



Silicon Valley Meets Food: How Technology and Consumers are Changing the Food Industry

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Dynamics

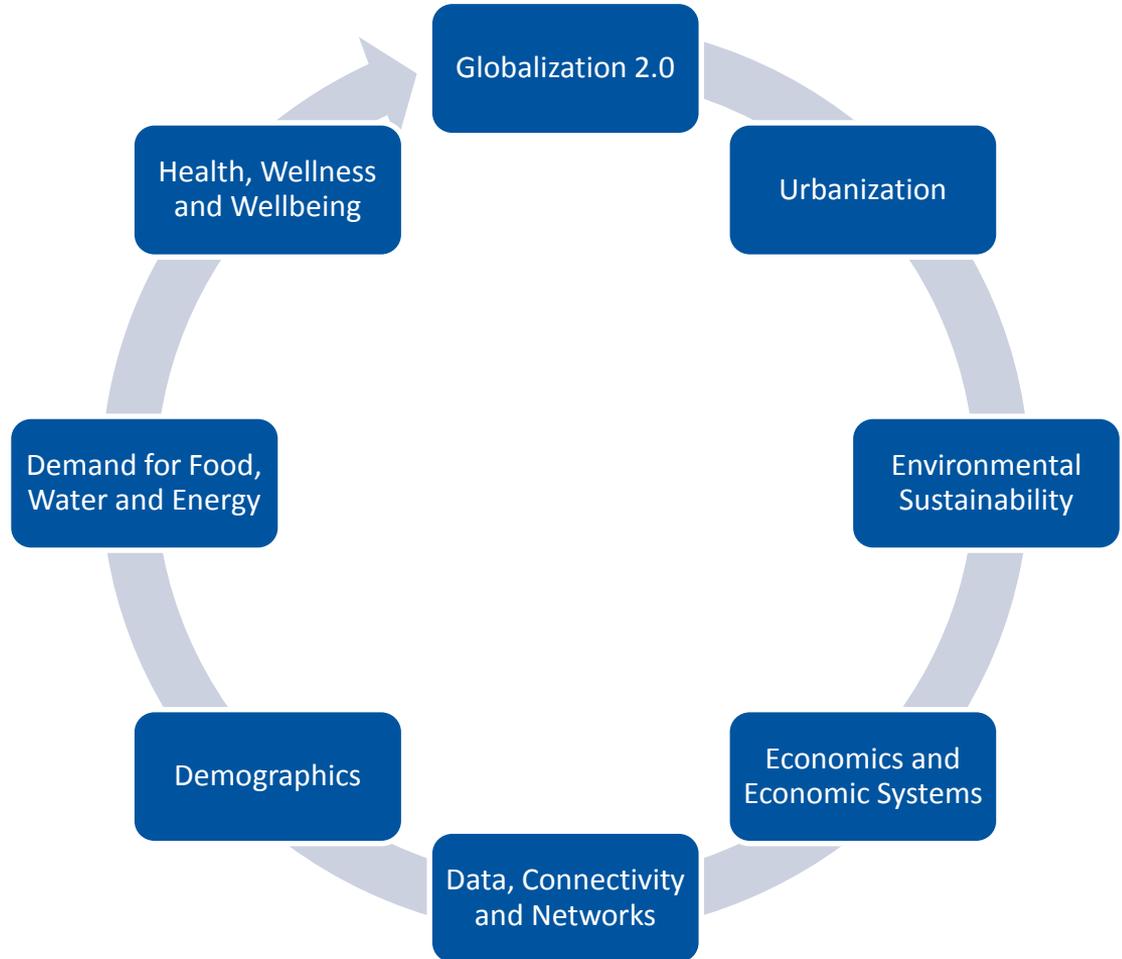
Megatrends and the Marketplace

Key factors have historically driven innovation in the food industry.

These trends have allowed the food industry to manage innovation against market dynamics and business growth needs in a measured way.

Consumer insights helped inform innovation in the short term. Technology often helps propel longer term innovation.

A solid innovation strategy was often sufficient to reduce risk for market success.



