

## Fast food chains

# innovative solutions for Short Food Supply Chains

Campden BRI Hungary

December 2019



**Project code: 773785**

**Project acronym: Smart Food Supply Chains**

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**Internal template:**

**Template for good practice cases**

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**Work package number: T2**

**WP leader: CBHU**

**Work package title: Technological and non-technological innovations**

**Document issued by:**

**Delivery month:**

**Version:**

**Document language: ENG**

| <b>Dissemination Level</b> |  |  |
|----------------------------|--|--|
| <b>PU</b>                  | <b>Public</b>  |  |
| <b>PP</b>                  | <b>Restricted to other programme participants</b>        |  |
| <b>RE</b>                  | <b>Restricted to a group specified by the consortium</b> |  |
| <b>CO</b>                  | <b>Confidential, only for members of the consortium</b>  |  |

**1. Title of the case description**

Fast food chains

**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): TRUEFOOD**

#### 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<br>(citizens) | food safety                       |                              |   |   |   |   |   |   |                                  |   |    |    |    |    |    |
|                                      | food quality                      |                              |   |   |   |   |   |   |                                  |   |    |    |    |    |    |
|                                      | trust                             |                              |   |   |   |   |   |   |                                  |   |    |    |    |    |    |
|                                      | ethical aspects                   |                              |   |   |   |   |   |   |                                  |   |    |    |    |    |    |
|                                      | accessibility                     |                              |   |   |   |   |   | X | X                                | X |    |    |    |    |    |
| Needs of the chain actors            | fair price                        |                              |   |   |   |   |   |   |                                  |   |    |    |    |    |    |
|                                      | increased negotiating power       |                              |   |   |   |   |   |   |                                  |   |    |    |    |    |    |
|                                      | shared use of available resources |                              |   |   |   |   |   |   |                                  |   |    |    |    |    |    |
|                                      | product development support       |                              |   |   |   |   |   |   |                                  |   |    |    |    |    |    |
|                                      | access to markets and consumers   |                              |   |   |   |   |   |   |                                  |   |    |    |    |    |    |
|                                      | access to infrastructure          |                              |   |   |   |   |   |   |                                  |   |    |    |    |    |    |

- 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**

The strategy of the fast food chains of traditional, local products is to make desirable the eating of local fresh/processed products with the “mass-market” logic of fast food eating. There are existing examples, such as “Nordsee“ (fresh fish products to go, but also prepared as a full meal). The strategy is a long-term success, it is possible to set up high quality standards. Higher potential success to prevail with local products on the market with local product based fast food.

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

Possible advantages and barriers for successful implementation

Based on the evaluations during the review meetings several advantages and barriers were identified. Subsequently only the most striking ones are presented.

Advantages

- Novelty of this strategy can be a major innovative driver for establishing long-term success
- Potential for setting up chains with high standards, recurrent return of investment and access to a new consumer target group (i.e. urban consumers).
- Potential for public-private investments
- Potential for both, local (small number of point of sales) and global (large number of POS) approaches
- Higher potential for successful implementation if all chain members and third parties are involved in the development of the concept of Fast food chains
- For the involvement of third parties financial and other resources could be joined among the chain members
- Possibility to respond to different consumer tastes, and convenience and price needs at the same premise
- Consumers are already used to the concept of fast food, but look for novelties in this area

- Hold of responsibility of promotion of traditional food products linking it to the underlying story and heritage (in order not to lose the traditional character of the product), creating a special atmosphere at the POS

#### Barriers

- Importance of being a global entrepreneur with sound motivation for successfully implementing the strategy
- Necessary investments in people, location and marketing ⇒ to overcome by collaboration among food manufacturers
- Assurance of safety, hygiene and quality requirements along the chain
- Necessary honesty and trust among the involved players might still need to be developed or harmed, which might slow down the process of strategy implementation
- Difficulty of balancing the differences between local recipes into a common recipe at the POS

technological

non-technological

- **Describe the business, which implemented the innovated solution (size, country, region, location, type of food)**
- **Describe the distribution channels of the product(s)**
- **Describe what makes the innovation work.**

The objective of the strategy fast food chains of traditional food products is that it would be desirable to associate the experience of eating traditional food products with the “mass market”-logic of fast food eating. This could be in principle achieved by extending certain opportunities of the so called fast food chains to products that are different from those normally distributed and consumed in usual fast food restaurants. There are existing examples such as “Nordsee” where a successful combination is achieved (fresh fish products for to go, but also prepared as full meals for immediate in-house consumption).

- **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)**
  - b: List the relevant necessary capabilities for the specific innovation.  
Please list the relevant ones only (list is annexed)**

**6. Describe the results, achievements and typical failures**

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

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

**9. Recommendations for members of other SFSCs for further applications**

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

TRUEFOOD, Traditional United Europe Food

## **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.