



Strategy for Innovation for Bakery Supplies



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Vice President R&D
CSM Bakery Supplies

Outline

- Personal Introduction
- 2006 plans revisited
- Improving the innovative ability of CSM Bakery Supplies
- Innovation in action
 - Recent Launches – delivering against customer needs
 - “From insights to cash” – a case study



Personal Introduction

Roel Orsel (1966)



Wageningen University – Food Science

TNO Food & Nutrition (Contract Research Institute)

Mngr. Wheat research group

Quest International

R&D Manager

Food Ingredients Product Development Director

Kerry Group (Kerry BioScience)

R&D Director

CSM

Vice President R&D Bakery Supplies



2006 plans revisited



Bakery Inno-Engine targets

(From 2006 investor relations day)

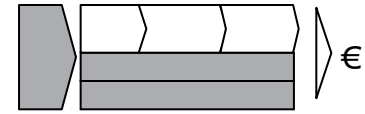


- The Bakery Inno-Engine program should significantly improve the innovative ability of CSM Bakery Supplies

- Target:
 - Innovation underpinning sustainable organic growth
 - Increase sales from innovative products from 5% (2005) to 15% (2008)
 - Build the right Teams, infrastructure, processes and culture for delivering against this target

Improving the CSM Innovative Ability

From 2006 investor relations day



Striking the right balance

Maintain

- Rapid customer response (product adaptation)
- Customer Intimacy
- Ability to deliver local taste

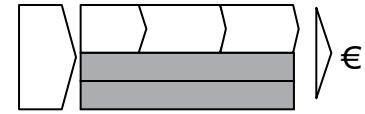
Improve

- Focus on mid-term “bigger innovations
- New product technology development
- CSM leverage

The key success factors to address

- Renewal Product Strategies
- New Business Development Teams
- Strengthening of R&D teams
- R&D – procurement connectivity
- Innovation Processes
- Innovation management (systems)
- R&D structure
- Improved R&D infrastructure



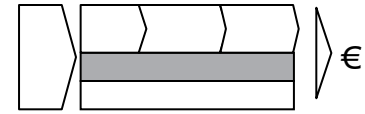


Improving the innovative capabilities 07-09

- People capability
- Infrastructure
- Systems & ways of working
- Some implemented basics of innovation management



People



- Selective strengthening of skills & expertises
- Relocations
- People replacements
- Right role assignments
- => Strong Global R&D leadership team

} 45 FTE



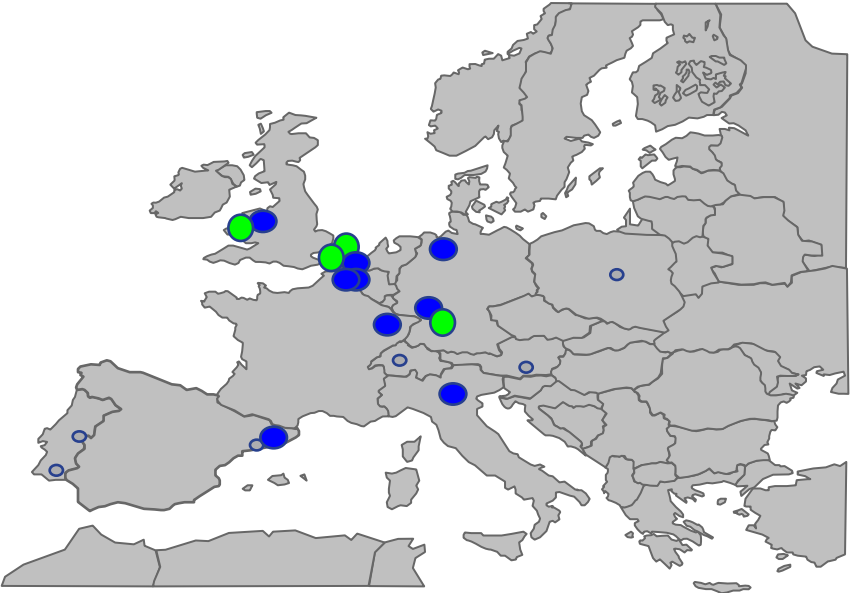
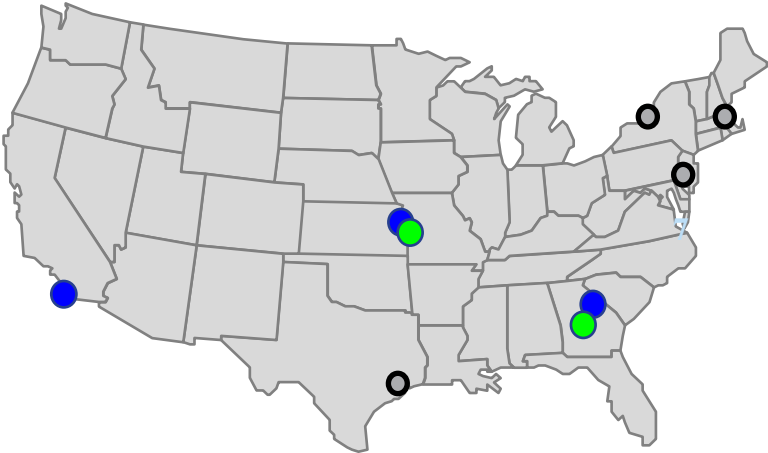
Global R&D-Meeting 2009 in Bingen, Germany



