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## NOVIAA

Innovation at the heart of Alsatian Food Industry

### **NOVIAA, accompagnement program for Food Industry Innovation**

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Supported by the Region Alsace, the French State and Europe, ARIA ALSACE deploys since 2008 a regional strategy of vitalization and development of the Alsatian Food Industry network, based on 4 axes, one of them considering the capacity of innovation of the Alsatian Food Companies as a mainspring of their competitiveness.

This is why ARIA ALSACE launched from 2012 a collective program of accompaniment about innovation, NOVIAA. It allows managers of Small and Medium-Sized Enterprises and their close collaborators to benefit of one year of methodological contribution on the key-themes of innovation: company vision, product strategy, creativity, organization of the innovation process, the industrial systems, marketing and commercial innovation ...

Resolutely operational, this program also includes an application phase, consisting in a pilot project led within the company. It allows to deploy the organizational system, which has been developed, prove its efficiency to the internal team and so guarantee their support.

To form the companies to innovate, lead by their side a first project to perpetuate the organization: such is the mission that ARIA Alsace fixed itself.

In three years, 25 companies participated in the operation: NOVIAA starts at this beginning of year its fourth edition, with a recruitment target of 10 companies.

## **1. THE CHALLENGE OF INNOVATION IN THE FOOD INDUSTRY**

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Company members of the Alsatian Regional Association of Food Industries (ARIA ALSACE) are essentially consisted of SME and VSE, often centered on the preparation of regional products. Although very dynamic, these companies have to compromise with a delicate situation: the food-processing industry is in crisis and the origins are multiple.

In this situation, to innovate and to become innovative is a necessity.

It is necessary to innovate to offer new and differentiated products. Innovate also in terms of sale methods and original marketing models. Innovate still to reduce manufacturing costs or valorize the production equipment. Innovate finally to face competition, even though it is sometimes unbalanced due to the size of some market players.

However, innovation is complex and multiple. It does not simply require the acquisition of methods or tools to exist; it is a whole, global approach. It more generally consists in understanding, imagining and acting so that our behavior and the results of our actions answer in the most satisfactory and value-productive way, to the changing requirements of the company, its customers and its environment.

Help the companies of the sector to innovate by training them in a collective way then accompanying them individually, with a real will to deploy an organizational system and to achieve tangible results: such is the mission that settled the ARIA ALSACE.

## **2. AN INITIATIVE PARTICULARLY ADAPTED TO COLLECTIVE ACTION**

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Innovation is generally not part of SME and VSE managers daily concerns, more often brought to manage the urgency than to project themselves with regard to their markets, to take an interest in the future, in the trends or technological or normative evolutions, to develop initiatives and creativity within their teams or even to prepare in detail the launch on the market of their novelties.

These reflections and actions are complex, require know-how, methods, tools and time. So many elements, which are often lacking in a small or medium company ...

By contrast, this approach lends itself particularly well to a collective action, as far as:

- A contribution of tools and methodology turns out essential to start
- Such an operation constitutes a unique opportunity for the managers, to cut themselves from their everyday occupation and take time to think about the place of innovation in their companies
- Inter-companies exchange constitutes a powerful lever to wonder about the operating processes and consider changing the habits.
- Later, during the phase of internal deployment, it is still precious to offer to the managers and their collaborators an opportunity to share good practices.

It is thus not only legitimate that clusters should initiate such programs, one can consider that they really are the most adapted, to conduct an action on this key-factor for progression and sustainability of companies: innovation.

### 3. OUR REFERENCE: THE INNOVATION PROCESS

Today, thanks to the generalization of ISO, the development process is rather well mastered in companies: it has been the object of an important work of formalization, systematization and appropriation by the teams.

However, the phase which is situated upstream, consisting in catching trends and market needs, raising ideas, selecting the most promising according to precise criteria linked to the strategy, are very rarely formalized, whatever the size and the activity of the company.

