

HOW DESIGN TRANSFORMS BUSINESS



FOOD AND AGRIBUSINESS SECTOR

CASE STUDY 1

The Happy Snack Company®

📍 Sunshine Coast, QLD

AUSTRALIAN
DESIGN
COUNCIL

 **FIAL**
The Food and Agribusiness Growth Centre

How Design Transforms Business is the inaugural program launched by the Australian Design Council, to show how design can deliver growth, and in turn, national prosperity.

THE PROGRAM CONSISTS OF:



A Series of Case Studies

Profiling Australian businesses who have used a design-led mindset and practices to grow their business.



A Roundtable

Discussing how this business success could be scaled at a sector/industry level.



A National Design Challenge

The first of its kind, it will look at one major ‘opportunity’ for future national growth, and bring Australia’s world class design profession together, with business, to explore design-led opportunities for prosperity and growth.

There is a world-class design capability in Australia that is not being leveraged to its full potential. While some businesses are using design as a competitive advantage, many still don’t understand how to embed it as a strategic tool to grow and prosper. We believe this is Australia’s missed opportunity.

We hope this program will demonstrate how a design-led process can help.

In partnership with the Food and Agribusiness Growth Centre who trade as Food Innovation Australia Limited (FIAL), we will be focusing initially on the Food and Agribusiness Sector.

It has been selected based on its potential for growth from a A\$61bn to a A\$200bn sector by 2030.

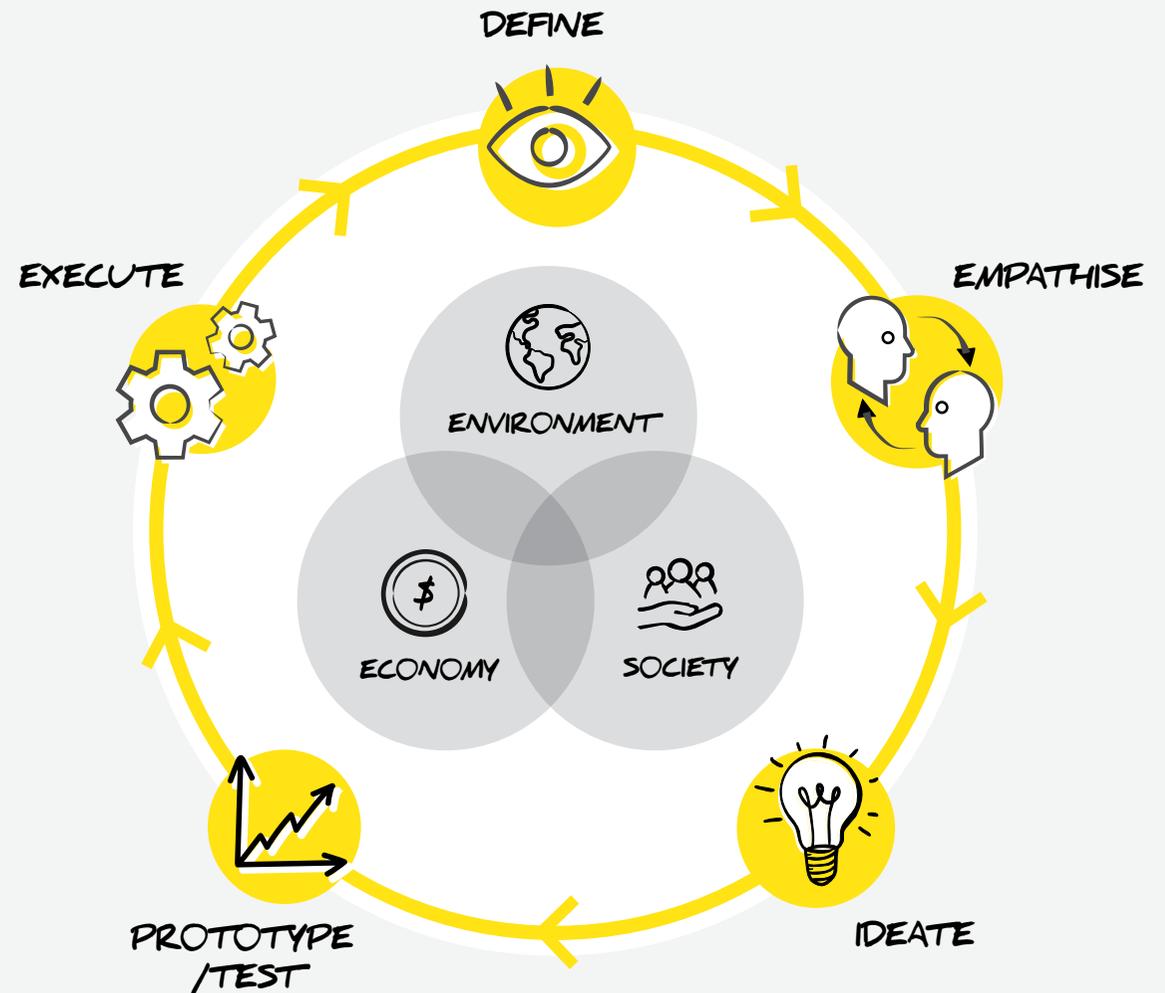
Food and Beverage Manufacturing, the post-farm gate activities of the sector, is one of six National Manufacturing Priorities in the Federal Government’s Modern Manufacturing Strategy.