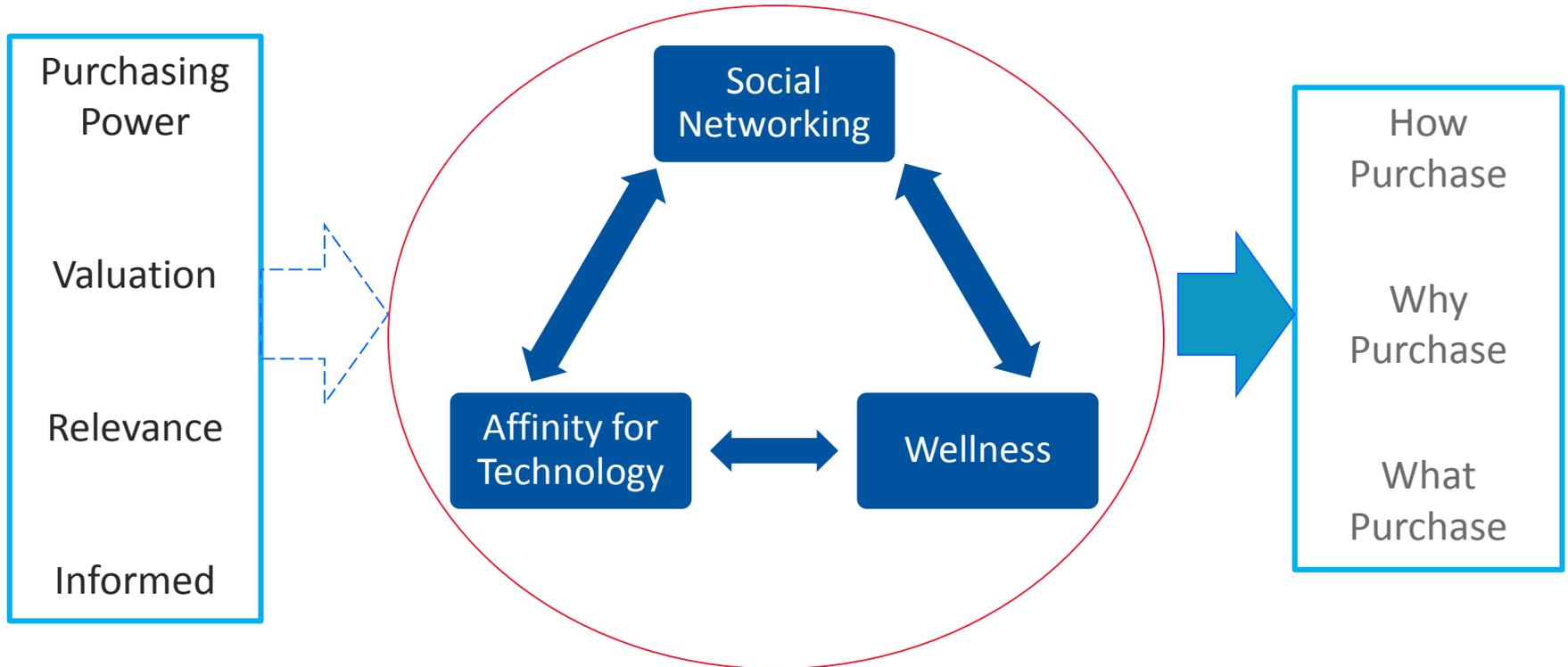
Enter the Millennial

Millennial Sphere of Influence

#1: Demographic Influence – the largest cohort in history

#2: New way of engagement and decision making

#3: Disruptive market force



The millennial can drive the convergence of innovation and sustainable growth



A desire to learn
and apply



Self empowered and
driven by social
connections



A desire to create
and build

Key Innovation Pillars Relevant to Millennials

Powered by lifestyle, fueled by social network and technology engagement



ON THE GO: CONVENIENCE AT LOWEST COST

Lifestyle choices require nutrition that is convenient and affordable. Innovation is a key for long-term engagement with this cohort.



