

HOW DESIGN TRANSFORMS BUSINESS



FOOD AND AGRIBUSINESS SECTOR

CASE STUDY 4

Savio Healthy Innovations

📍 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.

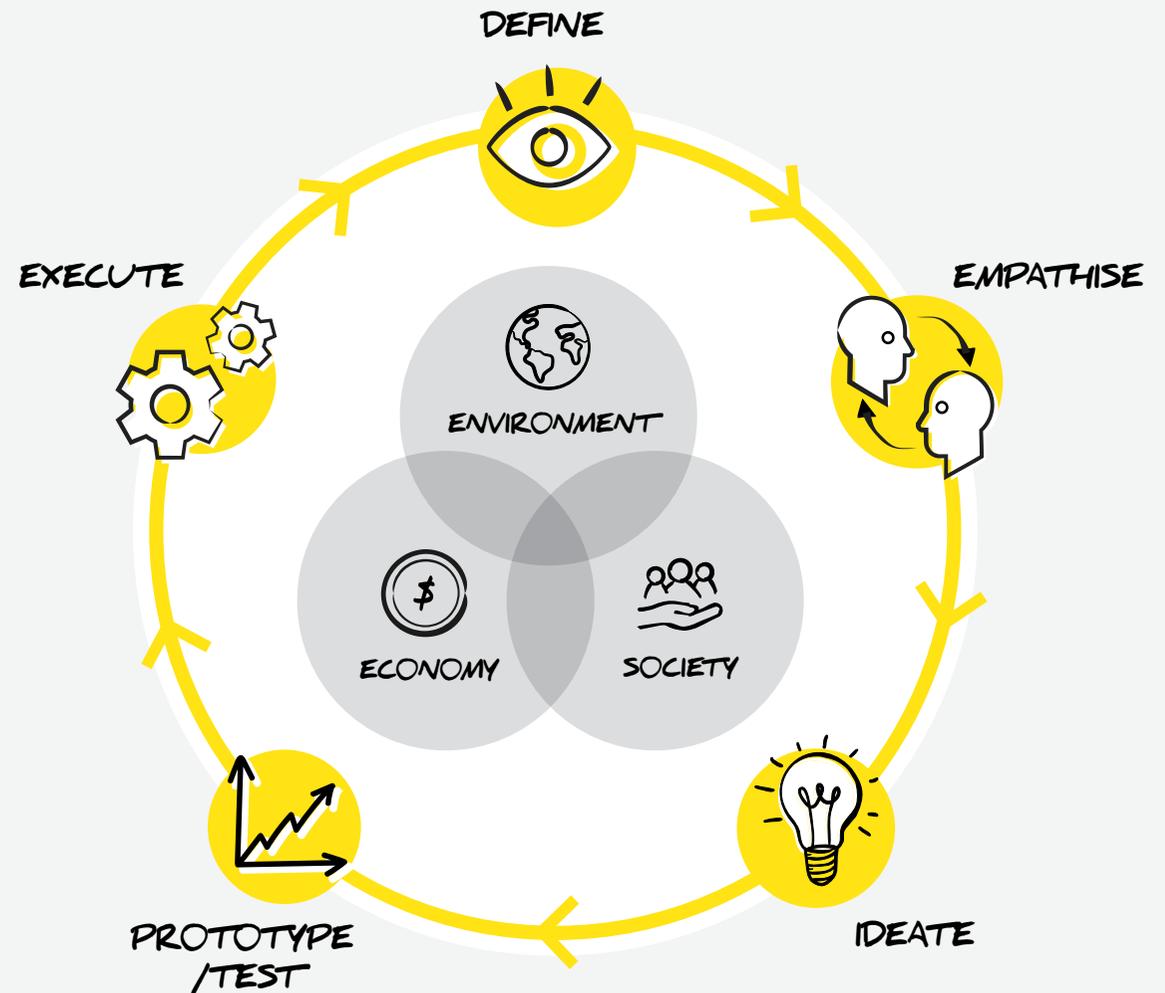
Food and Beverage Manufacturing, the post-farm gate activities of the sector, is one of six National Manufacturing Priorities in the Federal Government's Modern Manufacturing Strategy.