Picture shows global R&D leadership team & Germany development staff

Bakery Supplies R&D organization

- Product development Center
- Innovation Centre
- PD satellite



Innovation Centres: (IC's)

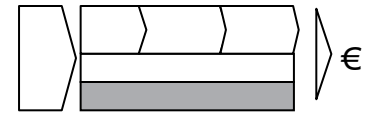
- New product technology development
- Raw Material Management & Centre of expertise
- New process development

Product Development Centres (PDC's)

- Close to the customers
- Local market understanding
- Swift customer response
- Bring the IC results to market



Infrastructure



- April 2007 – February 2009
 - IC/PDC infrastructure got established/improved in Lenexa, Bingen, Goes, Atlanta, Wirral & Merksem

Atlanta,
GA, USA



Merksem
Belgium



New Innovation processes & ways of working

- Innovation projects:
New Business Development Teams
involving all business functions
- Product development projects:
weekly basis: project selection / progress / delivery
- Supported by new portfolio tool:
- Output measurement improved



Perregine - BSEU Projects Portfolio - Microsoft Internet Explorer provided by CSM

Address: http://perregine.comperworld.com/Perregine/req/bagn.asp/projects/myprojects

BSEU Projects Portfolio

Projects in which I am involved

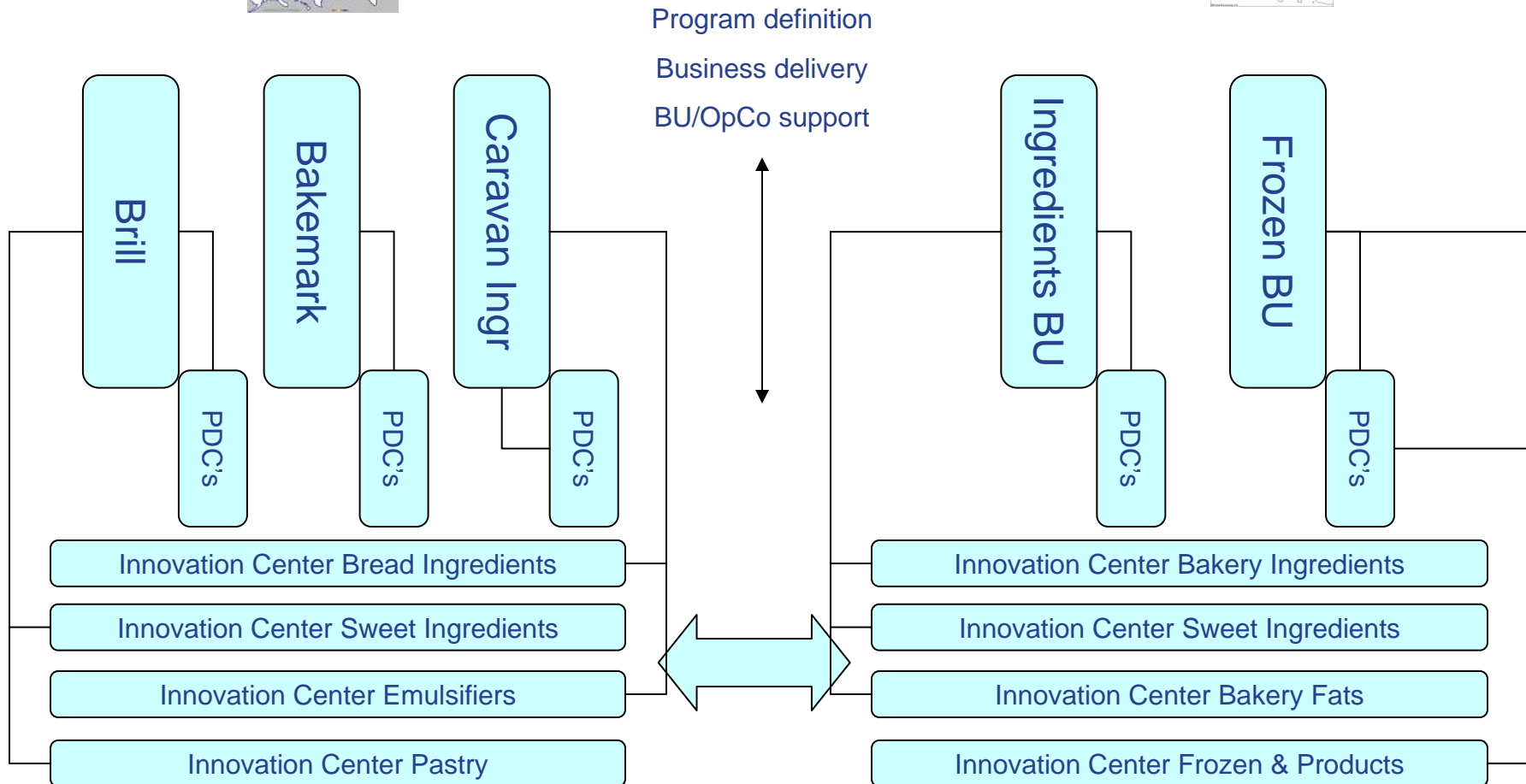
Project Detail	Updated
20091208 Start Date: 21-9-2009 Business Owner Accountable: Orsel, Roel Business Project Assigned to: - Technology: Bakery Ingredients Description: Example Priority: A Project Type: Orsel Status: Green Brand Stage: Feasibility CT Matrix (Enabling Technology): Next Generation Strategic Program: - Commercial Feasibility: H Technical Feasibility: M Customer: Orsel Baking Quality: Belgium 1st Annual Volume (tons): 1000 1st Annual Value (M€): 1000 1st Annual Value (OP, M€): 100 Planned end date Technical work: 1-11-2009 Actual end date Technical work: -	Governance Team: ELT Sourcing Unit: Gentofte / Bakery Ingredients Production Line: 43 Category: BU Industry Sub Product Category: B/Bread Improvers Technical Project Manager Accountable: Orsel, Roel Technical Project Manager Assigned to (1): - Technical Project Manager Assigned to (2): - Technical Project Manager Assigned to (3): - CT Matrix (Consumer Value Perception): Improvement Est. Maturity Technical Work: 25 Actual Maturity Technical Work: - New Raw Material Needed?: Yes Other Costs (factory trials, marketing, etc., M€): 10
Procurement Information Area: Find Back in SMT: N Category: Project in budget	
Savings against 1st year before implementation: Planned Annual (M€) Actual Cumulative (M€) until against measuring period:	
Additional Information Project data available to:	

