

ONLINE MARKETPLACE FOR LOCAL AND FRESH PRODUCTS

D2.1 Template for description of innovative solutions for Short Food Supply Chains (draft prepared by Campden BRI Hungary)

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Project code:

Project acronym: Smart Food Supply Chains

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Template for good practice cases

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

1. Title of the case description

ONLINE MARKETPLACE FOR LOCAL AND FRESH PRODUCTS

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): world-wide supplier network

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	X				
	food quality	X	X	X			X	X	X	X	X				
	trust	X	X	X					X	X	X				
	ethical aspects	X	X	X					X	X	X				
	accessibility	X	X	X					X	X	X	X			
Needs of the chain actors	fair price	X	X	X					X	X	X				
	increased negotiating power								X	X	X				
	shared use of available resources								X	X	X				
	product development support														
	access to markets and consumers	X	X	X					X	X	X				
	access to infrastructure												X		

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**

There is rising demand for local and regional food (especially organic) but channels like retail grocery shops and resale online businesses with delivery options make consumption of fresh and local products either too expensive or too inconvenient.

By Naaber there is an easy access to a wide range of local and healthy food. It's difficult for small producers to get into market because of low volume and high production cost. When we add all the intermediaries in the supply chain, this increases the price for end consumers even more.

- **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)**

The system contains a software (an application) as a service solution to manage and operate your business online.

Naaber serves as a full logistics and business management platform for small and medium-sized enterprises. The network is bringing farmers markets online and providing an Uber-like delivery solution!

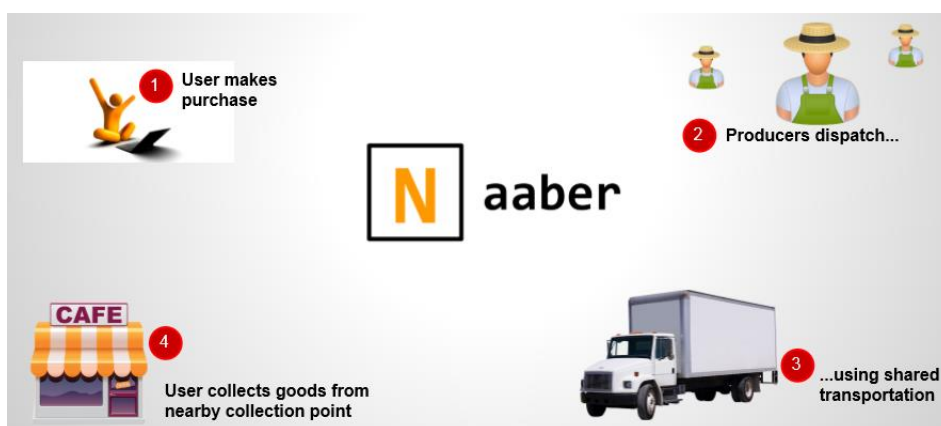
- Large selection of produce
- Direct purchases from producers with a fair pricing
- Convenient pickup and delivery using the system's Spots
- Group purchasing to get price benefits like retail stores
- Get to know the origins of your food
- Get to know your food producers - your neighbors!

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

Use the App, buy food online directly from producers and get it delivered to a convenient location for takeover.

technological

non-technological



If you are a producer/carrier:

1. Create an account
2. Setup items, stock and pricing
3. Join circles to find suitable Naaber Spots and carriers
4. Find carriers and route who will pick up your orders and deliver them to Naaber Spots
5. If you deliver yourself, then find delivery orders of other to lower costs
6. Your products are now available to purchase in **Naaber Market**

If you are a consumer:

1. Create an account
2. Select **Naaber Spot** most suitable for you
3. Purchase groceries you need
4. Order is fulfilled in Naaber App
5. Collect your order in selected Naaber Spot or use home delivery, if available at selected Spot
6. Leave feedback and comment on services and products