Nevertheless, to be successful, innovation must follow a real process:

- For the executive team, it is necessary to set goals, in connection with the vision, the mission, and the values of the company, as well as its strategy.
- For the « Innovation team », it is necessary that they know perfectly these orientations, that they have understood them and are in phase with them. Only in these conditions will they be able to transform them into research tracks.
- In parallel, it is essential that the team acquired " the innovation spirit" which will bring them to collect, everyday and everywhere, precious information. Coming from the market, from its actors but also from the consumers, these data will constitute the basis for their reflection.
- This creation phase must be structured and mobilize all the people involved in development (R&D, Purchasing, Methods, Quality, etc.), so that each can bring his experiment and express his creativity.
- Lastly, the identified opportunities must be evaluated, to retain only those presenting the most potential, i.e. in conformity at the same time to the expectations of the market and the strategic orientations of the company. They can be then injected into the development process.

ARIA ALSACE's approach thus first of all consisted in modeling the process of innovation, in order to have a sufficiently robust base to evaluate the companies and train their teams, but also sufficiently generic to be able to decline from it the in-house process and then test it through a pilot project.

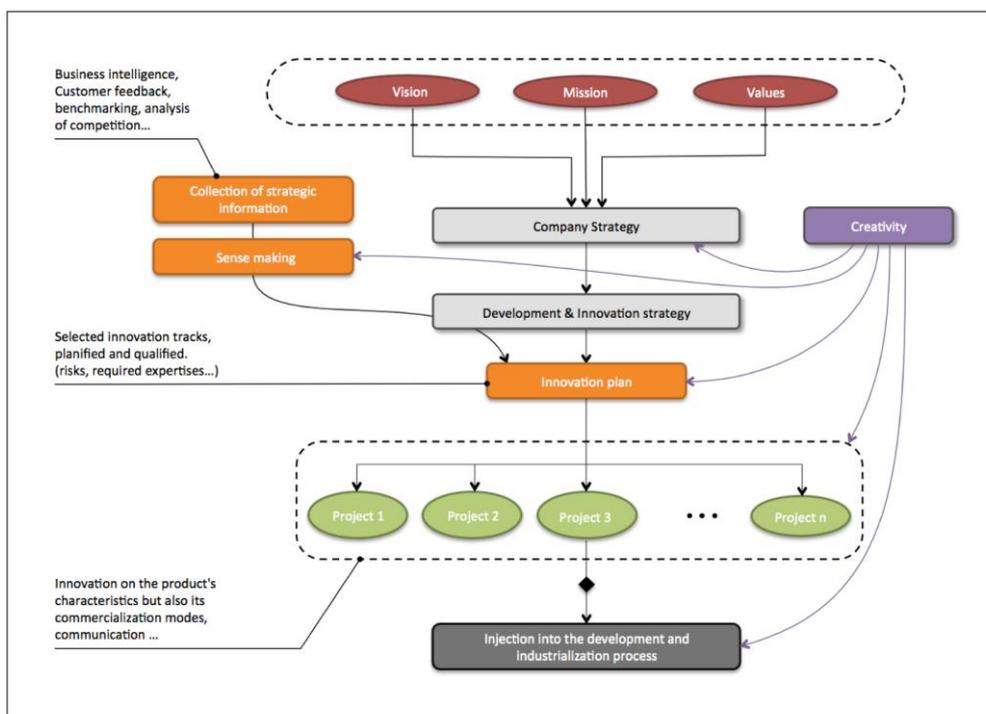


Fig.1: the innovation process

## 4. THE ACCOMPANIMENT

### The challenge: match 2 opposite intellectual and functional modes

The main difficulty to organize innovation in a company consists in trying to forge a relationship between opposite two worlds: on one side, creativity (conceptualization, seduction, functionalities, differentiation...) and on other, the typical imperatives of industry (feasibility, rationalization, quality, costs...). In other words: finding the right balance between originality and realism.

A challenge quite analog to the functioning of the sides of the human brain, especially as the industry and the people who work in it are generally very directed by their ... left brain!

