New buzzwords: Food Tech & Open Innovation

GROSVENOR HOUSE - LONDON

7th June 2018
About me

Alessio D’Antino
Chief Empowerment Officer
Today’s menu

**Starter**
*Introduction about Crowdfunding*

**Main**
*FoodTech & Open Innovation: just buzz words or real opportunities for fostering food innovation?*

**Desert**
*Recap and conclusions*
We help startups with their online sales through our online platform and help them finding alternative sales channels.

We help them connect with some of the most innovative startups to enable collaboration.

Foster food innovation through meaningful collaborations.

Crowdfooding is the world’s first collaborative platform for the Food & Drink industry.
Our Mission

‘Fostering innovation in the food system by enabling collaboration between entrepreneurs and established organizations’
Our approach

Facilitating connections by bringing together the right people is at the core of our business.

Inviting bright minds from the industry, entrepreneurial and the academic world, to create a unique environment that inspires action!

Facilitating the relationship between startups and corporates to make sure can lead to fruitful collaborations.
Corporate services
From ‘light touch’ to long-term engagement

1. **The Entrepreneurial Transformation Workshop** - hear success stories from startups relevant to your business, and ‘rethink’ your approach to innovation through a series of experiential workshops

2. **Discovery Missions** - get a tailored overview of London’s Food and FoodTech startup ecosystems and hear from startups’ founders, incubators or researchers on specific themes or challenges

3. **Startup scouting & deal grinding** - we use our proprietary database and network to identify opportunities for collaboration and acquisition based on your company’s brief and investment thesis. We then facilitate the relationships for both parties from arranging meetings and signing NDA’s to finalising commercial partnerships or investment arrangements
Entrepreneurial Transformation Workshop
A fresh approach to innovation

The Entrepreneurial Transformation workshop is a 3-4 hour session, dedicated to your innovation team that aims to inspire your people to apply a more entrepreneurial approach to innovation. Each workshop will be tailored to your organisation’s needs and based on a pre-workshop teleconference. Our experts will facilitate the collaborative session with your team.
We developed Crowdfooding Discovery Missions to create meaningful connections between entrepreneurs, corporates, and industry experts in London's Food and Food Tech scene. The goal is to connect you with the key innovators and players and inspire your people with their stories.
Startup Scouting & Engagement
Build long-term relationships with startups that can help reshape your innovation agenda

We use our proprietary database and community to find the most relevant startups for your business. Once we find a good ‘human fit’ between both entities, we facilitate the relationship moving forward until a commercial agreement is finalised.
London’s first Food & FoodTech Innovation Hub
Our partners, supporters & clients
(Some) challenges facing the food system
9B
People to feed in 2050

1/3
Of our greenhouse gas emissions come from agriculture

1 in 9
People in the world, were suffering from chronic undernourishment in 2014-2016

1.3B
Tonnes of the food produced in the world for human consumption every year gets lost or wasted (about 1/3)

1/3
Of the world’s arable land has been lost in the past 40 years due to erosion or pollution

Source: Food and Agriculture Organisation
“FoodTech has to be far more important than most of the other ‘techs’ such as fintech, proptech, edtech and retailtech, because the future of food is critical to the future of mankind”

Sue Nelson, FoodTech UK
What is FoodTech?
“Foodtech is how we use technology or processes to create an efficient, sustainable ecosystem for producing, transporting, preparing and cooking food”

Sue Nelson, FoodTech UK
Food Tech sector (key facts)

$10+ billion was invested in Food Tech last year (AgFunder)

~3K+ Food Tech startups globally

~120 in the UK

Source: Angellist, Crunchbase, Tech City UK, AgFunder Investing report - 2017
The Global FoodTech Map

www.crowdfooding.co.uk/globalfoodtechmap
➢ 550m2 facility 33m below the streets of London (former bomb shelter)
➢ 20,000kg of greens produced every year
➢ Sell their products on Ocado and other retailers
The Aquaponics pioneers

➢ 557m² of growing space
➢ 20,000kg of sustainable salads and herbs
➢ 4,000kg of fish
➢ Food is sourced within 150 miles
➢ Farmers are paid 75% of the retail price (vs 50% max in retail)
➢ Deliveries are made with their 100% electric van fleet
The food waste activists

- Snact has sold products made from 50 tonnes of saved UK produce
- Abound 40% of all bread produced in the UK is wasted every year
➢ In developed countries, over half of all food waste takes place at home
➢ 319,227 users
➢ 447,285 food items saved

The connected consumers
What are we talking about (at a global level)?
Our take on FoodTech (on this side of the pond)

- The Food Innovation landscape in Europe is extremely **dynamic**, but the FoodTech industry is lagging behind compared to the US (or Israel) ecosystem.