WHAT DO WE MEAN BY DESIGN?

DESIGN IS A PROCESS THAT LEADS TO BUSINESS GROWTH AND NATIONAL PROSPERITY.

Design is an iterative process for creative problem solving. It is the activity of conceiving and developing a plan for a new or significantly improved product, service or system that will meet a user's needs. It considers economic, environmental and social impact.

We know businesses that use design, gain competitive advantage. Investment in professional design improves profitability, drives exports, jobs and much more.



This process typically happens several times throughout a project as ideas are checked and rechecked against the original defined problem and customer group.

THE HAPPY SNACK COMPANY

The Happy Snack Company® (THSC), based on the Sunshine Coast in Queensland, manufactures healthy snacks from chickpeas and fava beans.

Using a design-led mindset and practices, it has achieved extraordinary growth in less than 10 years. This Case Study unpacks how they did it and the results achieved.

Their journey, as told by their Managing Director, Craig Agnew in an interview, has been mapped against a generic Design Process Model.



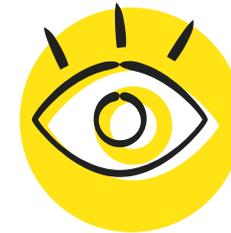
THE BUSINESS CHALLENGE



I had a hunch, when I took over the company, that the snacks solved an unmet need. They were nutritionally dense, free from gluten, nuts, dairy and eggs, and sustainably grown. Allergenicity was on the up, and there was an increasing trend for healthy living and making ethical choices.

So why weren't we selling more?
And what was I going to do about it?

Craig Agnew, Managing Director,
The Happy Snack Company

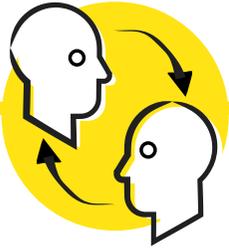


DEFINE

*Ensure the right problem is being solved
and then solving it in the best way possible.*

“First, we had to understand the consumer. Having a hunch that our snack would appeal, is different to actually knowing it! We needed to understand who they were, what motivated them and when they might buy.

Until we knew that, we couldn't move forward with any confidence, with any aspect of our business.”



EMPATHISE

Make sure you understand the needs, wants and desires of your customer or end-user at the deepest level possible to ensure you are solving their unmet needs.

“We undertook **market and consumer insight research.**

It identified a clear consumer desire for a new healthier wholefood treat that promised a delicious eating experience with chocolate, similar to Maltesers, but ‘better for you’ ensuring consumers don’t feel guilty.

It also showed that we could tap into the trend towards ‘lighter enjoyment’ whereby consumers want that indulgent moment, later in the day. To date, we had only been focusing on a snacking window of morning or afternoon tea.

There was nothing we could see in the market that was using a wholefood as the main ingredient, was free from all declared allergens, and nutritionally superior in terms of reduced saturated fat, quite low in sugar yet higher in protein and fibre to fill you up.