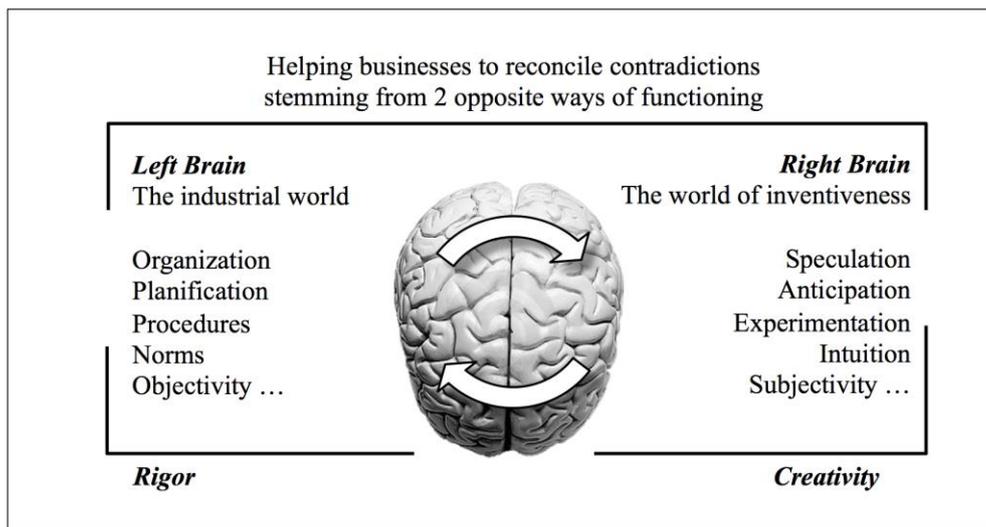


Fig.2: innovation in industry, at the crossroad of creativity and rigor

### The human factor, at the heart of the approach:

Beyond the organization and the tools susceptible to be set up, innovation is above all a business of men and women.

In particular, it is essential to lift the barriers, by teaching people often trapped in the codes of their functions and skills, to take a broader view and show open-mindedness.

The stake thus consists in generating positive group dynamics, which will be convenient for constructive exchange, progress of all and synergies.

To reach this goal, the accompaniment concentrates on 3 complementary aspects:

- Develop within the teams the "innovation spirit"
- Help them to structure and perpetuate their action, so that it self-feeds in original and valuable ideas.
- Guarantee the acquisition of the methods and tools required to innovate efficiently, in particular those centered on the collection of strategic information but also on the evaluation and selection of creative tracks.

### NOVIAA's 4 operational phases:

- A diagnosis phase allows understanding of the current functioning mode of innovation in each participating company.

- A collective phase, in the form of two seminars of one day and half, allows participants to exchange with each other, share their experiences and question themselves about the innovation process of their companies.
- An individual phase aims, within the framework of a pilot project led in the company, at deploying a new organization of innovation and make the team adopt it.
- A consolidation phase consists for the participants, in meeting regularly during the individual phase but most of all, also after the end of the program. Over the years, the action has helped to create within the companies an "Innovation Community".