- EU FoodTech scene is well-positioned (talent wise) to create breakthrough innovation by ‘reimagining’ the way we produce foods (e.g. Dr. Mark Post - Maastricht University).

- The EU ecosystem lacks maturity (e.g. funding wise): foster communities (real people) to empower companies, corporates, investors and institutions to collectively get behind the opportunities that lie in designing solutions for bettering our food system.
What is Open Innovation?
Open Innovation was defined as the use of purposive inflows and outflows of knowledge to accelerate internal innovation, and expand the markets for external use of innovation, respectively.

(Prof. Henry Chesbrough)
Innovation models: past vs present
What is preventing collaboration to happen?

Cultural:
- Risk management (executive vs entrepreneur)

Structural:
- Decision making model (rigid vs lean)

Accelerate scale up phase by accessing corporate expertise and infrastructure (for startups)

Relational Barriers
- Alignment of goals
  - Trust, Search, etc.

Internal Barriers
- Culture, Process, etc.

Environmental Barriers
- Legislation, Tax, Geography, etc.

Corporate

Startup or Scale-up
What are the benefits of corp-startup collaboration?

Play into up-and-coming categories, via commercial partnerships (for corporates)

Co-develop new categories (corporates & startups)

Accelerate scale up phase by accessing corporate expertise and infrastructure (for startups)
Innovation models are becoming collaborative
A few examples

- Hellmann's & Quiqup (ingredient express delivery) with Unilever
- Chocothon (open innovation)
- Seedlip with Diageo (co-development)
According to a report by Unilever Foundry, startups and big companies are moving towards ever closer collaboration on innovation, with co-working spaces set to become the norm by 2025.

Based on interviews with brand managers and startups in the UK, US, India, and Singapore, found major appetite for closer partnerships on both sides and predicts collaboration with startups will ‘evolve from an optional extra to a business-critical investment in the next five years’.
Recap & conclusions

1. An increasing number of corporates are realising that collaboration with startups can contribute considerably to their innovation agenda and help foster a more entrepreneurial mindset within the company.

2. The days of collaboration as a 'quick fix' or for PR gains are long gone (e.g. ROI on corporate accelerators). Both startups and corporates are increasingly looking to establish meaningful partnerships that create real business opportunities.

3. 'Human fit' between corporates and startups is incredibly important to create meaningful collaborations and turn them into strategic investments or acquisitions.
‘Big business shouldn’t be afraid to say they don’t have all the answers, and must recognise small companies can play a big part in helping to develop new ways to making business better.’
Q & A

Meaningful innovation starts with collaboration.
Open Innovation (cont’d)

Internal technology base

Other firm’s market

Licence, spin out, divest

Our new market

Internal/external venture handling

Our current market

External technology insourcing
Food innovation is becoming more ‘biotechy’

Startups are inventing synthetic food production and preservation processes.

E.g. Ava Winery is developing synthetic wine without grapes by reproducing the chemical makeup of popular wines.
Engagement for ‘Open Innovation’ projects

Crowdfunding campaign for creating new solutions for a more sustainable cocoa supply chain on a pre-competitive level → enabling collaboration between corporates and startups.

Goal: run a design-thinking program in Accra to create new solutions to make the Ghanaian cocoa supply chains more sustainable.

Results (Mission I): 3 working prototypes were developed and tested with Ghanaian farmers, 2 startup projects were born and now are being ‘incubated’ in Accra.
Engagement for ‘Open Innovation’ projects (cont’d)

Google Food Lab along with a ‘collaboratory’ of other international partners have raised funds via our crowdfunding platform to develop tech solutions for cocoa farmers while enabling collaboration between corporates and startups on a pre-competitive level.

The aftermath: World Cocoa foundation used ‘Chocothon’ model to run an hackathon in Washington DC (Oct, 2018) to spark the development of more prototypes.

Mission II (Feb, 2018): the prototypes are now being further developed and will be further tested with a cooperative of farmers as part of Chocothon Mission II.
Identify acquisition opportunities - Electrolux

Anova raised $1,811,321 via crowdfunding in 2014 from 10,508 backers for producing their first smart sous-vide.

Benefits for Electrolux:

- Significant opportunity to play in an emerging product category, limiting spending on NPD (failures)
- Acquisition of a community of engaged consumers
- Scale up production and distribution by allowing Anova to tap into their corporate infrastructure

$250M acquisition