

Small depots for personalized supply of perishable foods

innovative solutions for Short Food Supply Chains

Campden BRI Hungary

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PU	Public	
PP	Restricted to other programme participants	
RE	Restricted to a group specified by the consortium	
CO	Confidential, only for members of the consortium	

1. Title of the case description

Small depots for personalized supply of perishable foods

2. Indicate your role in the Smart Food Supply Chain:

- individual member of the chain:
- chain operator:
- network operator:
- association:
- technical, scientific, or management expert:
- advisor:
- policy maker:
- other:

3. Indicate the region (if applicable):

4. WP2 Cross-reference table

Please indicate with an X in the relevant box of the matrix for which needs and the steps / functions of the supply chain the described innovative solution is applicable

		Individual steps of the SFSC							Short food supply chain as whole						
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
Needs of the consumers (citizens)	food safety			X		X	X	X	X	X	X				
	food quality			X		X	X	X	X	X	X				
	trust														
	ethical aspects														
	accessibility			X		X	X	X	X	X	X				
Needs of the chain actors	fair price														
	increased negotiating power														
	shared use of available resources			X		X	X	X	X	X	X				
	product development support														
	access to markets and consumers			X		X	X	X	X	X	X				
	access to infrastructure														

1: Farming

2: Primary production

3: Transport

4: Processing and packaging

5: Storage

6: Logistics

7: Sale

8: Product integrity, authenticity, transparency

9: Marketing concepts

10: Food chain management and networking for enhancing cooperation among chain actors

11: Business modelling

12: Policy environment

13: Legal requirements

14: Labelling

5. Short description of the innovative solution

- **Describe the specific need or problem being addressed by the case and please explain what is the novelty of this innovative solution**

Access to quality fresh foods, particularly fruits and vegetables needs more frequent shopping than the weekly shopping. Properly ripen fresh fruits and some of the vegetables have to be eaten within a few days after harvesting. The consumers could buy the selected fresh products daily and collect them on the way home, if a better logistic service is established.

- **Describe the enabling function(s) and the practical benefit(s)-(e.g. for which types of problems and opportunities is used and can it be used, and how)**

After a personalized web-based ordering, the ordered products would be delivered to a selected retail outlet point which is located closely to the route which is used by the consumer giving this order. On the way home the consumer can collect the pack of food prepared for him. Alternatively, the personalized food pack can be delivered to his home. This system could help to reduce costs and time of delivery.

- **Describe the method/procedure/technology/solution implemented. (Please explain, whether the innovative method is a product / service / process / marketing or organisational / management innovation) After completing the description, please indicate, whether this innovation is a technological or non-technological one.**

Consumers, producers and also retailers raised the idea of an improved access to food supply. Access to quality fresh foods, particularly fruits and vegetables needs more frequent shopping than the weekly shopping. Properly ripen fresh fruits and some of the vegetables have to be eaten within a few days after harvesting. The consumers could buy the selected fresh products daily and collect them on the way home, if a better logistic service is established.

Benefits of the expected system:

- Combination the benefits of the traditional markets and the planned and organized food supply,
- Large choice and flexibility of time of shopping,
- Ensuring of the superior sensorial quality.

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which is used by the consumer giving this order. On the way home the consumer can collect the pack of food prepared for him. Alternatively the personalized food pack can be delivered to his home. This system could help to reduce costs and time of delivery. For this, beyond the collecting-trucks or collecting-depots, the users need:

- a central database which collects, organizes and synchronizes the inputs, including data about details of the orders, consumers, target locations, fleets, optional delivery routes,
- simple access and availability to the data,
- for consumers to personalize the orders
- for retailers or transport companies to get the details of orders
- a direct, real-time connection between the parties,
- and a system of the future internet which helps.

technological

non-technological

- **Describe the business, which implemented the innovated solution (size, country, region, location, type of food)**
- **Describe the distribution channels of the product(s)**
- **Describe what makes the innovation work.**

- **Describe the specific prerequisites for the business related to the implementation of the method and/or related to the location, method, procedure, solution**

a: List the relevant necessary resources (including the estimated cost) for the specific innovation.

Please list the relevant ones only (list is annexed)

- materials (access to: raw materials/ ingredients - including volume, land – including size, packaging materials)
- human: labour force: size, knowledge & skills (production, technical, marketing, managerial, ICT, financial, etc.)
- infrastructure, equipment, facilities, - size, minimum volume of production/sales, IT infrastructure
- financial

b: List the relevant necessary capabilities for the specific innovation.

Please list the relevant ones only (list is annexed)

• **food quality:**

- ability to define the target segments of consumers for SFSCs
- ability to define the product characteristics which are (tacit) basic requirements for the target segment(s) of consumers;
- ability to define which product attributes/levels and augmented services represent an added value for the target segments of consumers;
- food quality culture (motivation, responsibility for food quality);
- production experiences which help to provide the expected quality reliably, uniformly;
- ability to provide distinguishable quality which meets the needs of the targeted consumer segment;
- meeting (local) legal requirements, application of the labelling rules;
- ability to access the consumer willingness to pay for specific products of SFSCs.