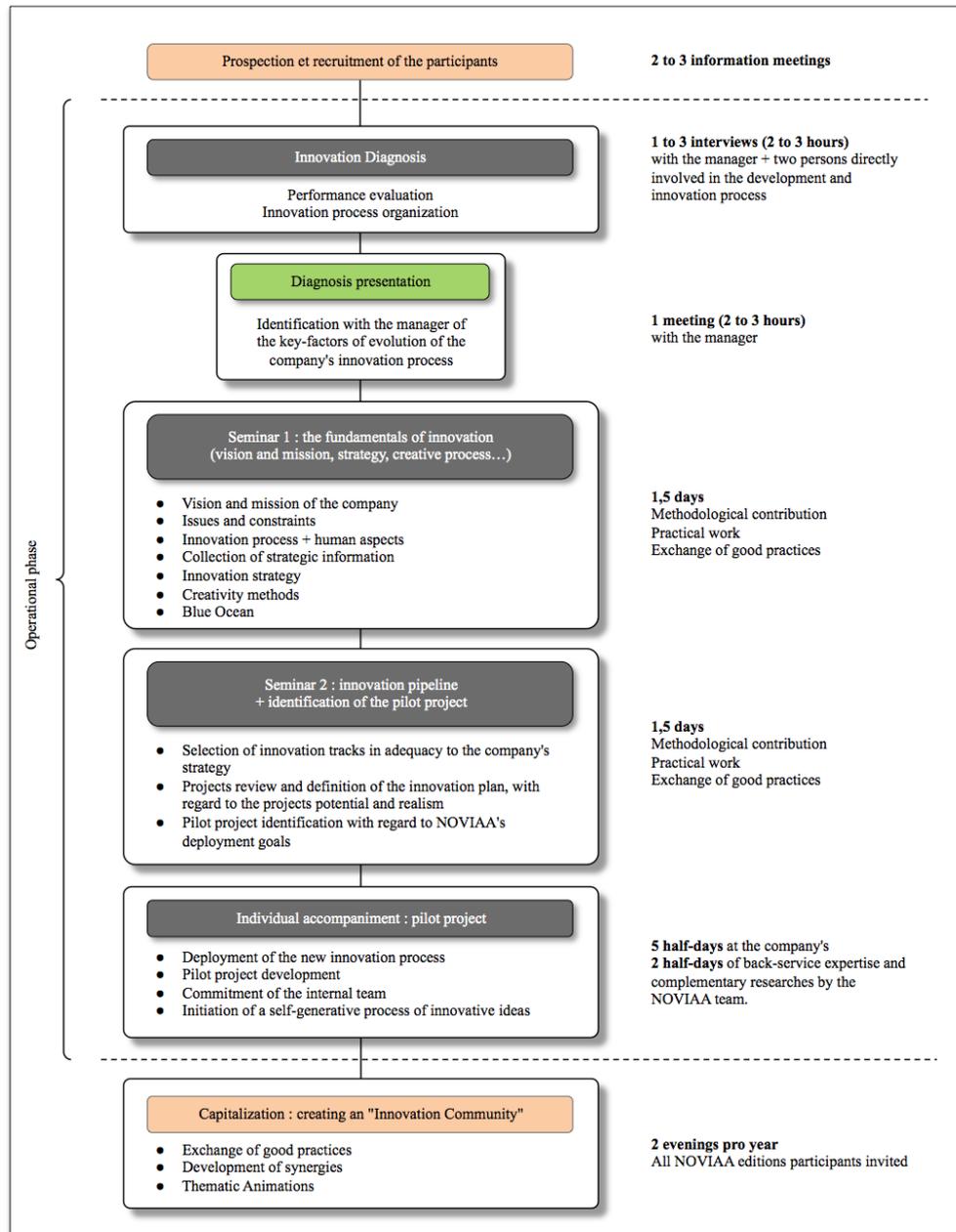


Fig.3: NOVIAA's four phases

Because innovation has multiples facets, ARIA ALSACE chose, to guarantee the efficiency of the operation, to commission every year not one, but 3 to 4 experts with complementary specialties, sensibilities and experience - the objective being to cover as far as possible the companies expectations in terms of accompaniment: creativity, strategy, marketing, process...

As another principle intended to optimize the chances of success of the program, ARIA ALSACE requests its consultants to take part of the companies' recruitment.

## 5. THE DIAGNOSIS PHASE

The first phase of the program consists in understanding how innovation expresses itself in each company, both at the level of its managers and of the team involved in the process of development and innovation.

In particular, our purpose is to identify:

- How the managers project the future of their companies: their vision, their expectations related to innovation and which challenges they will have to face.
- If the corresponding strategy is formalized and communicated to the team.
- If the strategy has been fully understood and adopted by the people in charge of its deployment and what real action they will undergo to make it become reality.
- How the forward-looking reflection is fed and how the ideas are born.
- Finally, how these ideas are validated and raised, until they become development projects, to be industrialized and eventually become commercial products or services.

This diagnosis takes form of 1 to 2 hours face-to-face interviews, with the manager and then his collaborators most involved in the development and innovation process. A questionnaire was specially developed for this purpose, based on the typical process of innovation described above. Comprising 60 questions, it allows:

- To start the skill development process, by making managers and their team sensitive to the best practices of innovation, and the opportunities they have to improve the existing systems.
- To learn to know the operating process of each participating company and to evaluate its performance in terms of innovation.
- To identify the main levers which will allow the companies to innovate more and better.
- Lastly, to refine the content of the seminars in terms of methodological contribution.

As a conclusion, a quantitative and qualitative report is presented to the company's manager. It includes recommendations but also and indicators made on a standard form (see examples below). Very visual, they aim at facilitating the manager's understanding of the situation and allow comparison with the average performances of the other participants:

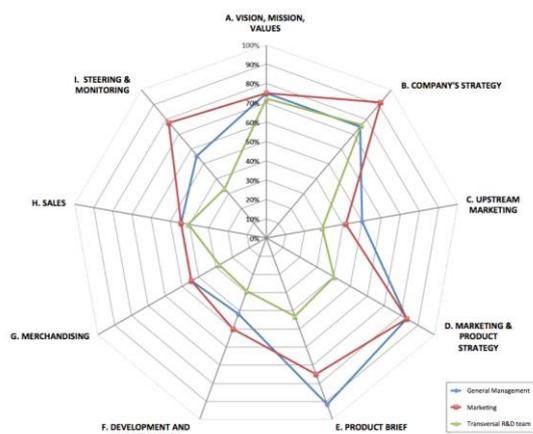
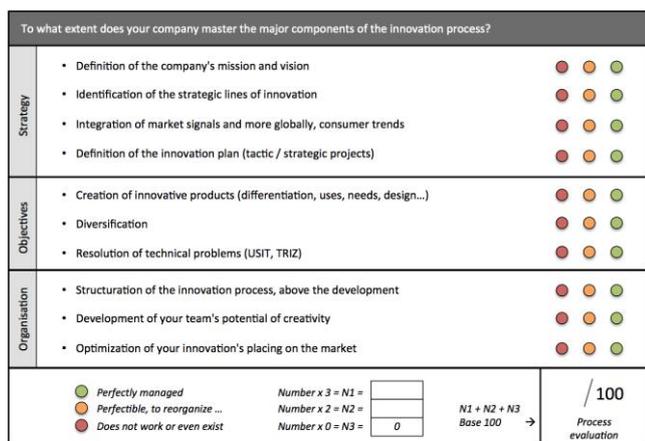


Fig.4 & 5: examples of indicators stemming from the diagnosis

On that basis, the manager is requested to take position, regarding the key-factors of evolution of his company's innovation process. He is also invited to start thinking about which pilot project would be the most suitable to support the deployment of the new organization.

## 6. THE COLLECTIVE PHASE: TOOLS AND METHODOLOGICAL CONTRIBUTION

As evoked previously, innovation requires reflection, structuring and specific tools.

It is thus essential to start with bringing to the managers and their close collaborators methodological contents but also to offer them an opportunity to forget a little about their everyday constraints, and let them take some time to think about their approach of innovation.

### Seminar 1: the fundamentals of innovation (vision and mission, strategy, creative process ...)

Small and Medium-sized Enterprises formalize little their vision and strategy.

Besides, there must be a logical link between these two pillars of the organization, requiring analysis of the major issues of the activity, the constraints that have to be faced and more generally, the company's environment. This reflection is rarely done and documented.

This seminar's priority goal is thus to help the participants, using simple tools, to question themselves about their companies main objectives and the context in which they evolve.

Secondly, they are invited to think about the way they should collect information and then treat and consolidate all these data to build their innovation strategy.

Covered topics:

- Vision and mission of the company
- Issues and constraints
- The innovation process and the human aspect of this activity
- Innovation strategy, with special attention to the link between the company's vision, mission, innovation strategy and its projects (notions of revitalization, diversification, differentiation)
- The collection process of the entry data for the strategic reflection (business intelligence, customer needs, analysis of competition, the trend watching...)
- Creativity methods
- Finally, because companies need to find growth axis beyond their historic markets, we then describe a method intended to give them a "breath of fresh air" by widening their strategic field: Blue Ocean.

**What are the vision, mission and strategy of your company ?**

Mission

Vision

Strategy

1. -
2. -
3. -
4. -
5. -
6. -
7. Boost creativity within the company

**The chain of value**

1. On a separate sheet, list up your major competitors on the market under consideration
2. Raise a list of the 10 most important criterias on this market, and classify them by order of importance
3. Evaluate each company (including yours) from 0 to 10 for all of these criterias and place the corresponding dots on the grid. Connect them to obtain the required performance curve.

Performance of the offer

Market criterias and keypoints

Fig. 6 & 7: examples of practical work forms

## Seminar 2: the innovation pipeline + identification of the pilot project

From the collection of strategic information to the selection of the "gold nugget" that is the innovating project, a meticulous process of selection is to be set up to choose the tracks presenting the highest potential. The challenge consists identifying the best to serve the strategy of the company and the achievement of the vision.

More practical, the second seminar is thus the opportunity for the participants to question themselves about their projects.

As a preparation for this session, they are asked to establish a list of all the projects of the company, focusing of course on the most important subjects, but without limiting themselves to those related to the development. For example, the organizational projects or of investments are also concerned.