SUSTAINABILITY: GOOD FOR THE ENVIRONMENT, GOOD FOR ME

A social agenda can be leveraged to build engagement and relevance to fuel brand growth



WELLNESS: INVESTMENT IN MY FUTURE

Desire for healthy foods and healthy lifestyle fueled by data and technology; powered by sensors, monitors and apps

On-the-Go

Lifestyle drives need for non-conventional solutions



Solutions:

- Mini meals
- Technology unlocks for shelf stable ambient product formats
- Packaging and product format innovation

Innovation Targets:

- More nutritious meal solutions
- New eating occasions and formats
- New, healthy snacks and new formats
- New packaging innovation to drive functionality and premium pricing
- New purchase and consumption business models

TruVibe's Eat Clean **meal replacement beverage** is HPP and loaded with protein and probiotics. <https://truvibeorganics.com/>



Quaker Breakfast Flats contain 18 g whole grain and real fruit and **satisfy your hunger between meals.** <http://www.quateroats.com/>



Innovation Investment Board:

- Food service product innovation and new business models (e.g. food trucks)
- Shelf stable, like-fresh product innovation
- Diversity in product form and format
- Innovation in food processing and packaging
- Food safety innovation
- Innovation targeted for new eating occasions
- Point of sale technology
- New commerce and distribution solutions
- Commerce and social connectivity interchange

Sustainability

Products with a clear social and/or environmental agenda



Solutions:

- Sustainable raw materials
- Sustainable ingredients
- Environmentally friendly packaging

Innovation Targets:

- Operate with sustainable ingredient sourcing practices and environmentally conscious supply chain management
- Agricultural solutions as part of climate change discussions
- Focus on local is elevated



Hampton Creek Foods has a strong **corporate sustainability** focus at the core of product innovation., from raw materials to marketed products. <http://www.hamptoncreek.com/>



Ethical Bean's 100% **compostable pods**. are made from renewable materials, and will completely break down in a municipal composter in less than 84 days. <http://www.ethicalbean.com/>

Innovation Investment Board:

- Recycling and food waste initiatives
- Agronomic inputs and supply chain innovation
- Water utilization and water re-use throughout the supply and production chains
- Energy sources and utilization throughout the supply and production chains
- Single cell fat and protein sources and 'cultured' protein
- Local source, local production business models
- Packaging materials innovation
- Food quality and safety technology innovation
- Make-my-own and "take and bake"

Wellness

Eating right and exercise define focus on wellness



Solutions:

- Purposeful healthy eating and targeted nutrition
- Superfoods, clean label and health benefits drive purchase intent

Innovation Targets:

- Willing to invest in compelling brands that tap in to the ancient wisdom of superfoods or that leverage technology to deliver targeted nutrition via specific nutrients, ingredients or benefits

Enjoy Life's ProBurst Bites are packed with up to 7 grams of **plant-based protein** per serving, perfect for an allergy-friendly decadent **snack**.
<https://enjoylifefoods.com/>



Dahlicious aliv organic grass-fed probiotic shot is **made from 100% grass-fed cultured whole milk**. 50 billion live probiotics in every bottle.

Innovation Investment Board:

- Ancient grains and regionally relevant ingredients
- New varieties with enhanced nutritional attributes
- Supply chain management for fresh/freshness
- New protein sources, especially non-animal
- Food technology to deliver health and wellness benefits
- Low-heat processing technology
- Food quality assessment technologies
- Product/nutrition/lifestyle e-connectivity
- New commerce models for products and services
- Health and nutrition/lifestyle knowledge integration