We visited these consumers at Food Allergy Trade Shows, and it’s extremely clear that a young child just starting school who faces these allergies is emotionally very vulnerable – they’re excluded. It’s a big emotional challenge for the family. So, we knew that framing our proposition around designing for that big unmet need was at our core, and they would be our core consumer. But, and this is a big ‘but’, that consumer group alone was not big enough to build a sustainable business around.

We identified peripheral consumer groups that would be more interested in the superior nutritional aspect – sports and fitness enthusiasts, health conscious Mums looking to balance taste, nutrition and convenience, plus a growing number of vegetarians and vegans. We identified that although our market penetration had been with families and children, there was a generation of millennials who had little experience with roasted chickpeas and fava beans. They wanted healthy but they also wanted adult indulgence – accepting chocolate coated would reduce any perceived barriers to purchase.

By segmenting all our consumers, we understood that they were roughly 40% of the Australian population. Now, *that* was something we could build a business around.

And as we did more research around the world, 90% of the consumer data was the same, and 90% of the design issues that we were trying to solve – the right messaging, packaging, brand – were also relevant in the UK, so that enabled us to have the minimum amount of disruption.”



IDEATE

Generate innovative ideas to help solve those needs and desires. Take the best idea and pursue further to find the most feasible for the company, most viable commercially and most desirable to the customer.

“We now had clarity on what the product needed to be, and set about thinking how we could do it.

Then we had a **communication design** challenge. How do we create a common design style that highlights the key emotional objectives for those consumer groups?

We also wanted to convey that snacking should be exciting. It should be interesting. It should be a celebration. Most safe food products are boring and tasted terrible! We wanted to communicate to them that their needs can be met with this brand.

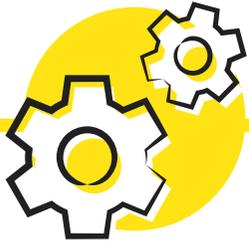
Our **packaging** needed to communicate those messages, as did other forms of communication, our **digital channels** for example.”

PROTOTYPE/TEST

Take the best idea and turn it into a realistic outcome so that it can be tested and critiqued so that any flaws can be identified and re-designed. The final prototype is tested and validated.

“We sampled the consumer base, asking questions and exploring the unmet needs. We did focus groups, **qualitative and quantitative research** – there are excellent organisations that do that in this country.

We presented the **product concept** range to the major supermarket buyers. We were able to talk confidently to them about the insight into the consumer base that we had gained, the growth trend of that market and why there was incremental opportunity for them.”



EXECUTE

Use what we have learned about the customer to inform how we proceed.

“By fully understanding the consumer, it drove every decision we then made. It informed our:

BUSINESS MODEL DESIGN

We were able to assess whether we had the right business model, with the right people, with the right skills, to deliver what we know we needed.

We brought the ambitions for the company together in one place – a **Vision Document** – to make sure that we were all singing from the same song sheet.

It led us to reconsider our company brand. We now knew that our existing Partner Foods brand (that the business had started with) wasn't going to convey the messages we needed it to. A **Brand Strategy** was created, with our unique visual assets trademarked globally.

RESEARCH COLLABORATIONS

We were able to identify the right R&D partner that could help us make allergen free chocolate, with the right flavour and consistency that will appeal to the consumer we had identified.

Specialist chocolate processing expertise such as conching and panning the allergen dairy-free chocolate, was not available for us to access in Australia (it is held within existing commercial confectionery manufacturers).

With FIAL's help we brought capability into the business from Italy, home of confectionery manufacturing. Vital knowledge transfer and staff training was also provided, and advice on the right equipment to buy.



ADVANCED MANUFACTURING INVESTMENT

Adopting new advanced manufacturing technologies and processes *felt* like the right thing to do, but now we were *sure* that it made sense for our operation. Courtesy of our R&D collaboration we knew which capital we had to buy, to deliver the impact we wanted. We had confidence that we were spending our FIAL grant money wisely!

We were able to commit significant resources to expanding our existing manufacturing facility at Landsborough, Sunshine Coast. We knew what the optimum design layout should now be for the factory and were even able to streamline production on the factory floor, taking 150 metres of process movements away.