On this basis, the process consists in:

- Defining innovation tracks and verifying their adequacy to the company's strategy (e.g. market diversification, development of export, eco-responsible approach...)
- Examining closely the projects to verify that they cover the whole spectrum aimed by the company - should it mean, in case of a negative answer, reworking this "road map".
- Choose the tracks which have most chances to become a reality (feasibility, costs)
- Favor those who present the most highest potential for the company

At the final stage, the objective is to select the pilot project, which will be conducted during the 3<sup>rd</sup> phase of the program.

Chosen both for its innovative character and its transversality, it must make it possible to deploy the innovation process for the first time, in order to validate its comprehension and adhesion by all.

This will also be the opportunity to control that the process is sustainable and self-feeds in new ideas.

METRIQUE	RESSOURCES					FAVORABILITE			PERFORMANCE DE LA PROPOSITION					MARCHE / RESEAU		ENTREPRISE	
	1	2	3	4	5	1	2	3	1	2	3	4	5	1	2	1	2
1. Impacte des projets innovants sur le développement de l'entreprise	3	4	5	4	3	4	5	4	4	5	4	3	2	4	5	4	5
2. Impacte des projets innovants sur la performance de l'entreprise	4	5	4	3	2	3	4	3	3	4	3	2	1	3	4	3	4
3. Impacte des projets innovants sur la rentabilite de l'entreprise	3	4	5	4	3	4	5	4	4	5	4	3	2	4	5	4	5
4. Impacte des projets innovants sur la competitivite de l'entreprise	4	5	4	3	2	3	4	3	3	4	3	2	1	3	4	3	4
5. Impacte des projets innovants sur la croissance de l'entreprise	3	4	5	4	3	4	5	4	4	5	4	3	2	4	5	4	5
6. Impacte des projets innovants sur la durabilite de l'entreprise	4	5	4	3	2	3	4	3	3	4	3	2	1	3	4	3	4
7. Impacte des projets innovants sur la satisfaction client	3	4	5	4	3	4	5	4	4	5	4	3	2	4	5	4	5
8. Impacte des projets innovants sur la satisfaction employe	4	5	4	3	2	3	4	3	3	4	3	2	1	3	4	3	4
9. Impacte des projets innovants sur la satisfaction fournisseur	3	4	5	4	3	4	5	4	4	5	4	3	2	4	5	4	5
10. Impacte des projets innovants sur la satisfaction partenaire	4	5	4	3	2	3	4	3	3	4	3	2	1	3	4	3	4
11. Impacte des projets innovants sur la satisfaction actionnaire	3	4	5	4	3	4	5	4	4	5	4	3	2	4	5	4	5
12. Impacte des projets innovants sur la satisfaction client externe	4	5	4	3	2	3	4	3	3	4	3	2	1	3	4	3	4
13. Impacte des projets innovants sur la satisfaction client interne	3	4	5	4	3	4	5	4	4	5	4	3	2	4	5	4	5
14. Impacte des projets innovants sur la satisfaction employe interne	4	5	4	3	2	3	4	3	3	4	3	2	1	3	4	3	4
15. Impacte des projets innovants sur la satisfaction employe externe	3	4	5	4	3	4	5	4	4	5	4	3	2	4	5	4	5
16. Impacte des projets innovants sur la satisfaction fournisseur interne	4	5	4	3	2	3	4	3	3	4	3	2	1	3	4	3	4
17. Impacte des projets innovants sur la satisfaction fournisseur externe	3	4	5	4	3	4	5	4	4	5	4	3	2	4	5	4	5
18. Impacte des projets innovants sur la satisfaction partenaire interne	4	5	4	3	2	3	4	3	3	4	3	2	1	3	4	3	4
19. Impacte des projets innovants sur la satisfaction partenaire externe	3	4	5	4	3	4	5	4	4	5	4	3	2	4	5	4	5
20. Impacte des projets innovants sur la satisfaction actionnaire interne	4	5	4	3	2	3	4	3	3	4	3	2	1	3	4	3	4
21. Impacte des projets innovants sur la satisfaction actionnaire externe	3	4	5	4	3	4	5	4	4	5	4	3	2	4	5	4	5
22. Impacte des projets innovants sur la satisfaction client externe interne	4	5	4	3	2	3	4	3	3	4	3	2	1	3	4	3	4
23. Impacte des projets innovants sur la satisfaction client externe externe	3	4	5	4	3	4	5	4	4	5	4	3	2	4	5	4	5
24. Impacte des projets innovants sur la satisfaction client interne interne	4	5	4	3	2	3	4	3	3	4	3	2	1	3	4	3	4
25. Impacte des projets innovants sur la satisfaction client interne externe	3	4	5	4	3	4	5	4	4	5	4	3	2	4	5	4	5
26. Impacte des projets innovants sur la satisfaction client externe externe	4	5	4	3	2	3	4	3	3	4	3	2	1	3	4	3	4

