

Consumer Products



An appetite for innovation, but no investment to feed it

By Edd Brunner - Last updated: Wednesday, September 25, 2013

Today I was speaking at **Appetite for Engineering**, a conference organised by **Food Processing magazine**. It's a conference for those in the industry to share ideas about how to improve their processes for manufacturing and producing food and beverages.



The focus this year was on efficiency and how to change and upgrade processes to be more efficient, reduced costs and increase quality. I was sharing our experience from across lots of different market sectors, including **oil and gas** and **medical**, and how learning from those markets and innovating like them could lead to step change improvements in system efficiency. I used examples like the system we developed for **Ingenia** where a system level approach of track and trace was taken, as well as our **DropTag** and **Indoor Location Tracking** systems which used very low cost commoditised components to do gather data and deliver actionable information in real time.

What struck me was how difficult it is for the suppliers of supermarkets to invest in new equipment, even if it will save money long term, because of the uncertainty of their commercial relationships. People were describing situations where a few months into a 2 year contract to supply a supermarket, the supplier could be told its over because the supermarket had struck up a new deal with someone else. I even heard of stories of suppliers making an investment, and upon the supermarket hearing about this would instantly demand a discount based on the savings the supplier is now making! So it is easy to understand the resistance to make significant investments with paybacks of anything over 1 year. It would appear to only be the really big players that can afford this long term vision, such as a talk from **Nestle** about their improvements to their **Fawdon site, including an anaerobic digestion system**.

This is a bad situation for everyone: clearly these suppliers, but also the consumer, as it ultimately means that products are not as low cost or as high quality as they could be.

However, there was some good news. We heard from Christine Tacon CBE who has been appointed as the first Groceries Code Adjudicator to oversee the implementation of the Groceries Supply Code of Practice between retailers and their direct suppliers. Her role is to sort out the fundamental problems between the UK's top ten supermarkets and the suppliers, making it a much fairer system. I feel this should lead to improvements, although it will take some time.

With that, and the appetite I sensed there is from the industry to learn from other markets (just as we do with all of our projects) I think significant improvements can be made.

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I'm Group Leader of our Industrial and Scientific group and also a Business Developer in our Consumer Campaign. My main interests are beverage and FMCG developments and working with start ups

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