

# **Seafood CRC Program 2 Project Development**

## **Final Report**

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**Project Number 2009/737**

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## Summary

The CRC contracted Market Strategy Ltd to deliver Project 2009/737 with the intention of creating commercial market development projects for the Program 2 of the CRC.

This project has produced the following results, which directly meet and exceed the outputs deliverable in the contract:

1. Creation of a Syndicate Retail Transformation Project. This project has 8 CRC industry investment partners representing both primary producers and manufacturer marketeers. In addition, the project has developed links with retailers interested in partnering with the project. It is believed that this is the largest collaborative project of this type to be established in the Australian seafood industry. The achievement of convincing competitive representatives from across the supply chain to work together is significant accomplishment for the CRC. The members of this project are:
  - a. WAFIC
  - b. Sydney Fish Markets
  - c. Simplot
  - d. Clean Seas
  - e. Sardines
  - f. Oyster Consortium
  - g. Australian Prawn Farmers Association
  - h. Australian Council of Prawn Fisheries
2. Creation and Implementation of 5 Market Development Projects. This includes:
  - a. Eat More Fish (Simplot)
  - b. Repositioning Barramundi (ABFA)
  - c. Market Intelligence (Communal)
  - d. Intergeneration Diet (Simplot)
  - e. Forecasting Model (Simplot)
3. The creation of 3 additional project concepts (at various stages of refinement):
  - a. Prawn Value Chain Analysis (ACPF)
  - b. Retailer Training (Communal)
  - c. Eat More Fish 2! (Simplot)
4. The management of the research activities in Stage 1 of the Clean Seas 'Development of Value Added YTK consumer products'. This management has resulted in the development of 3 world class research reports on the domestic, US and EU market for Yellowtail Kingfish. This will result in:
  - a. The refinement of the Clean Seas Sales, Marketing and Business Strategy to be based on fundamental market research.
  - b. An application from Clean Seas for Stage 2 of the project to develop and test various product and market development strategies, based on the research conducted.
5. The project management of 3 commercial market development projects:

- a. Consumer Omnibus Report
  - b. Repositioning Australian Barramundi (Stage 1 Market Intelligence Report)
  - c. Australian Salmon Consumer Testing.
6. The theme leadership of the 'Commercial Market Development' Theme and coordination with the Sellfish Program.
  7. A liaison point in WA for the CRC and its members.
  8. Access the marketing and business development advice to the CRC, its members and wider industry associations. Notably, Market Strategy Ltd was able to represent the CRC in discussions with QSIA about the development of the Queensland Catch brand.

The intention of this project was to create a number of commercial market development projects for the CRC and instigate a shift in members thinking to consider consumer and market research and development.

This project has been successful in creating a 'funnel' of projects in this area – some of which are implemented, some of which are ready to implement and some of which are at various stages of development (to either full scale proposal or concept stage).

It is imperative that the CRC maintains the commitment of CRC members to develop market and consumer focused research projects. Additional resources will be required within the CRC to deliver this.

## **Background**

In early 2009, the CRC identified that members had significant interest in constructing Commercial Market Development projects.

The CRC implemented this project specifically to assist members in the construction of these projects, with the additional objective of creating a large syndicate project that would transform the retailing of seafood in Australia.

As a market development and seafood industry expert, Market Strategy Ltd was contracted to deliver this work for the CRC.

## **Project Objectives**

The project had the following objectives:

1. To plan, design, and implement at least five projects with CRC participants as part of Program 2
2. To bring non CRC participant retailers and seafood processors into contact with CRC participants for the purpose of developing projects.
3. To assist PM2 liaise and communicate with CRC participants about commercial market development activities and achievements under the Sellfish Theme Business Plan.
4. To assist PM2 as directed with any other activities related to commercial market development relevant to the CRC, including acting as an initial point of contact for CRC participants in WA.

In addition, it was made clear that the success of the project would be judged on the ability to put together a syndicate project that would revolutionise the retailing of seafood in Australia.

### **Performance Versus Outputs**

The contract specifically included the delivery of the following outputs.

The outputs are listed alongside their measurement criteria. This section describes how the outputs were achieved and overall performance against the objectives.