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.

SAVIO HEALTHY INNOVATIONS

The Savio family have been growing apples in Queensland's Granite Belt for over 70 years. They have transformed from apple producer to creator of a unique new product offering, a drinkable whole apple in a bottle.

Savio Healthy Innovations has sustainably converted imperfect whole apples into a value-added, convenient product, that is rich in apple nutrients. Upple® contains 99.99% apple and 0.1% vitamin C and stands alone in a new beverage category of drinkable whole fruit, offering a far higher fibre and nutritional level than fruit juice.

Using a design-led mindset and practices, it has enjoyed early success.

This Case Study unpacks how they did it and the results achieved to date.

Their journey, as told by Co-owner Rosie Savio and Deborah Loosley from TRIO Marketing, in an interview, has been mapped against a generic Design Process model.

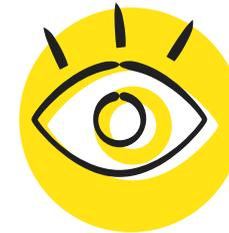


THE BUSINESS CHALLENGE



Too much good fruit was going to waste. Increasingly demanding retail specifications meant that more apples were now seen as imperfect and being demoted to juicing fruit. We get a really low price for that, it's just not viable. Plus, all the good stuff – the nutrients and fibre in the peel and pulp – are lost! We needed to come up with something new that would excite consumers.

Rosie Savio, Co-owner
Savio Healthy Innovations



DEFINE

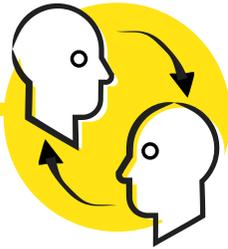
Ensure the right problem is being solved and then solving it in the best way possible.

“We are third generation apple growers. We have been growing apples for over seventy years and we wanted to make sure we were here for the next seventy!”

We knew we needed to innovate beyond our core business, to secure the future for the next generations. The supermarkets were increasingly upping the ante on the specifications for Grade 1 fruit, which meant that more of our apples were being demoted to Grade 2 and used only for juice – and at a much lower return. Plus, fresh apple consumption in Australia was also declining. These conditions combined reduced the future viability of our orchard business.

We needed to find a new way to use our quality apples that fall just short of supermarket specification. To start this journey, we undertook a market review to understand how and why consumer apple consumption had changed and to investigate consumer food trends.”





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 commissioned a **consumer insight research agency**. Consumers wanted apple consumption to be nutritious. This was something we felt deeply passionate about too – more than 1 in 2 children and 7 in 10 adults are not currently meeting recommended daily fibre intakes. They wanted it to be convenient, quick to consume when ‘on-the-go’ and with no mess (e.g., no core!). Something like an apple, but not an apple! Something nutritious and filling to better suit a modern Australian lifestyle.

Through this research we also narrowed down our target group. This was a young demographic interested in health and wellness who wanted maximum nutritional value and were actively looking for healthy food snack replacements.



IDEATE

So, a core part of the challenge was, how can we take a whole apple and value-add it in a way that retains the whole apple goodness?

We then invested in **market analysis** to identify key food product opportunities. There’s no point developing a product first, and then going back to the market and hoping it fits!

We spent considerable time looking at market trends here in Australia, and overseas. What are people looking for? Where are the gaps? Where was the opportunity?”

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.

“Working with a Brisbane based food innovation expert, we came up with several new **product ideas** that matched our key research learnings about how consumers use and perceive apples.

We created several new product ideas at bench level and independently tested some of these with consumers.”



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 found a highly skilled food processing engineer to further develop the product concepts.

After developing a method for each prototype, we did an additional two rounds of product concepts, testing them with the target group to make sure the prototypes actually matched consumer needs and expectations in terms of taste, performance, flavour and texture.

