

PROCEEDINGS OF THE AUSTRALIAN RANGELAND SOCIETY BIENNIAL CONFERENCE
Official publication of The Australian Rangeland Society

Copyright and Photocopying

© The Australian Rangeland Society 2014. All rights reserved.

For non-personal use, no part of this item may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without prior permission of the Australian Rangeland Society and of the author (or the organisation they work or have worked for). Permission of the Australian Rangeland Society for photocopying of articles for non-personal use may be obtained from the Secretary who can be contacted at the email address, rangelands.exec@gmail.com

For personal use, temporary copies necessary to browse this site on screen may be made and a single copy of an article may be downloaded or printed for research or personal use, but no changes are to be made to any of the material. This copyright notice is not to be removed from the front of the article.

All efforts have been made by the Australian Rangeland Society to contact the authors. If you believe your copyright has been breached please notify us immediately and we will remove the offending material from our website.

Form of Reference

The reference for this article should be in this general form;

Author family name, initials (year). Title. *In*: Proceedings of the nth Australian Rangeland Society Biennial Conference. Pages. (Australian Rangeland Society: Australia).

For example:

Anderson, L., van Klinken, R. D., and Shepherd, D. (2008). Aerially surveying Mesquite (*Prosopis* spp.) in the Pilbara. *In*: 'A Climate of Change in the Rangelands. Proceedings of the 15th Australian Rangeland Society Biennial Conference'. (Ed. D. Orr) 4 pages. (Australian Rangeland Society: Australia).

Disclaimer

The Australian Rangeland Society and Editors cannot be held responsible for errors or any consequences arising from the use of information obtained in this article or in the Proceedings of the Australian Rangeland Society Biennial Conferences. The views and opinions expressed do not necessarily reflect those of the Australian Rangeland Society and Editors, neither does the publication of advertisements constitute any endorsement by the Australian Rangeland Society and Editors of the products advertised.



The Australian Rangeland Society

MAKING SUPPLY CHAIN MANAGEMENT WORK – ROBINS FOODS CASE STUDY

Juleigh Robins

Managing Director, Robins Foods Pty Ltd
Board Member, Indigenous Australian Foods Ltd
Board Member, Coles Indigenous Food Fund

ABSTRACT

A supply chain is more than an academic concept and a business model – it is a structure based on real companies and individuals co-operating with each other to bring real benefits to themselves and to each other. Supply chains are all about relationships – corporate and personal. To make a supply chain work trust needs to be developed between all partners in the chain. Managing a working, viable supply chain means that supply chain managers, and indeed supply chain partners, need to realign their thinking so that they are developing business for the chain – not just for their individual company within it. Real value for each supply chain partner must result.

A supply chain therefore must have very clear objectives that all partners commit to. It must ensure that at every level within it, chain partners feel that they are part of the whole – ongoing commitment to meaningful communication, co-operation and knowledge sharing are the keys to making supply chain management work.

Robins Foods have developed a unique supply chain that embodies these principals. This paper will describe our chain and how we've done it.

THE ROBINS/ INDIGENOUS AUSTRALIAN FOODS (IAF) SUPPLY CHAIN

Introduction

Robins Foods are a passionate advocate for the incorporation of Australian native food ingredients into the Australian and global food industry. Over the past three years Robins Foods and our chain partners have developed a native food supply chain with the following objectives:

- Provide equity for our Aboriginal partners in the supply chain.
- Ensure the long term economic and environmental sustainability of native foods supply to the supply chain.
- Ensure that the supply chain is demand pulled – not supply pushed.
- Establish Outback Spirit brand (umbrella brand) as the mainstream market leader for products featuring native foods.
- Establish Outback Spirit as a mainstream brand for the long term.

Robins/IAF unique supply chain provides equity in the chain to the company's Aboriginal Community suppliers and formally includes Coles Supermarkets as the chain's domestic retail partner and Hela International as the chain's export industrial ingredients partner.

The Robins/IAF Supply Chain has a flagship brand *Outback Spirit*. Outback Spirit unites all chain members under a common brand and focus. Outback Spirit has pioneered the entry of native foods into the mainstream grocery category of supermarkets in Australia and overseas.