#### *Output 1 – Theme Coordination and Reporting*

This was to be measured by:

- Commercial market development achievements under Sellfish communicated via Seafood Stories and other mechanisms.
- Review and update Sellfish TBP for 2009/2010 by September 2009
- Reports on Sellfish TBP progress accepted by the CRC Board in July and October 2009

The major activities undertaken to complete this output were:

- ‘Kick Off’ day meeting with Jayne Gallagher and Bob Fleming in Adelaide to discuss the Sellfish theme and individual projects (May)
- The CRC conference in Adelaide to meet CRC members, present the Retail Transformation project and facilitate the workshops. (May)
- Attendance at QSIA workshop on Queensland Catch (Sept)
- 2 day visit of Jayne Gallagher to Perth. (Sept)
- Attendance at the September RAC and theme meeting with Jayne Gallagher on 15<sup>th</sup> September.
- Administrative duties to ensure compliance to CRC requirements (continuous).
- Update meetings with Jayne Gallagher and Bob Fleming (continuous).
- RAC teleconferences (monthly).

The work conducted during this contract achieved theme coordination and reporting to the satisfaction of the Sellfish Theme Leader and to the measurements listed above.

#### *Output 2 – CRC Liaison for WA participants*

This was to be measured by:

- Provide advice to WA participants regarding CRC activities and encourage participation by WA based stakeholders.

The major activities undertaken to complete this output were:

- Meetings with Dept of Fisheries and Trevor Whittington about possible CRC activities.
- Meeting with WAFIC to discuss RT and the CRC relationships.
- Presentations to WAFIC board (x2) and meetings with individual directors.
- Attendance at the WA CRC Unit planning meeting.

The work conducted during this contract achieved CRC liaison for WA participants to the satisfaction of the Sellfish Theme Leader. In what was a difficult period for the WA Fishing Industry, quite some time was spent promoting the CRC within WAFIC and the WA Department of Fisheries

*Output 3 – Develop new project concepts for approval by CRC and FRDC boards. Develop full project proposals for approval by RAC.*

This was to be measured by:

- At least 5 market development projects designed, developed and implemented with CRC participants.

The major activities undertaken to achieve this were:

- Assistance with development of the research project for the research work to be completed for the 'repositioning of Australian Barramundi' presentation at the ABFA July conference (June).
- Meeting with Curtin University Centre of Excellence to assist in the development of the Retailer Training concept (June).
- Rewriting Simplot's Eat More Fish concept and liaising with Simplot on the concept development (June)
- Meetings and assistance to Curtin University Centre of Excellence to assist in the development of the Retailer Training concept (July).
- Development of a first draft 'Frozen Well' concept for Simplot (July).
- Assistance in the development of the 'Repositioning of Australian Barramundi project' with the University of the Sunshine Coast (July).
- Assistance in the development of the 'market intelligence' project with the University of the Sunshine Coast (July).
- Meetings and assistance to Curtin University Centre of Excellence to assist in the development of the Retailer Training concept (August).
- Meeting with Simplot to discuss the Frozen Well concept and cost it fully (August).
- Finalisations to the Barramundi market research document (August).
- Further revisions of Retailer Training concept paper and liaison with Centre of Excellence and Roy Palmer (September).
- Development of Prawn Value Chain Concept paper for the RAC. Submitted for 14<sup>th</sup> October RAC.
- Development of Simplot 'Frozen Well' concept paper (September).
- Development of Market Intelligence fishnet application (September).
- Development of Prawn Value Chain concept and attendance of Brisbane meetings (October).
- Attendance at the University of Sunshine coast to develop Market Intelligence Proposal (October).
- Development of Prawn Value Chain concept (October).
- Development of Forecasting project (October)
- Development of Elderly Diet Project (September / October)

This contract satisfied the output by:

- Constructing the following market development projects:
  - Eat More Fish (Simplot)
  - Repositioning Barramundi (ABFA)
  - Market Intelligence (Communal)
  - Intergeneration Diet (Simplot)
  - Forecasting Model (Simplot)
- Constructing the following market development concepts:
  - Prawn Value Chain Analysis
  - Retailer Training
  - Eat More Fish 2!