Fig.8: the multi-criteria evaluation matrix, an example of the tools used during this phase

## **7. THE INDIVIDUAL ACOMPANIEMENT PHASE: PILOT PROJECT**

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During this phase, the role of the NOVIAA experts consists in bringing at the same time methodological contents and a business expertise. According to the nature of the project, one of the team members is designated as direct interlocutor for the company, the other experts being of course able to be solicited according to the need.

This accompaniment consists of 5 on-site half-days, completed of 2 half-days of expertise and complementary back-service researches.

For confidentiality reasons, it is unfortunately not possible to detail the projects developed by the companies within the NOVIAA program. However let us quote some examples of themes, which confirm that innovation can have multiple facets and exceeds largely the field of Product development:

- Structuring of the innovation process
- Characterization of consumer needs
- Reenergizing of the offer through Product innovation
- Marketing and commercial Innovation
- Valorization of the production equipment
- Marketing and Product strategy with the aim of a diversification

### **Results for now and tomorrow**

The initiative proved that she allowed concrete and durable results in the companies.

Patents were deposited, products awarded during innovation competitions (2014 SIAL) and several companies developed strategies and differentiating ranges, allowing them to diversify their activities in France and export.

Besides, all of the companies deployed an innovation organization.

Eventually, these first very positive results led to the internal teams' complete commitment, which was the major goal of this phase and ... bodes well for months and years to come!

## **8. CAPITALIZATION PHASE**

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During the phase of individual training but also after the end of the program, meetings are regularly organized, to create gradually an " Innovation Community " within our industrial members network.

This approach has a double stake:

- Favor the continuation of the companies' progress, by allowing their managers to exchange about their actions and improvements.

But especially, perpetuate the links weaved during the operation: nowadays' products are getting more and more complex, frequently exceeding the frame and know-how of single companies. Our experience shows that speaking the same language about innovation favors the emergence of synergies and has already led to co-developments.

Let us finally note that thematic interventions are organized during these events, to pursue the contribution of knowledge on subjects identified as worthwhile for the majority of companies.

## 9. WHAT ABOUT TOMORROW?

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### **Our target: let ARIA ALSACE become a national referent in terms of food innovation**

Starting from the beginning of 2015 and until 2017, ARIA ALSACE intends to widen drastically its field of intervention, to become a national referent in terms of Food Innovation.

For this reason:

- ARIA ALSACE undertook the creation of a FOOD LAB. True center of exchanges and experimentation, it will have for double vocation to give the companies the means to experiment new recipes, but also to get closer to the final customers. It will also address a wider industrial target: overtaking the historical circle of its members, it will also aim at the world of equipment suppliers, transformation as well as distribution, so covering the complete field of the sector's supply chain.
- In addition, because industrial facilities are a powerful vector of innovation and progress for companies, ARIA ALSACE undertook a vast program to accompany them towards the industrial excellence, FUTURIAA. Its challenge: help the companies to endow Advanced Manufacturing Systems.  
It started in 2014, with an investigation on the whole sector, intended to measure the level of advancement of companies in the field of advanced manufacturing. The study led to identify four strategic levers of progress. These levers will make, on the model of NOVIAA, the object of an accompaniment over three years in a format "training + action".
- Finally, as regards Product innovation, NOVIAA will also take on new dimensions this year. The 2015 edition, named " 9 months to give birth to an innovative product " will cover a vaster field of intervention, by integrating of two fundamental components : formulation on one hand, marketing on the other hand.

### **A model applicable to other regions and other activities**

If every region and every activity has its specificities, the fact remains that above all, ARIA ALSACE developed a model, sufficiently open to be deployed - naturally with some adaptations - to other industrial universes.

The ARIA ALSACE team is thus at the disposal of other clusters, intending to make their industrial members discover the great adventure of innovation, benefiting from our four years of operational experience!