Outback Spirit has been developed as an **umbrella brand** and other food manufacturing companies, such as Kez's Kitchen, Cooka's Country Cookies, and Mariani Meats are value adding their ranges with native food flavours under the Outback Spirit license. Outback Spirit value-added foodservice products are widely used in the Australian hospitality foodservice market and Robins have licensed international ingredients manufacturer and marketer Hela International, to market their Outback Spirit

range of value added native flavoured ingredients throughout Europe under the “Hela Outback Spirit” brand.

Success has been built on developing additional skills in business development and supply chain management to complement Robins company’s directors’ expertise in marketing and product development of these unique ingredients.

Sharing and equity along the chain:

The Robins Foods/IAF chain is very much about sharing and equity along the agribusiness chain:

1. Robins Foods supply chain ensures that our large base of Aboriginal community suppliers have meaningful inclusion in the native food industry by sharing equity in supply company *Indigenous Australian Foods*. IAF supplies exclusively to Robins Foods, and Robins Foods purchase all native foods exclusively through IAF. IAF brings real benefits to communities – economic (through sale of foods), social (training communities to value add raw material for supply and thereby creating skills and employment plus in a real sense of “ownership” of these products through endorsement) and cultural (helping preserve traditional Aboriginal skills and foods through commercialisation and inclusion of Aboriginal people in mainstream economic business).
2. Robins work closely with Coles Supermarkets to market and promote an “Australian” food category. Coles and Robins are partners in the *Coles Indigenous Food Fund* and 30 cents from the sale of each Outback Spirit product is contributed to the CIFF. This money is then used to assist Aboriginal communities develop further their native foods businesses. This fund directly assists Aboriginal people and provides all members of the chain including Coles, with benefits such as increased self esteem and improved staff morale.
3. Marketing the IAF endorsement has also brought further value to the chain and to the chain’s **endorsed companies**. Companies included are Robins, Coles Supermarkets, Voyages Hotels and Resorts, Great Southern Rail and Kez’s Kitchen, Cookas Country Cookies and Mariani Meats. Benefits for these companies are both tangible and intangible, and provide member companies with clear marketing opportunities (both product and corporate differentiation) and demonstrable good corporate citizenship. Benefit to the chain is increasing credibility of the endorsement through uptake by prestigious companies.
4. Companies under licence to Outback Spirit receive added value for their involvement by receiving support for the brand by Coles Supermarket, automatic IAF endorsement and the opportunity to add line extensions in existing markets with distinct product differentiation.

IAF Endorsement logo

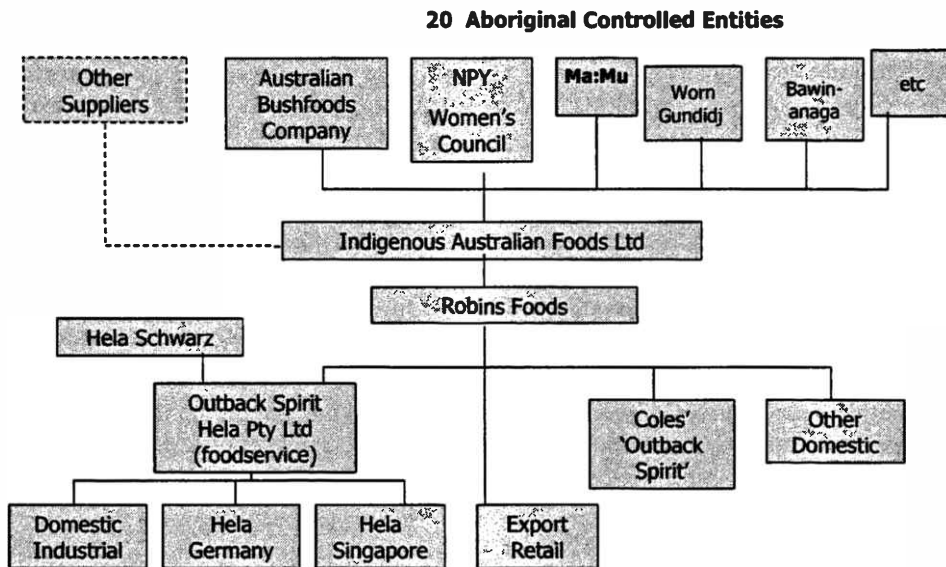


Endorsed companies currently include Robins Foods, Kez’s Kitchen, Cooka’s Country Cookies, Mariani Meats, Voyages Hotels, Coles Supermarkets, Great Southern Rail and All About Bread.