To really solve our business problem though, we wanted to create a product with a whole-apple full nutritional profile which meant maximising *all three components* of the apple – the pulp, the peel and the juice. Creating a method to do this presented a significant challenge. It had to utilise the whole apple to maintain the nutritional benefits, as well as preserve the fresh apple taste and have a delicious texture.

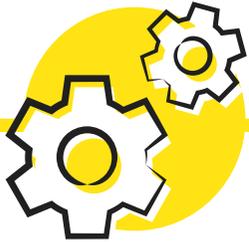
The Upple® product concept was the one that succeeded in the end. It was right on the mark in terms of consumer fit.

It was healthy, containing the full nutritional value of a whole apple (unlike juice) and was convenient – it’s an apple on the run. We knew we were on to a winner!

It took us three years to get the unique manufacturing process bedded down. FIAL supported us by matching funding which allowed us to further develop the product for commercialisation.

While the innovation journey wasn’t easy, we failed quickly and early so we could eliminate those ideas that weren’t feasible at scale.”





EXECUTE

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

“By understanding what the consumer wanted and the market opportunity, it informed our:

PRODUCT

Upple® stands alone in a new beverage category of drinkable whole fruit, offering a far higher fibre and nutritional level than fruit juice.

It meets a consumer need for a healthy, nutritious and 100% natural snack. It also solves our business problem of needing to find a value-added product to ensure the future sustainability of our business.

Upple® was launched through greengrocers in Queensland, a number of IGAs and to the school market. To date Upple® has also achieved extensive distribution in NSW through large IGA's and a major retailer, Harris Farm Markets. We've had interest from airlines, a number of supermarket retailers, more schools and are looking at export markets. COVID has just slowed it all down.





RESEARCH COLLABORATION

One of the biggest challenges was to find a way of achieving a viscosity or thickness of the product that was pleasant to drink. We liaised with the University of Queensland (UQ) to use equipment which could measure apple fibre particles so they couldn't be noticed in the mouth.

BUSINESS MODEL DESIGN

To manage our value-added business, we set up a new innovation arm of P. Savio & Co called Savio Healthy Innovations. Upple® is the first new product to be commercialised and we are continuing to develop other product ideas which leverage our brand, food processing skills and market opportunities.

Our new innovation division allows us to focus both on our apple growing and value adding pursuits and develop skills within the family.

We created a strong **brand name** 'Upple®' that is now trademarked globally, **visual identity** and a unique **packaging design**.

SUPPLY CHAIN DESIGN

The raw material, whole fresh apples, are supplied directly from our orchard. In time, we hope to be able to use out-of-spec apples from the whole district.

We worked with experienced Queensland suppliers on our marketing and packaging and brought skilled workers in to build the new factory facility and mentor family staff.

Upple® is produced on site at our orchard in a custom-designed HACCP accredited new facility using a unique manufacturing patent-pending process.