Maintaining an innovative edge: plan for the future

Define, adapt, collaborate, engage

Process

- Cast a wide net
- Stay informed
- Look to the future

Maintaining an innovative edge: plan for the future

Define, adapt, collaborate, engage

Process

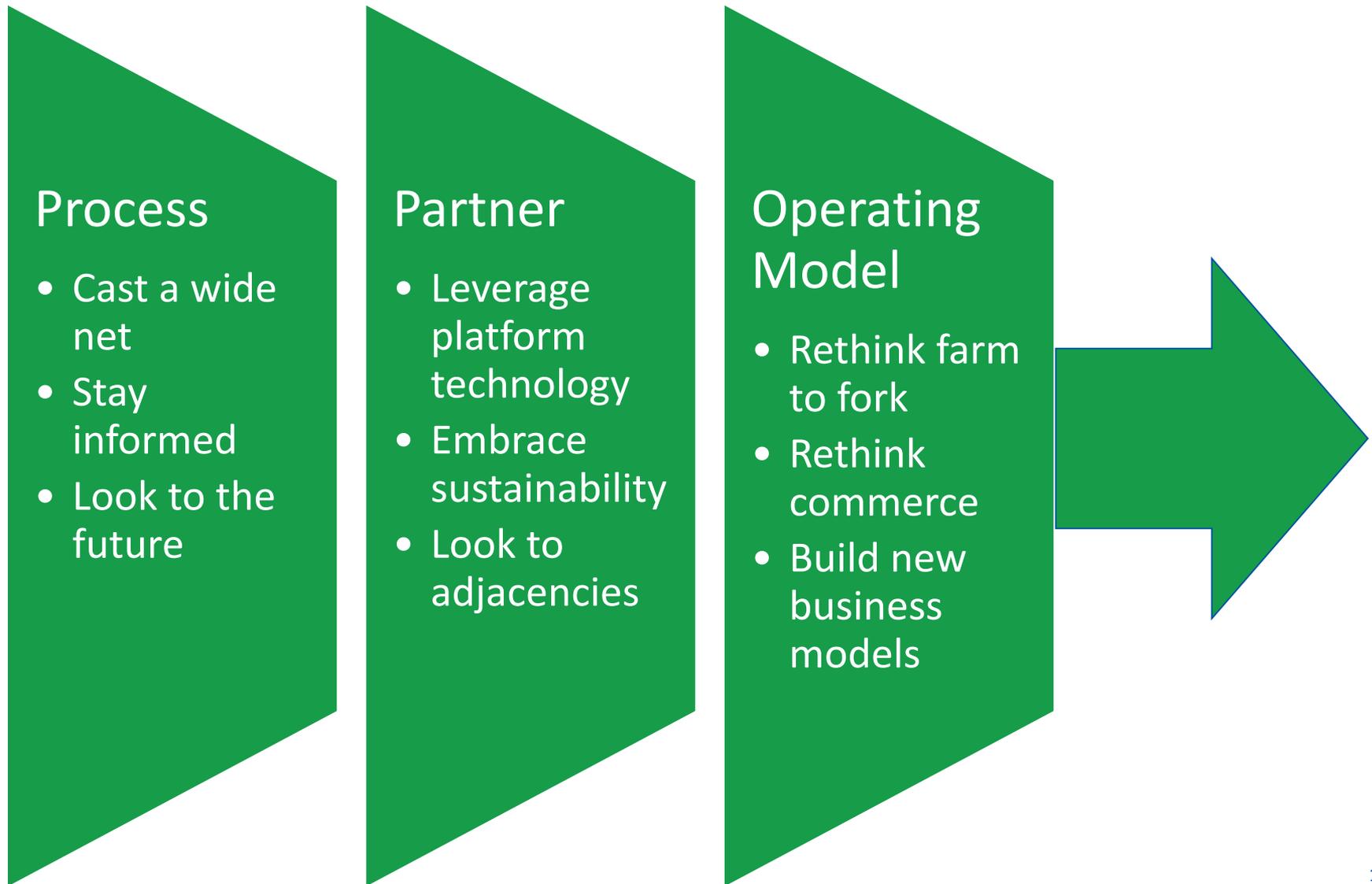
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Partner

- Leverage platform technology
- Embrace sustainability
- Look to adjacencies

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Define, adapt, collaborate, engage



Final Comments

Disruption and Opportunity for the Food and AgTech Sectors

Headline news:

“General Mills' 301 Inc. invests in D's Naturals ” Food Industry News Mar 1, 2017

“Tyson Foods Invests in Startup Beyond Meat: The startup’s plant-based burgers aim to replicate the taste and sizzle of ground beef” WSJ Oct 12, 2016

“Danone Gets a Lot More Than Soy Milk With WhiteWave Purchase” Fortune July 7, 2016

And the list continues . . .

Bottom line:

**Understand, Get Engaged, Transform
and be part of the Future**