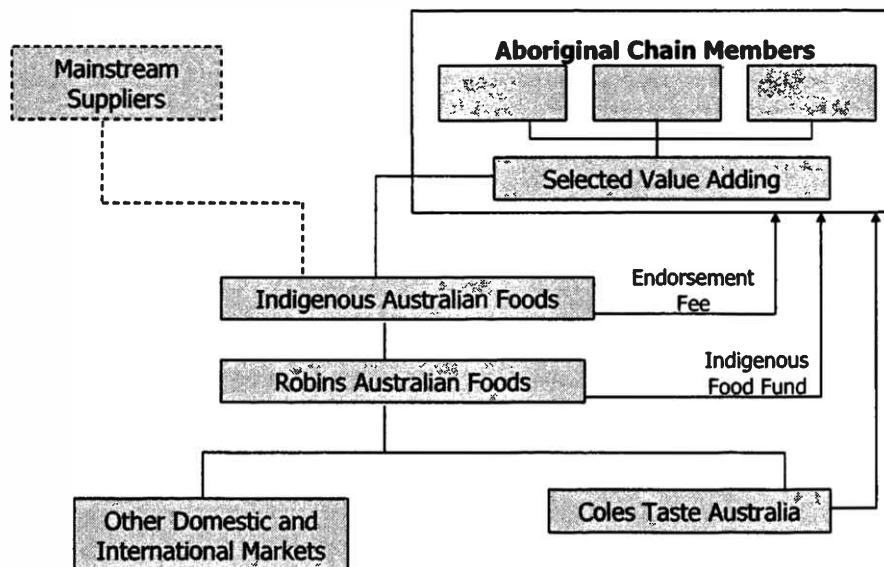
STRUCTURE OF THE ROBINS/IAF SUPPLY CHAIN

Our structure is shown in the following slides.

INDIGENOUS AUSTRALIAN FOODS SUPPLY CHAIN



Encouraging Indigenous Participation



Benefits in membership of Indigenous Australian Foods

- Assistance to supply (wild harvest or cultivation).
- Sale of products.
- Opportunity to value-add.
- Ownership of a product endorsement to be licensed to manufacturers.
- Proceeds of the endorsement fees to go back to communities.
- Participation in the Coles IFF.
- A long term involvement in taking traditional Aboriginal foods to the mainstream (right around the world).

Endorsement by Indigenous Australian Foods

- Approved companies may become endorsed by IAF Ltd. This endorsement will identify the products of the approved companies as including native foods that are the product of Aboriginal enterprise. The company will be able to declare that it is a financial supporter of Aboriginal enterprise.
- The benefits to endorsed companies are both tangible and intangible and will provide companies with clear marketing opportunities (both product and corporate differentiation) and demonstrable good corporate citizenship. Logos and other supporting promotional material will be available.

ENSURING THE CHAIN IS DEMAND PULLED

Robins Foods as the marketing arm of the chain has focussed on broadening demand for native foods across a number of target markets. Company sales have doubled over the past three years as a direct result of the development of the supply chain and Outback Spirit value added products. Similar future growth rates are forecast for the next three years. Reaching sales targets is critical for the chain in order to bring about “critical mass”. The targeted markets are:

Mainstream Retail

The most significant growth has been in the mainstream grocery category of Coles Supermarkets where eight Outback Spirit products are ranged nationally. Entry into Woolworths is anticipated in the next financial year. The expansion of the Outback Spirit brand (under licence) into further supermarket categories has commenced.

Strategies for success in mainstream:

- a) **Consumer trials** – the company trialed a number of products in the retail market, including Coles (in specialty foods category only) to determine consumer preferences. Successful products were then incorporated into the Outback Spirit range for national ranging and distribution.
- b) **Robins brand development** culminating in the Outback Spirit brand reflects through image and labelling the unique elements of the native food ingredients that consumers want to know about – ingredient description, product description, where the native ingredients are from and the Aboriginal involvement in their provision to the company. Recipes are included on the label for further value to consumers.
- c) **Adoption of IAF’s endorsement.** Outback Spirit products clearly show the IAF logo that identifies these products as being produced “In partnership with Aboriginal Enterprise” – thus

ensuring the consumer has a choice to purchase a native food product that has integrity and authenticity.