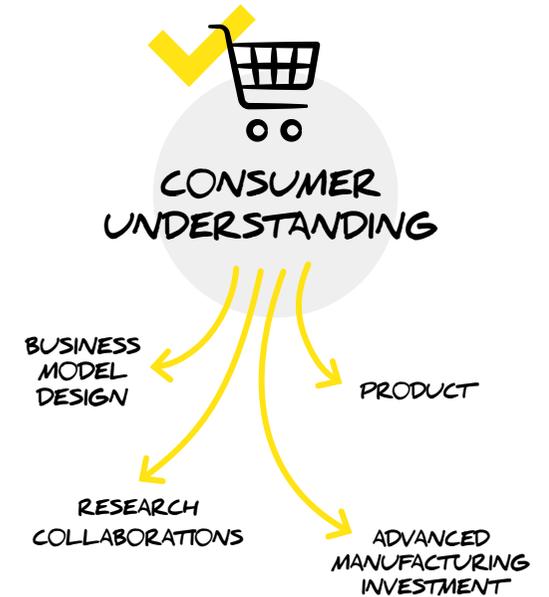
The expansion allowed us to manufacture the chocolate coated chickpea in volumes necessary to supply Coles, Woolworths and commence export market trials.

PRODUCT

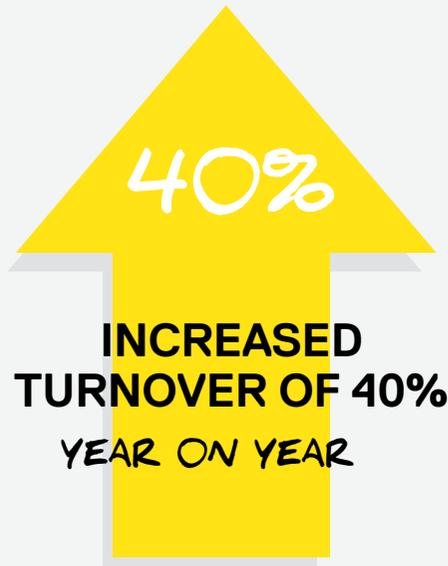
Put simply, we now knew that we were creating a new product range, with flavour and texture consistency, that would appeal to the consumer we had identified.”

What was your biggest learning and what, if anything, would you have done differently?

“Advice that helped me truly understand my consumer was invaluable. However, making sure that the consumer insight is embedded into action is where the real value is created. Ensuring there is professional support to *translate insights* into action is where I see the true value of the design profession.”



BUSINESS SUCCESS



New skills and income have been brought to the wider region

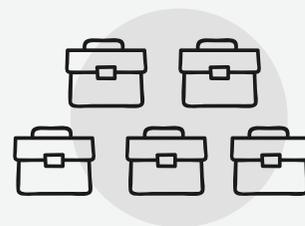


Range now sold in Coles and Woolworths

“ Fully understanding the consumer drove every decision we made, from how to make the product, knowing which equipment to buy, through to brand, packaging and what would deliver.

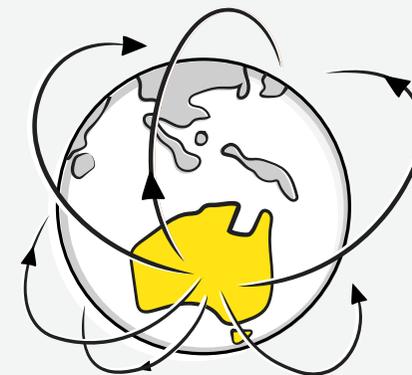
Craig Agnew, Managing Director, The Happy Snack Company

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**x5
increase in employment**

GLOBAL REACH



Partnership with a global weight management business

The Australian Design Council is a not-for-profit industry body advocating for a design-led future for Australia to deliver long term growth and national prosperity. It champions the role of design in addressing complex social, economic and environmental challenges.

australiandesigncouncil.org



AU\$67.5bn

The contribution to Australia's GDP of design-related industries and workers.

This is more than 3.5% of GDP - equivalent to the construction industry.

Source: 'Defining Design', IP Australia, 2020

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