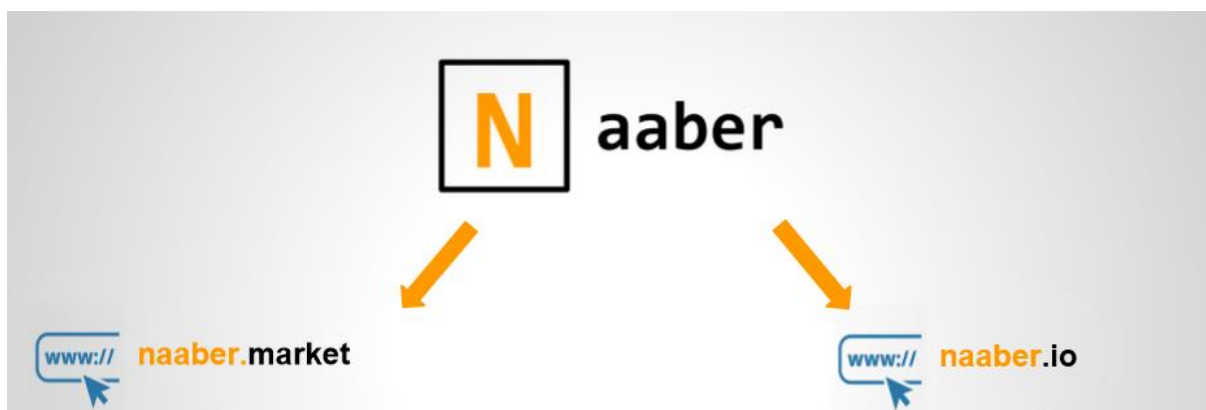
Naaber Spot is a local café, restaurant or similar establishment where special pick up box is located, containing the orders.

- Describe the business, which implemented the innovated solution (size, country, region, location, type of food)

The users of the online market are the producers and the consumers as well. The innovation is successful, when the fresh foods (fruits, vegetables, cheeses, dairy products, etc.) of the local farmers are advertised on the App and sold on the online market to the consumers.

Local farmers and their local products are promoted for sale with short delivery time and distance.

- Describe the distribution channels of the product(s)



<u>Marketplace for consumers</u>	<u>Business management software</u>
<ul style="list-style-type: none"> ○ click and collect (+courier) ○ group buying ○ direct purchase from producer ○ transparent product origin 	<ul style="list-style-type: none"> ○ transportation management ○ warehouse management ○ manufacturing execution ○ bookkeeping ○ collaboration ○ joint procurements and joint order fulfilling

- Describe what makes the innovation work.
 - Online Marketplace
 - Local and fresh food
 - Direct transactions between parties = better price
 - Click and collect
 - Logistics and collaborative smart supply chain management
 - Free to use online business collaboration and management tools
 - Transparent product history

- **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:

- fresh, processed local food from farmers

HUMAN:

- producers from the farms, IT-service and the purchaser only

TECHNOLOGY:

- IT-device, the software (App) and the internet are needed for the producers and the purchaser both

FINANCIAL

- estimated cost:
 - operating cost depends on the distance and number of the actors
 - the use of the application is free

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

Please list the relevant ones only (list is annexed)

FOOD SAFETY AND QUALITY:

- the ordered amount, in short time, in short distance delivered
- predictable, food quality and safety can be maintained
- only the ordered amount is delivered, no remains and excess

TRUST:

- mutual support, collaboration between the local farmers and purchasers

- **The method/technology was established by**

NAME: Naaber

ADDRESS: Bo Technologies OÜ Veerenni 24, Tallinn, Estonia

IT PROVIDES SOLUTION FOR:

solution for farmers, producers, manufacturers, warehouses and carriers;
and also solution for the consumers, possibility to consume fresh, local foods

6. Describe the results, achievements and typical failures

- Local fresh food on the market places or on the Naaber Spots is available due the system
- Short transport distance from the producer in a short time, ensures food quality and food safety
- Support and promotion, support of the local producers
- Naaber Spots with own local products can enhance the appeal and the value of the town/city, can grow up for a touristic target.

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

There is an expressed need of the consumers to purchase local and regional fresh food. Due the created Naaber account people, consumers can find easily products for their own needs, producers can supply their own fresh products.

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

The method can be used by all regional food producers, who would like to get into market and join the whole logistics and business management platform.

9. Recommendations for members of other SFSCs for further applications

The online marketplace can be offered for local, organic and fresh product producers, who wants to take trade advantages of the internet's world.

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

<http://www.finish-project.eu/projects-funded-by-finish/>

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.