*Output 4 – Assist PM2 to manage commercial market development projects*

This was to be measured by:

- Commercial market development projects are delivered on time and with accuracy to project briefs.
- Milestone and project completion reporting up to date and provided to the RAC and the CRC Board in a timely manner

The major activities undertaken to achieve this were:

- Management of Australian Salmon project. This included changes to the fishnet submission to the satisfaction of the RAC board (May).
- Management of Consumer Omnibus survey. This included the generation of a critical path, formation of a reference advisory group and proposed topics for including in the survey (May).
- Management of Australian Salmon project. This included resolving the problems that the WA partners had in agreeing to progress with the project (June)
- Management of Consumer Omnibus survey. This included the generation of a critical path, formation of a reference advisory group and proposed topics for including in the survey (June)
- Management of Australian Barramundi project. This included multiple meetings on the Barramundi research report being written by Rebecca Butler and attendance at the ABFA conference in Queensland. It should be noted that these activities were agreed after this contract was put in place. Both the CRC and Market Strategy Ltd acknowledged that these would be time consuming activities which may necessitate extra time allowance. This will certainly be the case (July).
- Management of Consumer Omnibus survey. This included the generation of a critical path, formation of a reference advisory group and proposed topics for including in the survey (July).
- Management of Consumer Omnibus survey. This included the DCE formations (August).
- Briefing of EBI for Eat More Fish research proposal changes. Meetings with Simplot / EBI to discuss the EBI market research proposal (August).
- Management of Australian Salmon Project. Liaising with Department of Fisheries to find another project manager and revise timescales (October).
- Management of Consumer Omnibus Survey. Liaising with EBI on the finalised DCE experiments; questionnaire make up and management issues (October).

The contract satisfied this output by achieving the measurements above for:

- Consumer Omnibus Survey (EB)
- Barramundi Workshop Preliminary Report and Preparation (ABFA)

Due to unforeseen and uncontrollable circumstances, the management of the Australian Salmon project has not met project milestones. These circumstances were beyond the control of Market Strategy, namely: Quality Index to be used in the project was deemed unsuitable and poorly developed, necessitating a rethink to the project methodology; Project Manager suffered a serious accident which incapacitated him for 1 month; Project Manager left his job necessitating a search for a new Project Manager. This project is currently being rescheduled for early 2010.

#### *Output 5 - Develop Retail Transformation projects in partnership with MCP*

This was to be measured by:

- Syndicate Retail Transformation project or 4 new retail transformation project concepts with confirmed CRC participant commitments presented to the RAC by August 2009.
- Syndicate Retail Transformation project or 3 new full projects developed, approved and commenced by November 2009.

The major activities undertaken to achieve this were:

- The development of a proposed syndicate retail project based on the feedback from the Adelaide CRC conference (May).
- Discussions and liaisons with the following members about the syndicate retail transformation project. This included a visit program on the East Coast (June):
  - Australian Barramundi Farmers Association
  - Australian Council of Prawn Fisheries (Raptis and Newfishing)
  - Australian Prawn Farmers Association (Helen Jenkins and representatives from the Marketing committee)
  - Simplot
  - SEA
  - Oyster Consortium
  - Sydney Fish Market
  - Queensland DPI
  - TSGA
  - Woolworths
  - Creative Cuisine
- Assessment of viability of syndicate retail transformation project (June).
- Discussions and liaisons with the following members about the syndicate retail transformation project (July):
  - Australian Barramundi Farmers Association
  - Australian Council of Prawn Fisheries (James Fogharty)
  - Australian Prawn Farmers Association (Warren Lewis)
  - Simplot (Stuart Sterling)
  - SSA (Ted Loveday)
  - Oyster Consortium (Board Approval Meeting)
  - WAFIC (MG Kailis; West N fresh; DofF WA)
  - Creative Cuisine
- Internal discussions with BF and JG on project constructions (July).
- Creation and circulation of the final project proposal for the Syndicate retail transformation project (July).
- Meetings with Woolworths fish trading team to discuss project (August).
- Meetings with Sydney Fish Markets to discuss project (August).
- Meetings with WAFIC to discuss project (August).
- Initial Fishnet application (August).
- A detailed preparation of the fishnet application for Retail Transformation including board papers for the CRC and FRDC (September).

