

5 Steps
to Launching
a New Food Product



New Zealand
Food
Innovation
Network



Introduction

Developing a new product can be exciting, exhilarating and exhausting – often all at the same time. There are so many different things to think about, and so many pieces of the puzzle to fit together. It is a journey that can often seem overwhelming.

This resource is designed to help demystify the product development process, and to support your planning, analysis and execution along the way. We've tried to keep it simple but know that there are loads more resources out there if you need them. Contact us any time, we're here to help.

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Stage 01 Idea Scoping

Ask Questions & Gather Information

- What is the opportunity or the problem that you will solve?
- What is your product?
- What is unique about your product?
- Where is the market?
- What size is it?
- Do you understand your target consumer?
- How will you attract your target consumer?
- Where will your product be sold?
- What are the market trends and growth projections?
- Who are your competitors?
- What is your competitive advantage?
- What assumptions are you making and how will you check them?
- Are there any regulatory hurdles or other barriers to market and how will you overcome them?
- What are the technical challenges and how do you plan to overcome them?
- What expertise do you have?
- What expertise do you need to outsource?
- Where can you find that expertise?

01

Output =
Project Brief



Stage 02 Feasibility

Test Assumptions from your Project Brief

Market Validation - What are the current behaviours and attitudes of your target customer(s)?

- How do they buy (how much, how often)?
- What really matters to them?
- What pain points or gaps currently exist?
- Who else is involved in decision making and buying?
- Which of your target customers are most interested in your idea?
- How many of these types of customers exist in the market?
- How much will they pay?

Technical Feasibility

- How and where will you produce this?
- What do you know about raw material supply?
- What are the technical challenges?
- What are the regulatory requirements?
- What expertise do you need and where will you get it?

Intellectual Property

- Are there any barriers to your freedom-to-operate?
- Will you create, or do you already have IP that you can protect?
- Will you need to enter into contracts with manufacturers or suppliers?

Financial Feasibility

- What is your route to market?
- Will you make money, and how long will it take until you do?
- How will you cover costs in the meantime?
- What is your distribution model and where is the margin?
- What investment is required?

**Output =
Business Case**



Stage 03 Development

Will your product hit the mark?

Generate Product Prototypes

- Determine ingredient and processing costs
- What are the sensory requirements of the product?
- What about shelf-life, stability, storage and packaging?
- Think about regulations, labelling & claims
- Develop formulations and costings
- Plan for scale-up – where might constraints be?

Product Validation

- Are there any conflicts between technical constraints and what your customers want?
- What compromises can you make without losing customer benefits?
- Obtain preliminary feedback on prototype(s)
 - What are customers' initial reactions?
 - How will customers use this?
 - What are the views of other market players?
 - How will you price your product?

Financial & IP Health Check

- How are your margins looking (value-chain analysis)?
- Be aware of any discounts required in supermarkets
- What about start-up costs?
- What are your cashflow projections?
- Check your IP is protected and you're not infringing anyone else's

Risk Management

- What are the risks (market, technical, financial) and how can you mitigate them?

Output =
Refined Business Case, & Prototype Products



Stage 04

Testing & Validation

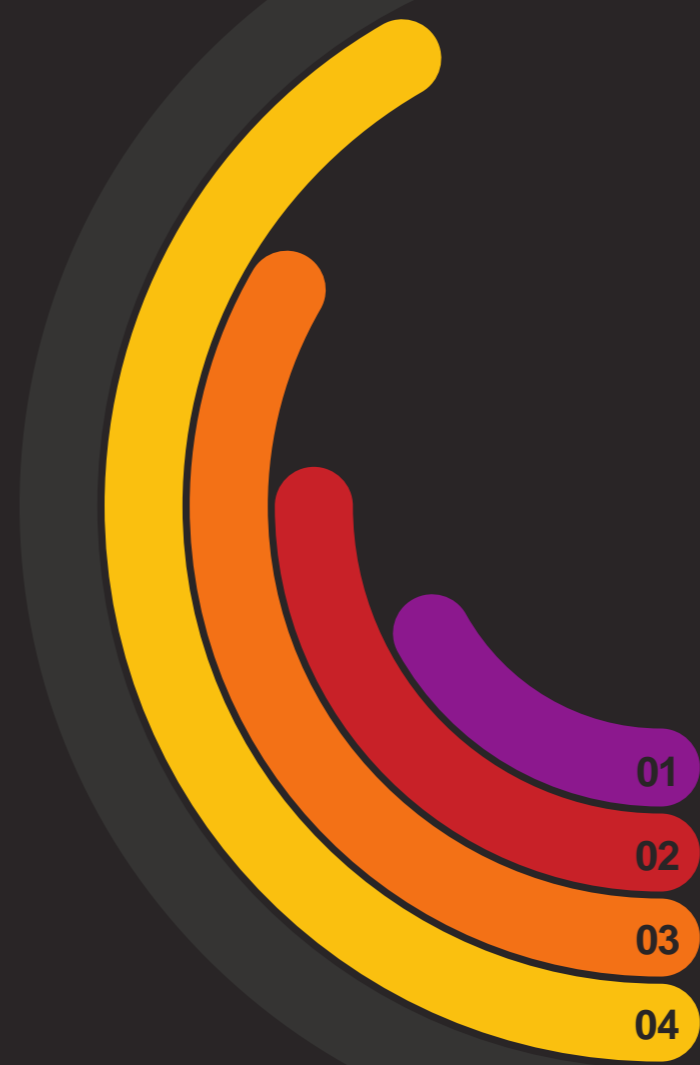
Fine Tune Your Product

- Product Refinement**
- Are the benefits/features/attributes you want to deliver seen by your customers?
 - How do your customers react to the specifics of your offering (price point, packaging, messaging, range)?
 - Which parts of your story/brand most resonate with customers?
 - What are the views of other market players (distributors, retailers, influencers)?

