



**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**

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<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**

Crowdfunding - Natuurlijk Vleespakket BV

**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):** Netherlands, Flevoland

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

From a marketing point of view, the following problems exist:

- Building a customer base is time and money intense, but essential for marketing meat which is not sold in bulk.
- The customers' willingness to pay is too low. A reason could be that the customers are not properly informed about the advantages of the products.

The company is familiar with the common marketing strategies and applies them, but there is a lack of financial resources to support them.

Solution: Crowdfunding

Crowdfunding could serve as a solution to financing problems. Crowdfunding is a type of corporate financing. With this method, projects, products, the implementation of business ideas and many other things can be provided with equity. The investors are a large number of people - usually internet users, since crowdfunding is usually initiated on the world wide web.

- **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)**

Supporters are often first customers

Supporters usually identify so strongly with the project that they directly become the first customers. Furthermore, they are often valuable marketing multipliers and typically engage in positive word-of-mouth.

Boosting Sales

A crowdfunding campaign can directly facilitate sales and distribution. For providing money to support the firm, funders are often rewarded with some units of the product

High number of supporters

Crowdfunding can attract many supporters.

Maintaining corporate control

Compared to financing through venture capital, the decision-making power remains within the company.

- **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.**

Crowd investing process steps:

1. Preparation of the crowdfunding project and contacting the platform
  - Idea generation and concretisation
  - Selection of a platform provider
  - Submission of application
  - Review of the business model and business plan
2. Publication of the idea at crowdfunding platform
  - Presentation of the company, the idea and the project
  - Acquiring investors: Mobilisation of the private network and integration of social media
  - Interaction with investors, answering questions
3. Project realisation
  - Contractual settlement after successful investment
  - Compensation and regular reporting to investors
  - Maintaining contacts with investors

technological

non-technological

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

Crowdfunding is a recent form of financing. It is often used by start-up companies. The areas are very diverse. From art projects to the financing of cheap train connections, there are no limits to this form of financing. In most cases, the financing relates to small start-up companies.

- **Describe the distribution channels of the product(s)**

Crowdfunding typically takes place via online platforms, often social media communication is also used to acquire investors. It is therefore recommended for products that are also sold online.

- **Describe what makes the innovation work.**
  - The company should know how communication via social media can be done efficiently
  - The company should have a product ready for the market and first revenues
  - Videos beat patents. Without professional video, a crowdfunding campaign will always be far below its remain potential
  - Regular updates on the development of the campaign, business development and cooperations are helpful
  - The own network should be integrated as far as possible into the crowdfunding initiative

- **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)**

human: A person is needed to prepare and execute the process steps. Since the acquisition of investors is essential, social media knowledge is necessary and a large network is of advantage.

Costs for Professional Video Shooting starting at about 1000€.

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 Euro above –

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

No special knowledge is required.

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

Results, achievements: This type of financing makes it possible to finance specific projects within the company. For example, an online shop or specific advertisements can be financed. The special characteristic is the independence from shareholders, as this financing represents equity. In addition, it provides publicity for the company and its products. Investors often also become customers.

Typical failures:

- The smaller the community or target group you want to reach, the greater the likelihood of campaign failure, because you need a critical mass of potential supporters interested in the product.
- The more professional you want to make the campaign, the more money you need in advance to produce it.

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

The case study already contains ideas and activities to expand the customer base, but there is a lack of financial resources. Crowdfunding would be a good way to raise equity and increase awareness of potential customers.

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

Suitable for any products, ideas or future projects.

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

If a product exists or a project is planned that could appeal to a large number of people, crowdfunding would provide an opportunity for funding.

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

Our major reference:

Berger, E., Kuckertz, A., van der Ende, M. (2015): Crowdfunding: mehr als nur Kapitalbeschaffung – Wie Startups von der Vernetzung der Investoren profitieren können. In F. Keuper und M. Schomann (Hrsg.), Entrepreneurship heute – unternehmerisches Denken angesichts der Herausforderungen einer vernetzten Wirtschaft. Berlin: Logos

## **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.