

FUT.URE Declaration

On 26 March 2021, we as food industry leaders came together in an intimate roundtable setting at **FUT.URE** to discuss **Achieving Sustained Profitability in Food Manufacturing**.

We realize the importance of commitment from senior leadership in driving this change in the industry. Here is our declaration to the food industry.

“ We will commit the necessary time and resources for designing our organizations around the workforce and the consumer of the future – the younger generation. ”

What is good for the world is good for business.

Our stakeholders are not just shareholders and investors. Today consumers, suppliers, and employees are important stakeholders whose interests and wellbeing determine the direction and success of our business.

Bringing long term value to all the stakeholders is essential for sustained profitability. Effectively managing Environmental, Social and Governance (ESG or sustainability) initiatives will lead to lucrative business opportunities.

The younger generation of consumers prefer healthier, smaller portions that are easier to make at home. Quick changes in tastes and preferences are more the norm which means a greater product choice and variety. They also demand transparent information on ingredient sources and growing/manufacturing methods with a focus on environmentally friendly practices.

The younger generation of employees are ambitious, hungry to learn new skills, keen to make a difference and not hesitant to move companies to pursue career growth. On the shop floor, this means lack of deep technical know-how of operating various equipment. It is highly likely that the younger generation will reject monotonous, repetitive work.

Designing businesses and organizations centred around the workforce and the consumer of the future – the younger generation – will be the key to sustainable profits. Here are few takeaways from the roundtable discussions:

Establishing win-win partnerships with suppliers is essential for sustained resilience.

Assessing and managing risk in the supply chain are now a recurring discussion, but this requires a more holistic approach that adds value across the entire supply chain. This can only be achieved through long-term win-win relationships with suppliers. Strong partnerships will also facilitate joint investments in digital tools that provide predictive analytics to see “around the curve” and detect supply chain anomalies.

Supply chain innovation is required for sustained efficiency improvements.

Block Chain and AI must be embraced across the entire supply chain to provide greater traceability and transparency and to guarantee food safety and sustainability. Product and packaging innovations require data analysis for visibility of trends and preferences.

Companies will need to shift to agile and distributed manufacturing to make more product varieties and SKUs faster, in smaller quantities and closer to the market to be able to provide fresh product. This will also mean a need for cheaper and smaller automation. Production equipment will need to be easier to use and maintain.

Organizational design needs to promote innovation.

Larger organizations need to become more flexible and nimbler. Processes and systems should be set up for experimentation, creating a start-up culture where fast testing, failing, learning, and re-inventing is encouraged.

The younger workforce is seeking companies that embrace and use technology across the enterprise. Leadership should make “guiding young people” a big priority – to build, grow and retain talent. Automation initiatives will have to consider making more of the monotonous roles redundant and making training for roles easier.

We intend to reconvene in October 2021 for the next FUT.URE to discuss pressing challenges of the industry and contribute towards building a win-win ecosystem in food manufacturing.