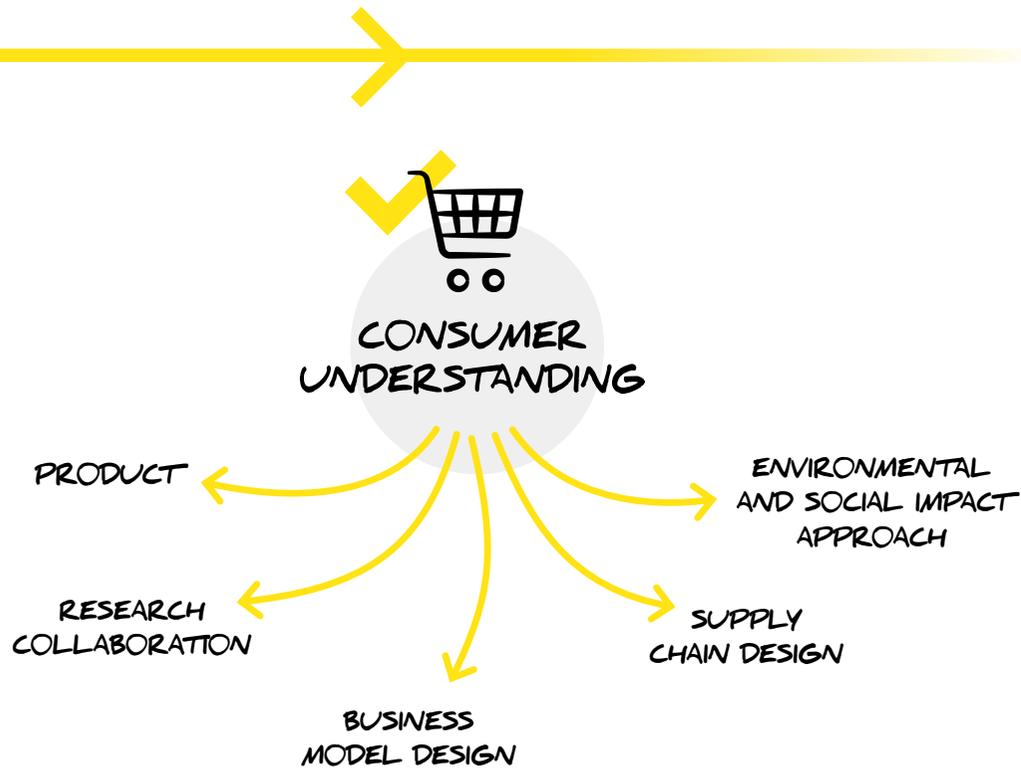
ENVIRONMENTAL AND SOCIAL IMPACT APPROACH

To align with our consumer values (and subsequently our brand values) we've created a custom apple-shaped bottle from 100% recycled plastic that is itself recyclable.

With only 51% of Australians currently meeting the recommended daily fruit intake, we are making a contribution to improving health outcomes across all age groups.

We are also contributing to reducing the food waste problem in Australia, which accounts for more than 5% of Australia's greenhouse gas emissions (according to the Department of Agriculture, Water and the Environment)."





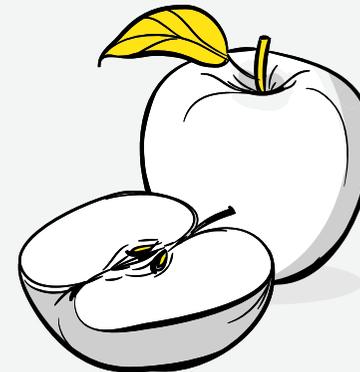
What was your biggest learning and what, if anything, would you have done differently?

“Having faith in the design process is critical to innovation success. It’s important to keep going with your process even when it feels like sometimes you’ve taken three steps forward and four steps back. Knowing that our ideas were underpinned by this rigour gave us the confidence to continue.”

BUSINESS SUCCESS

1ST
WHOLE-FRUIT
BEVERAGE

TO BE LAUNCHED
 IN AUSTRALIA



3.5+
MILLION

IMPERFECT APPLES
 ESTIMATED TO BE SAVED
 FROM **FOOD WASTE**
 EVERY YEAR



**GLOBALLY REGISTERED
 TRADEMARK AND
 PATENT PENDING
 PROCESS**

**SOLD IN
 HARRIS FARMS
 AND IGAs**



**CONVENIENCE PRODUCT
 OF THE YEAR & START-UP
 OF THE YEAR FINALIST
 FOOD & BEVERAGE AWARDS 2020**



**HIGHER VALUE
 PRODUCER RETURNS**



**GROWTH OF SKILLED
 WORKFORCE**



**LOCAL SKILLED
 EMPLOYMENT**

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Continuing to consult with the consumer to better understand insights, market and product fit of our innovation was key. It gave us the confidence to invest in capital and launch our product into a new category.

Rosie Savio
 Co-owner, Savio Healthy Innovations

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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



Strongly design-led businesses outperformed industry benchmarks by two to three times and increased their revenues at nearly twice the rate of their counterparts.

Business Value of Design, McKinsey Quarterly, 2018