MLA technical managers and Innovation Managers. The agreed areas of focus in developing innovation capability identified in these initial discussions were environmental sustainability (ie water, energy and waste management) and operational efficiencies specifically but not limited to Materials Handling. Other areas are likely to be identified through ongoing facilitated processes. Strategic documents in these priority areas are under development.

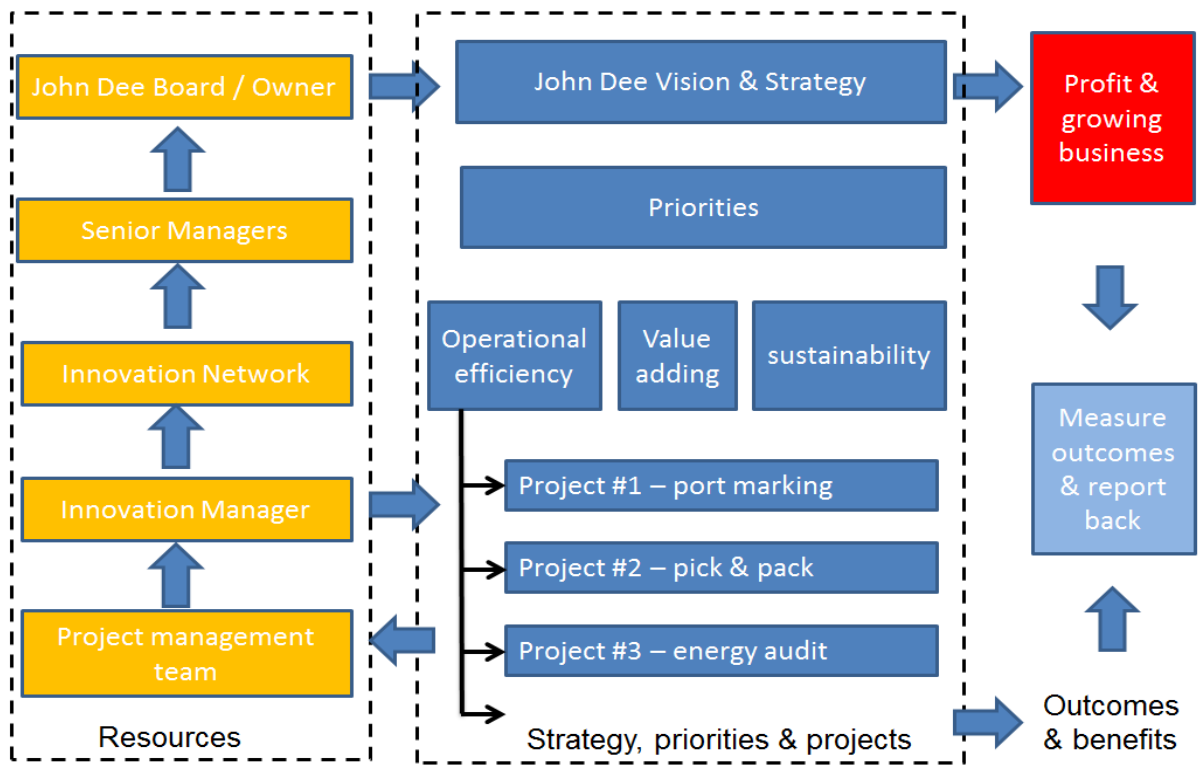


Figure 1 – Building John Dee’s people skills and capability to deliver agreed priorities and profitability including Material Handling Solutions.

The scope of the innovation strategy will be quite broad and may include (but not be limited to) initiatives initially in the areas of:

- Environmental sustainability (ie water, energy and waste management) and
- Operational efficiencies specifically but not limited to Material Handling.
- Boning remove efficiencies
- Developing information intelligence to support technological developments and advancements
- Developing people skills and capability to support technological developments and advancements
- etc

John Dee has done substantive background work and planning in Materials Handling and has identified this as their primary area of need. Other areas are likely to be identified through ongoing facilitated processes. John Dee developed an innovation resources plan (piloted with Well Grounded). A proposed partnership project between Greenleaf & MLA has been completed to facilitate long term capability in use of CBAs and inform John Dee’s CISP priorities.

1.3 John Dee CISP – Key focus area is developing capability in Materials Handling

Tentatively a number of priority areas have been identified, but not limited, to operational efficiencies to be gained in the following strategic materials handling areas:

- i) Semi or fully-automated de-palletising & container loading
- ii) Verification systems - Investigation of port marking options.
- iii) Sortation - hardware to convey, check, mark & reject/ diversion mechanisms

- iv) Dunnage - dunnage materials integrity and reliability during container transport.
- v) Information management including mapping software / IT requirements

A Materials Handling Vision and Strategy document including a draft plan to sort as high-medium-low priority projects & roadmap of R&D projects has identified highest priority areas initially to be piloted as :

1. Diverter - picks out shortlisted products for pre-sorting area.
2. Robot – stacks and un-stacks, sorts and delivers cartons at a controlled rate for container loading or auto palletising.
3. Divert 2. Directs cartons to container or palletising machine or auto/manual stack down.
4. Load check and port mark applicator
5. Container loading equipment to be developed to automate the process.

Capability and systems development is proposed to be supported in a Collaborative program between John Dee and MLA. This approach will ensure systems are in place to develop the required skills and capability of its operatives and information infra-structure to support all technological developments in material handling.

1.4 Recommendations and next steps

- John Dee's CISP priorities identified to develop capabilities and skills with primary focus on materials handling. IDM & S&T developing a paper on "whole of program" approach leading to transformational changes. Opportunities being developed to partner with John Dee on a "whole of program" approach to materials handling rather than individual projects.
- An innovation resources plan is currently under development (piloted with Well Grounded) with outcomes being presented back to John Dee.
- A proposed partnership project between Greenleaf & MLA submitted for approval to facilitate long term capability in use of CBAs and inform John Dee's CISP priorities.
- Technology S&T assisting IDM in scoping John Dee priorities in material handling.
- John Dee and MLA now reviewed a CISP Stage 2 option