- d) **Coles’ “partnership” in chain development** is the most important aspect of all. Coles’ support of our chain development, through mainstream listing and contribution of profits to the CIFF has been critical to the success of Outback Spirit products in the mainstream market. This successful partnership with Coles rests on mutually shared objectives (Aboriginal equity in the native foods industry and the resulting benefits going back to Aboriginal people) and the strength of the relationship built up between Robins, IAF and Coles Supermarkets.

Industrial Foodservice

Robins have licensed the Outback Spirit brand to a multinational ingredients company “Hela International”. The successful launch of *Hela Outback Spirit* native food flavours for the industrial food manufacturing industry in Europe has brought immediate follow-on orders and native food ingredients now have a permanent place in Hela’s long term marketing strategy. The products will be rolled out into the Asia Pacific region. This formal partnership will bring an increasing demand for native foods to the chain. A strong relationship has developed between Hela International, its Australian venture Hela Schwarz, Robins and IAF. Senior Hela board members have personally visited some member Aboriginal communities and pledged ongoing support to the chain. Additionally Robins have provided Hela with complete access to formulas and product development skills while legal agreements were being formulated. A significant trust has developed between all parties and the partnership will be for the very long term.

Export Retail

Export markets for Outback Spirit products in the UK and Europe have been established with good growth expected in the next financial year. Current UK clients include the major supermarket chain Sainsbury’s plc.

Opening these significant markets delivers increasing opportunities for IAF and its supplier base (both indigenous and non-indigenous) to increase their sales to Robins. Selected plantings are underway to meet ongoing demand. Robins and IAF continue to research and develop better ways to maintain sustainable supply.

Developing these markets and ensuring all chain members are aware of developments across the chain is an ongoing task for the lead company, Robins Foods. Regular formal and informal communication (emails, phone calls, meetings etc) takes place and given the geographic distances involved (IAF), at considerable cost.

The chain has a number of sustainable competitive advantages:

Outback Spirit as an umbrella brand will continue to develop increasing brand awareness and Coles has identified Outback Spirit as “the definitive native food brand” in the marketplace.

1. The IAF endorsement will become increasingly recognised and valued as the endorsement that adds integrity and authenticity to value added native food products and as the endorsement of Aboriginal enterprise.
2. Unique and delicious flavours of native foods and the supply chain based on Aboriginal involvement and environmentally sustainable agriculture to deliver them is a distinct competitive advantage – and one that places Robins at the forefront of the native foods industry.
3. Robins’ creation of a new food category – value added native foods – and Coles, Hela and other large companies’ support and value of this ensures that our small company and chain is competitively advantaged in a playing field that normally would be closed to us.

Development of strategic alliances and partnerships

Robins has developed a number of powerful strategic alliances and partnerships that add value to all levels of the chain. Some of these alliances are with companies far, far larger than Robins so that we can use the strength of these companies to assist us fulfil the chain's long-term goals:

1. At the inbound supplier end between ourselves and our Aboriginal supplier base through the creation of IAF.
2. At the inbound supplier end between ourselves and various agricultural grower groups (assisting in species selection, growing and propagation information, etc) and including them, via IAF into our supply chain.
3. Partnering the Australian Museum in the FATE (Future of Australia's Threatened Ecosystems) program to bring about environmentally enhancing agricultural systems for landholders entering the native food industry.
4. Utilising production capacity of a larger food manufacturing company, -Jensen's Choice Foods – who manufacture the Outback Spirit brand for Robins under contract.
5. Licensing a significant international ingredients company, Hela International, to market our brand of foodservice products internationally.
6. Licensing other medium-sized Australian companies to produce and market Outback Spirit brand products.
7. The strategic alliance with Coles Supermarkets to create, support and market a new food category – Australian native foods, and to do this in a way that brings real benefits to Aboriginal communities by assisting the development of their micro-businesses based on native foods. Formal partnership of Robins and Coles Supermarkets with the Coles Indigenous Food Fund.

CONCLUSION

Robins / IAF supply chain is successful because it is an integrated and inclusive chain with an ethical base, that provides real equity and benefits for its members. All supply chain members have a real sense of "ownership" and are committed to ongoing chain development. The creation of Outback Spirit as an umbrella brand and the IAF endorsement ensures all partners are working co-operatively to develop business for the chain, while increasing individual companies' returns. The "ethical" basis of the chain – providing real equity and economic opportunities for Aboriginal members – has attracted significant commercial chain partners who are committed to all the chain's objectives.