





# Developing New Food Products: The perspective of the private sector

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## **Company Brief**





Universal Industries
 Limited (UIL),
 established in 1957, is
 the leading producer of
 quality biscuits,
 confectionery, savory
 snacks, pre-packs, and
 beverages in Malawi
 under their prominent
 brands















 Universal Farming and Milling Limited (UFML) was created in 1997 as a subsidiary to enable backward integration and the supply chain of UIL's raw materials

# **Manufacturing Operations**





1 manufacturing facility in Mzuzu for beverages

3 manufacturing facilities in and around Blantyre for quality biscuits, confectionery, and snacks

Farming operations near Blantyre

- State-of-the-art plant and machinery from world leaders from Germany, Holland, Italy, and other countries
- 5 warehouses around the country
- Robust distribution network and versatile range of commercial fleet
- Best practices and center of excellence in manufacturing, operations, product marketing, and customer value management following global standards
- Highly competent and professional staff capable of and working on taking the company to the next level

# **Current Partnerships**



- 1. Irish Aid
- 2. Bill and Melinda Gates Foundation (CAVA)
- 3. Business Innovation Facility of DFID
- 4. International Potato Center (CIP)
- 5. Ministry of Agriculture and Food Security
- 6. Government of Malawi

#### **Product Portfolio**



- Biscuits
- Confectionery hard boils, bubble gums and chocolate bars
- Savoury snacks potato crisps, cassava crisps, extruded snacks and fried pellets
- Beverages Orange squash, fruit juices, purified still water, roast and ground coffee and tea
- Pre-packs baking ingredients, Anchor milk and ready mix flours
- Breakfast cereals Rice puffs, Coco puffs
- Nutritional foods Nutri Gluco Phala, Soya chunks and other soya products and peanut butter and peanut butter based RTEF

# **Company Motto**



- To add value to Malawian crops from the soil to the supermarket shelf.
- At the moment the company is focusing on value addition of 6 major crops: Irish potato, cassava, maize, soya, peanut and coffee
- Sweet potato is a new product that will be added after successful trials have been done
- Recently, the company has moved from not only providing the tasty snacks but also providing nutrition to the nation by developing nutritional foods.

# New Product Development Defined



- It is the process of bringing a new product into the market which includes improving the existing products or creating new products OR Presentation of an old product into a new market.
- It involves product designing and market analysis.
- Product design should balance between the customer needs (nutritional, organoleptic and socio-economical) and product attributes.
- Competitive product evaluations provide objective information and translate consumer requirements into product specifications.

#### **NPD Classifications**



- Never before seen products
- Innovative and added value products
- New packaging on an old product
- Reformulation of an existing product
- New form of an existing product
- Established product in a new market niche
- Line extension

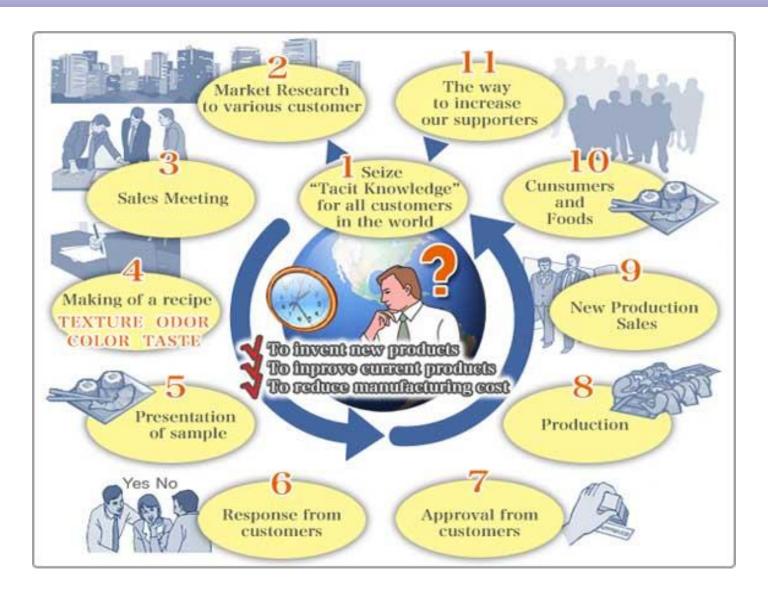
#### Reasons for NPD



- •New products for current market growth & profitability
- Diversification new products for new markets
- Changing habits of consumers
- Competition
- Increased knowledge of food science preservation,
  processing and new ingredients
- Health & nutritional needs of the population
- New packaging technology
- To reduce manufacturing costs

### What Constitutes Product Development





#### **NPD Process**



- The process depends on whether you are creating a new product or improving on the existing one.
- The process involves actions, outcomes and decision making based on the outcomes.
  - 1. Develop an idea
  - 2. Conduct market research
  - 3. Develop product concept
  - 4. Identify the target customers
  - 5. Develop formulation and conduct lab trials
  - 6. Raw materials & equipment required
  - 7. Conduct trials and sampling
  - 8. Finalize the formulation
  - 9. Product analysis nutritional, microbiological & physical parameters this depends on product type
  - 10. Product costing and pricing
  - 11. Registration and certification with relevant government bodies
  - 12. Market sampling

# NPD Process (continued)



- Product introduction is done after field trials have been completed and product has been packaged and priced appropriately to convey the correct message of quality and value.
- Product support is a complementary milestone that builds product success and repeat business. It provides valuable information for line extensions, product upgrades and creation of new opportunities
- Food safety is of paramount concern for the success of new products.
- Implicit to production and introduction of new food products is a total quality program that continuously identifies, analysis and controls risks.
- Risks controlling process begins with hazard analysis of critical control points (HACCP).

#### Conclusion



- It is worth assessing how a company/organization controls the basic product development process to avoid the following:
  - 1. Longer product development time
  - 2. Missed target launch dates
  - 3. To reduce number of crash projects
  - 4. A succession of stop/go decisions
- NPD involves all functions of the organization i.e. technical, operational, supply chain, sales & marketing and the entire top management.
- Economics, consumer & competition necessitate NPD
- New products should be consistent with goals and strategies of a business.



# Thank You