This contract satisfied the milestone this output by developing a syndicate retail transformation project which contains 8 industry CRC investment partners.

#### *Output 6 – Clean Seas Project Management*

This was to be measured by:

- Successful completion of Phase 1 and acceptance by CRC management of the reports and outputs of the project

This was achieved by:

- A meeting in Port Lincoln with Tim Graham and Clifford Ashby to consumer the research work and further develop the fishnet proposal (May).
- Writing and agreeing with Clean Seas the domestic consumer research brief (May).
- Writing and agreeing with Clean Seas the EU trade research brief (May).
- Writing and agreeing with Clean Seas the US trade research brief (May).
- Evaluation of the domestic consumer research proposal from the 3 service providers. Recommendation of service provider to Clean Seas. Management of the research process and development of stimulus (June).
- Selection, direction and discussion with European research provider (June).
- Negotiation and direction of US research provider (June).
- The project management of the domestic research provider, including attendance at the consumer focus groups (July).
- Direction and discussion with European research provider (July).
- Direction and discussion with US research provider (July).
- Preparing for and attending the domestic research debrief (August)
- Monitoring the US and EU research projects (August).
- Arranging the domestic research debrief for Clean Seas. Preparing researchers for meeting.
- Ensuring delivery of the US report, reading first draft and briefing researchers with alterations needed (September).
- Ensuring deliver of EU report, reading draft reports and briefing researchers with alterations needed (September).

This contract satisfied the output by successfully managing the domestic, US and EU market research conducted by Clean Seas in Phase 1 of their Development and evaluation of YTK consumer products Project.

### Final Analysis of Time Spent by Outputs

Date	1st November 2009						
Code	Output	Total Time Allocated	Time Used To August 1st	Time Used in August	Total Time To Date	Time Remaining	% Time Used
1	Theme Coordination and Reporting	42	67.5	18	85.5	-43.5	204%
2	CRC Liaison for WA participants	42	5.5	0	5.5	36.5	13%
3	Develop new project concepts for approval by CRC and FRDC boards. Develop full project proposal for approval by RAC.	105	34.5	20	54.5	50.5	52%
4	Assist PM 2 to manage commercial market development projects.	84	78.5	1.5	80	4	95%
5	Develop Retail Transformation projects in partnership with MCP	84	119.5	34.75	154.25	-70.25	184%
6	CST Project Management	133	118.5	16	134.5	-1.5	101%
	<b>Total</b>	<b>490</b>	<b>424</b>	<b>90.25</b>	<b>514.25</b>	<b>-24.25</b>	<b>105%</b>



## Financial Analysis

The following chart shows the ending financial position of the project:

ITEM	7-Aug		8-Sep		9-Oct		TOTAL	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Salaries								
Operating			9,733	9,733	48,665	48,665	58,398	58,398
Travel			1,702	1,702	10,900	10,748	12,602	12,450
Capital								
<b>Sub-total</b>			11,435	11,435	59,565	59,413	71,000	70,848
Income								
<b>Total</b>			11,435	11,435	59,565	59,413	71,000	70,848

The project is \$152 under the agreed maximum budget for the project. This results from an underspend in the travel budget.

## Recommendations

Significant interest in commercial market development projects has been achieved with CRC members. In addition to the range of projects that have been achieved through this contract, there is a new understanding and interest from members in consumer and market focused activities.

Importantly for the industry, there is a desire to place consumer and market research at the forefront of industry development. In order to capitalise and develop this mindset shift it is imperative for the CRC to:

1. Create additional resources within its organisation to manage the commercial market development projects that have been started.
2. Create additional resources within its organisation to create further market development projects that arise from the existing projects, or from the new found understanding that industry.

Without the development of this resource, the CRC will not be able to sustain the interest in consumer and market focused research. At worst, the CRC will lose this capacity and industry will develop and request projects that are based on 'materials push', rather than 'market push principles'.