New Innovation processes & ways of working

BSNA



BSEU



Leveraging our Technology World-Wide

PDC's = Product Development Centers

Consumer trends

Some recent launches

From Insights to Cash – a case study



Consumer trends



Health & Nutrition

- Natural
- Functional and fortified
- B4Y
- Energy density

Convenience & Robustness

- Easy to prepare
- Snacking, “on-the-go”
- De-skilling

Pleasure

- Indulgent and luxury
- Tastes of the world
- Authenticity
- Novelty and fun

Innovation – Experience: Trigal Dorado – Authentic Hispanic Taste

Market: USA
Customer Need: Experience / authenticity
Proposition: Authentic taste
Products: RTU Mixes
Fillings
Ingredients



Conchas, Cuernos, Polvorones,
Pasteles de tres Leches, Bolillos



Innovation – Quality & Robustness

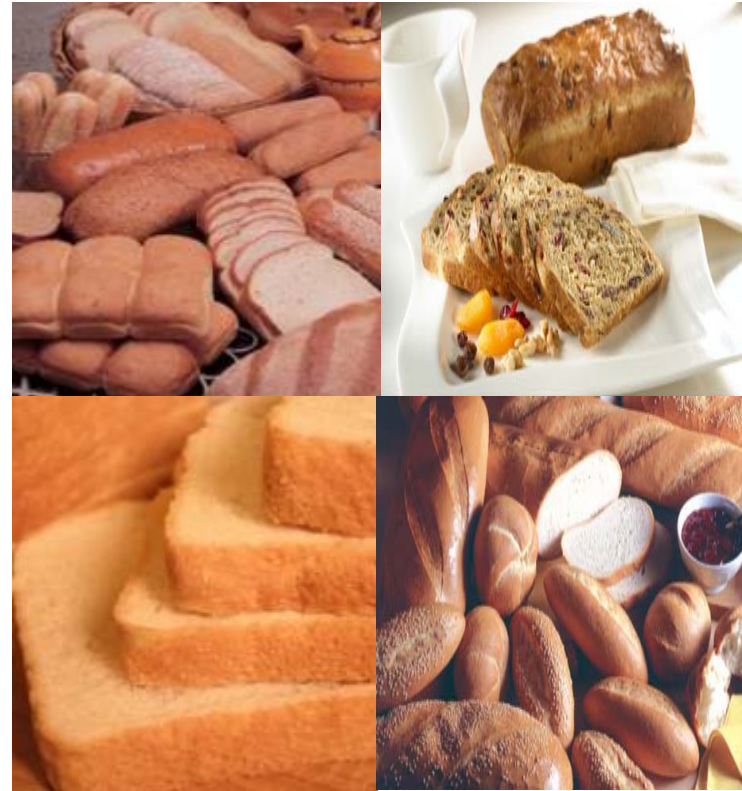
Shelf Life Extension: Fridge Soft

Market: Global

Customer Need: Anti-staling, Fresh Keeping

Proposition: Extreme shelf life, reduced distribution costs, dough strengthening

Products: Yeast-raised bakery products



Innovation – Health & Nutrition

Deutschland bewegt sich

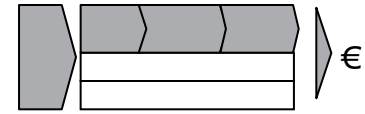
Market: Germany

Customer Need: Health & Nutrition

Proposition: Balanced and fortified bread, part of health initiative