• **accessibility to consumers:**

- ability to organize logistics efficiently and to exploit innovative solutions and distribution channels;
- efficient, innovative sales methods;
- ability to develop and implement new business models for ensuring access of consumers to products and augmented services;

- **access to markets:**
and market success

- effective promotion, customer service, efficient and innovative sales methods;
- ability to understand consumer's needs;
- ability to organise logistics efficiently and to exploit innovative solutions and distribution channels,
- unique value propositions;
- ability to develop and implement new business models for ensuring access of consumers to products and augmented services, develop the market accessibility for the suppliers.
- stock control;
- ability to access to required raw materials within a restricted geographical area

6. Describe the results, achievements and typical failures

7. Summarize what makes the case to a good practice for the members of the SFSCs (e.g. lessons learned)

8. Aspects, methods for transfer of methods for other SFSC members

9. Recommendations for members of other SFSCs for further applications

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10. More information is available at (web), if it is relevant

<http://smartagrifood.com/>

Annex

1. Checklist for necessary resources (tangible and non-tangible):

- materials (access to: raw materials/ ingredients - including volume, land – including size, packaging materials)
- human: labour force: size, knowledge & skills (production, technical, marketing, managerial, ICT, financial, etc.)
- technology: patents, know-how, trademarks, copyrights, trade secrets
- infrastructure, equipment, facilities, - size, minimum volume of production/sales, IT infrastructure
- information, reputation, brand, trust
- financial*

*: estimated cost:

0 - 10 000 Eur
10 001 - 50 000 Eur
50 001 - 100 000 Eur
100 001 - 300 000 Eur
300 001 – 1 000 000 Eur
1 000 000 Eur above –

- other specific necessary resources for the application of the specific innovation

2. Checklist for the necessary capabilities

- **food safety:**
 - basic skills to comply with the EU food safety regulations
 - ability to understand what makes the product safe (the key controls, which ensure the safety of the product – biological, chemical and physical hazards, providing the safety shelf life of perishable products)
 - food safety culture (motivation, responsibility for food safety) and basic skills for the implementation of HACCP

- **food quality:**
 - ability to define the target segments of consumers for SFSCs
 - ability to define the product characteristics which are (tacit) basic requirements for the target segment(s) of consumers;
 - ability to define which product attributes/levels and augmented services represent an added value for the target segments of consumers;
 - food quality culture (motivation, responsibility for food quality);
 - production experiences which help to provide the expected quality reliably, uniformly;
 - ability to provide distinguishable quality which meets the needs of the targeted consumer segment;
 - meeting (local) legal requirements, application of the labelling rules;
 - ability to access the consumer willingness to pay for specific products of SFSCs.

- **trust:**
 - ability to ensure product integrity, authenticity and transparent information for the consumers (including systems, tools);
 - ability to access external trust enhancers (third party certification, internal certification system, participatory guarantee systems);
 - application of the labelling rules and branding (mandatory and voluntary);
 - ability to meet third party certification requirements

- **ethical aspects**
 - ability to understand consumer needs for ethical behaviour related to the specific product(s) of the SFSCs;
 - culture for ethical food production and supply;
 - ability to implement necessary measures to ensure ethical food production and supply;
 - ability to access the consumer willingness to pay for products meeting ethical aspects

- **accessibility to consumers:**
 - ability to organize logistics efficiently and to exploit innovative solutions and distribution channels;
 - efficient, innovative sales methods;

- ability to develop and implement new business models for ensuring access of consumers to products and augmented services;
- **fair price:**
 - collecting marketing information;
 - ability to enhance and maintain cooperation among chain actors including the combined use of available complementary resources, capabilities, competences of SFSCs actors, networking, understanding the principles of food value chain management;
 - ability to define, develop or maintain unique quality of products and augmented services;
 - ability to develop and implement new business models;
 - ability to access the consumer willingness to pay for fair price
- **increased negotiation power:**
 - collecting marketing information;
 - ability to enhance and maintain cooperation among chain actors including the combined use of available complementary resources, capabilities, competences of SFSCs actors, networking, understanding the principles of food value chain management, cooperation culture;
 - ability to define, develop or maintain unique quality of products and augmented services;
 - ability to develop and implement new business models;
- **shared use of available resources:**
 - ability to enhance and maintain cooperation among chain actors including the shared and combined use of available complementary resources, capabilities, competences of SFSCs actors, networking, understanding the principles of food value chain management, cooperation culture;
 - the level of value chain management culture;
 - ability to access the consumer willingness to pay for food with reduced environmental impacts

- **input for R+D:**
 - ability to monitor, research, evaluate, and understand the needs and wants of customers and consumers;
 - ability to develop new products, processes, packaging, preservation techniques, systems and access to new markets, including in other categories;
 - access to innovative technologies; distribution and marketing solutions and methods. management systems;
 - access to local input for R+D covered by other aspects

- **access to markets: and market success**
 - effective promotion, customer service, efficient and innovative sales methods;
 - ability to understand consumer's needs;
 - ability to organise logistics efficiently and to exploit innovative solutions and distribution channels,
 - unique value propositions;
 - ability to develop and implement new business models for ensuring access of consumers to products and augmented services, develop the market accessibility for the suppliers.
 - stock control;
 - ability to access to required raw materials within a restricted geographical area

- **access to infrastructure:**
 - ability to use existing own infrastructure in a focused way to serve consumer needs or to combine it with complementary infrastructures of other SFSC actors, cooperation culture;

- **management:**
 - to implement management systems for vision, planning, implementing), coordinating, controlling, monitoring, continuously;
 - improving; ability to motivate, authorize staff;

- **production, processing:**
 - management system, production experience, specific controlling, monitoring, continuously;
 - willingness to consider and ability to evaluate the adoption of TECI and NTI in the current production processes;
 - any additional specific resources necessary for the application of the specific innovation.