- Technical**
- Can challenges be overcome?
 - No issues with claims, regulations, labelling?
 - Where will you manufacture?
 - Is raw material supply secure (ingredients, packaging)?

- Financial & Intellectual Property**
- Does price/cost equation stack-up?
 - Do you have the \$ for scale-up?
 - Update cashflow
 - Are any necessary contracts in place?
 - Is the IP situation secure?

- Risk Review**
- Review and update risks
 - How future-proof are you (capacity, ingredient supply, distribution, regs)?



Output =
Business Plan, Refined
Prototypes



Stage 05 Product Launch

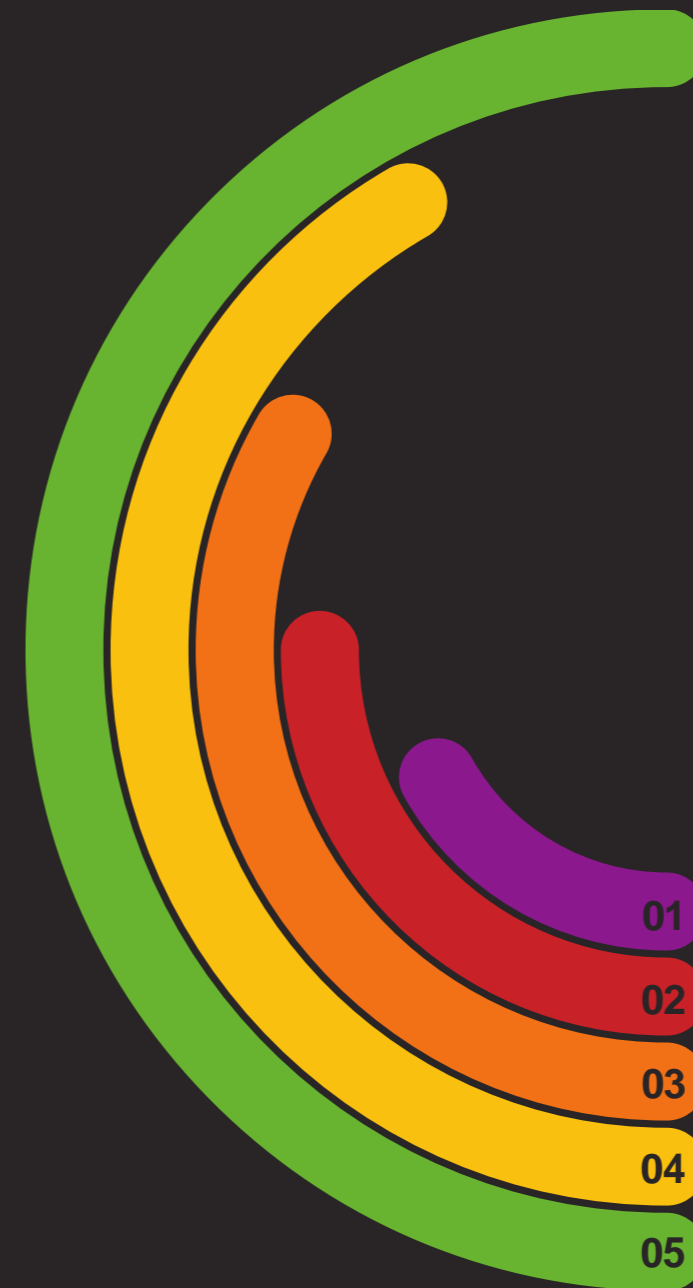
Launch, Monitor, Review, Improve

Pre-launch

- Final formulation locked in
- Marketing & sales plans finalised
- Processing procedures finalised
- Shelf life & stability determined
- Food safety system, compliance and documentation finalised
- Distribution system in place
- Risk review and mitigation strategy in place

Post-launch

- Measure performance against targets and manage cashflow
- Monitor costs and impact of marketing
- Monitor quality
- Identify opportunities for improvement
- Capture what you've learnt



01

02

03

04

05

**Output =
Commercial Product**

Places to go for help

Business Planning

Business Mentors

Get some help from an experienced business person.

<http://www.businessmentors.org.nz/>

Business.govt.nz

A great range of tools and advice, including funding options.

<http://www.business.govt.nz/>

Regional Business Partner Network

Your gateway to a range of advice and funding.

www.nzte.govt.nz/common/regional-business-partner-network

Funding Options

Callaghan Innovation

Provides a range of support for innovation and R&D.

www.callaghaninnovation.govt.nz

Sustainable Food & Fibre Futures

Funding for projects to create value from food & fibre.

www.mpi.govt.nz/funding-and-programmes/sustainable-food-and-fibre-futures

R&D Tax Incentive

Available to businesses conducting eligible R&D.

www.ird.govt.nz/research-and-development/tax-incentive

Māori Business

A range of support available via TPK including.

www.tpk.govt.nz/en/whakamahia/maori-business-growth-support

There is a range of consultants who can help you with everything from consumer and market understanding, to technical product development, food safety, labelling, distribution and more!

The New Zealand Food Innovation Network is here to help where we can, and to direct you to other support as appropriate.



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