Products: Bread mix
Bread ingredients



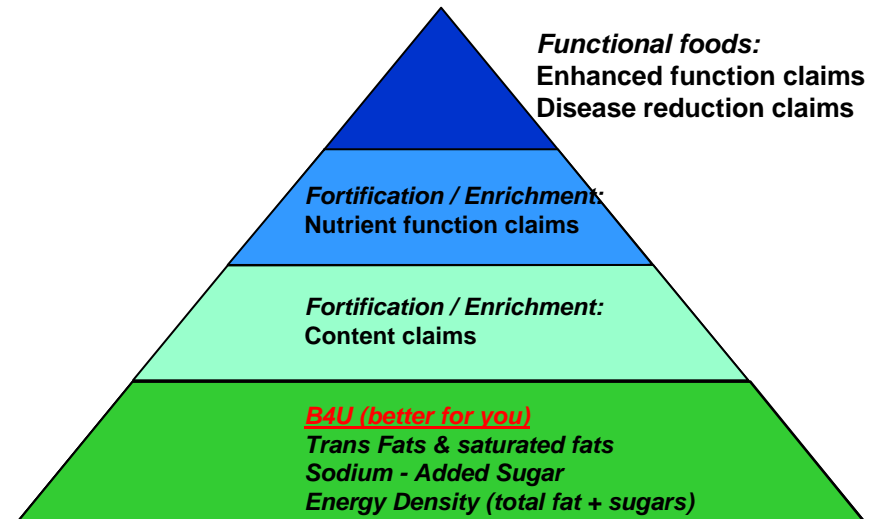
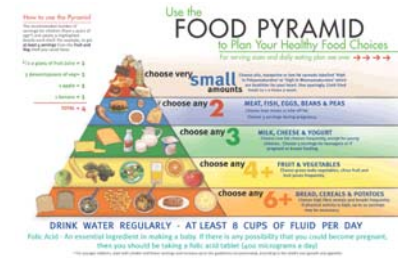
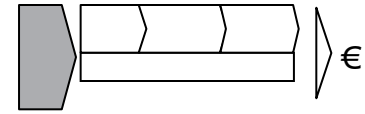


The innovation process: From insight to cash

A case study: Sensibly Indulgent



CSM Health & Nutrition Strategy & Indulgence Products



The essence of set-based development



- Play all levers to maximum proven limit
(not over stretch one parameter – learning from consumer research)

Nutrition Comparison

“Sensibly Indulgent” Iced cakes vs. “Standard” Confetti cake

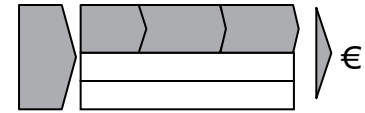
	Calories	fat (grams)	Saturated fat (grams)	trans fat (grams)
“Sensibly Indulgent” Confetti Cake	229	5,7	1,9	0
Brill D.C. Confetti Cake	360	19	4,5	3,5
% reduced	37%	70%	58%	100%++

Learnings:

- What do customers expect
 - How to develop the right concept
 - How to deliver in the market
 - Where to deliver in the market
- => Chad Rynbrandt’s presentation



Conclusions



- The 2006 Inno-Engine plans have been fully implemented
- Sales from new products doubled
from 5% to 10.8% (2005 – 2008)
- We have acted on important learnings for “Insights to Cash cycle”
- CSM is bringing bigger innovations to market
- Strong innovation pipeline for future

