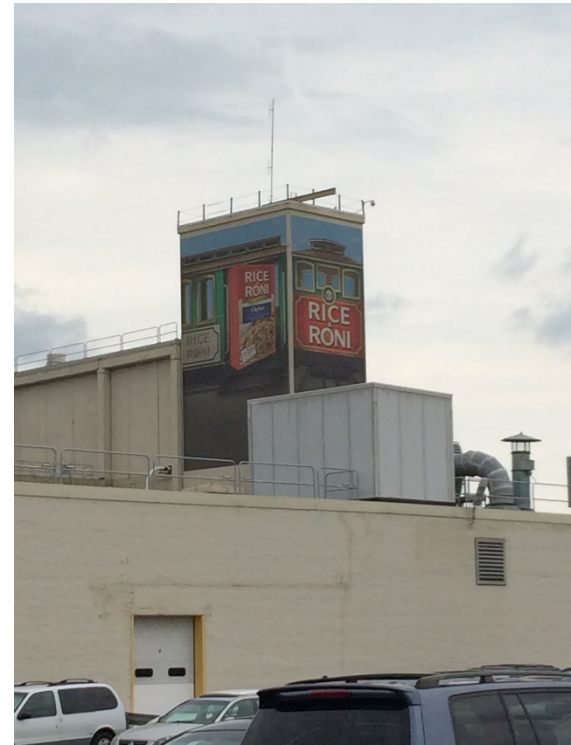


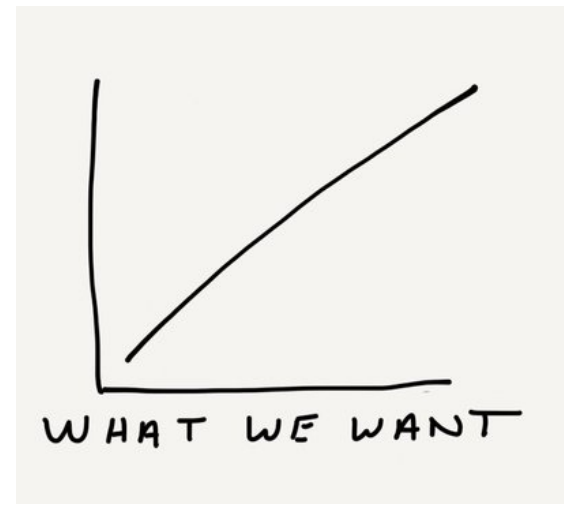


# NEW PRODUCTS CONFERENCE

BRINGING INNOVATORS FACE TO  
FACE WITH THE FUTURE OF FOOD

prepared  
**FOODS**  
R&D INSIGHTS AND INNOVATIONS





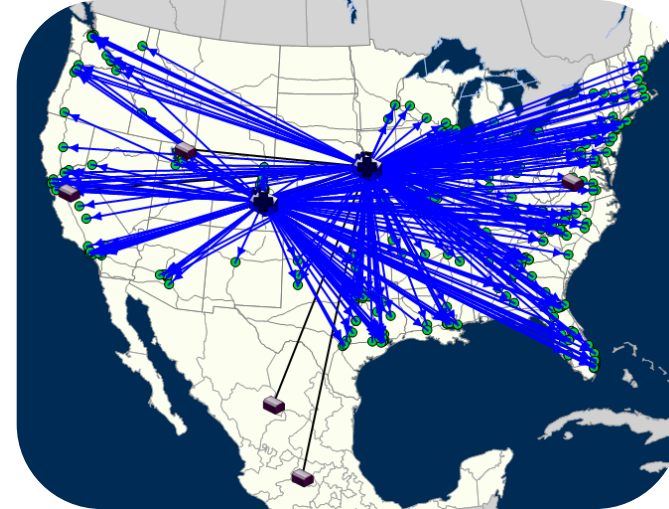
# Overview

## How is LALA U.S. Fueling Organic Growth through Innovation?



## What Can You Apply to Your Organization?

# LALA U.S., Inc.



# Innovation History 2014-2019

**16**

**Products Launched**

**2.67**

**Products Launched per Year**

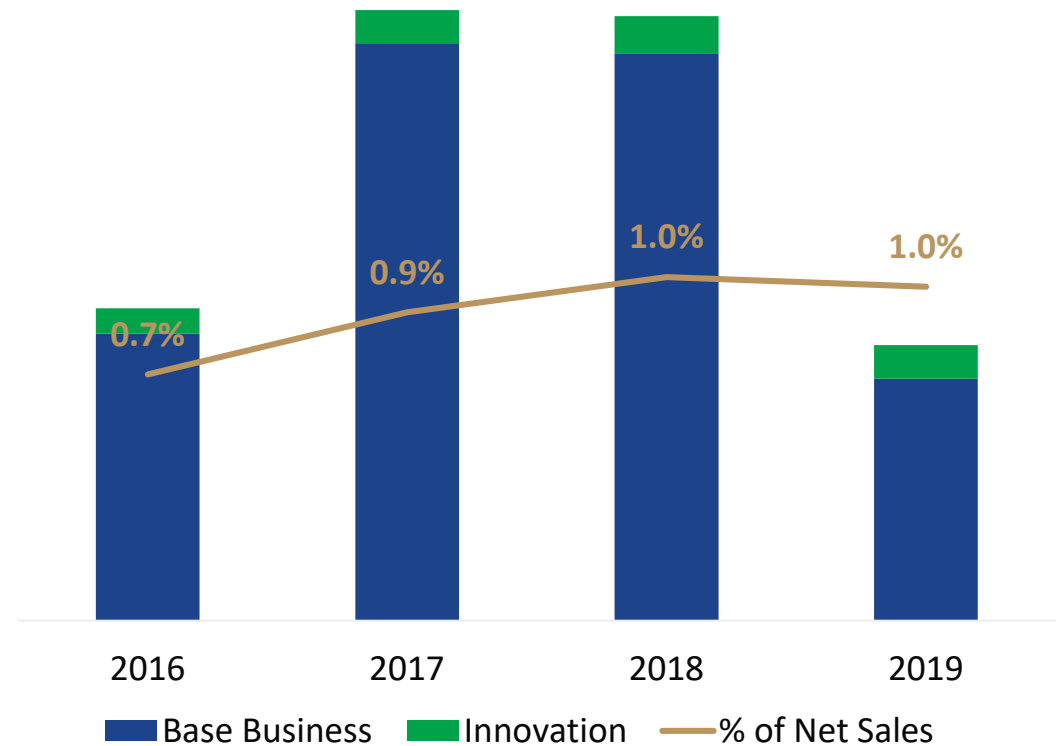
**22**

**Months In-Market**

**\$606k**

**Average Total Sales**

LALA U.S. Net Sales (\$M USD)



# Innovation Drivers

*The CEO said we  
should...*

*Our customer thinks  
we should consider...*

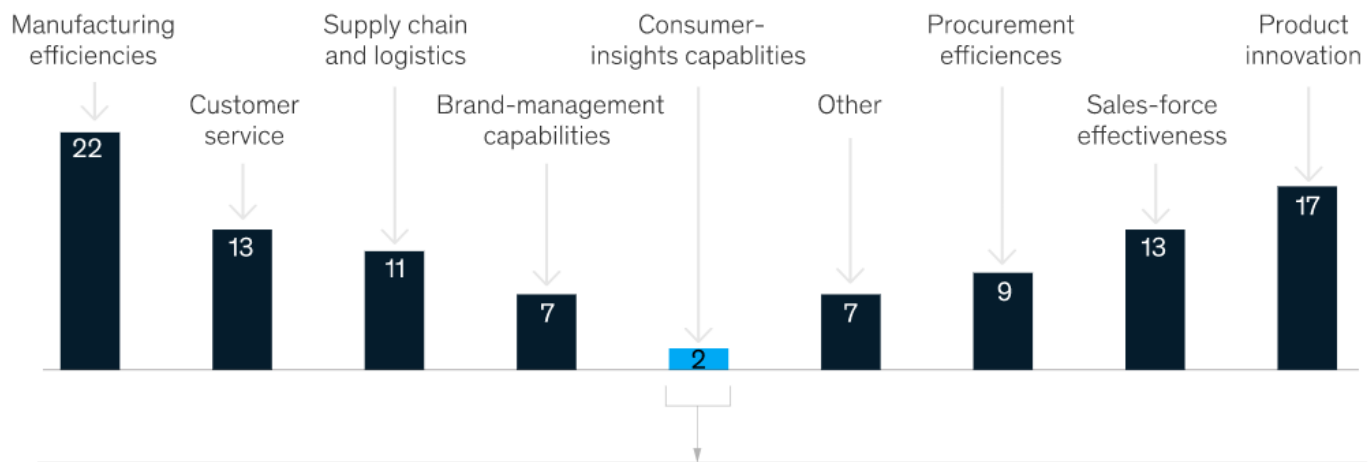
*Our competitor has a...  
We should too...*

*We need something to  
cover our sales gap...*

# A Common Industry Trend

**Dairy companies see consumer insight as the least important competitive advantage.**

**Top source of competitive advantage, % of respondents<sup>1</sup>**



**Company's level of insight into consumer trends and behaviors, % of respondents<sup>2</sup>**



<sup>1</sup>Question answered by 56 dairy CEOs: What do you believe is your company's top source of competitive advantage?

<sup>2</sup>Question answered by 56 dairy CEOs: How would you describe your company's level of insight into consumer trends and behaviors?

Source: McKinsey & Company; Winning Growth Formula for Dairy, March 18, 2019





# Dairy Headlines

## Borden Dairy sold to Capitol Peak Partners and KKR for \$340m

By Jim C  
29-Jun-20

## Dean Foods, Once Top U.S. Milk Processor, Approved to Liquidate

## Saputo acquires two North Carolina food businesses for \$110m

- March 1
- Asse
- Crec

**RESEARCH REPORTS**

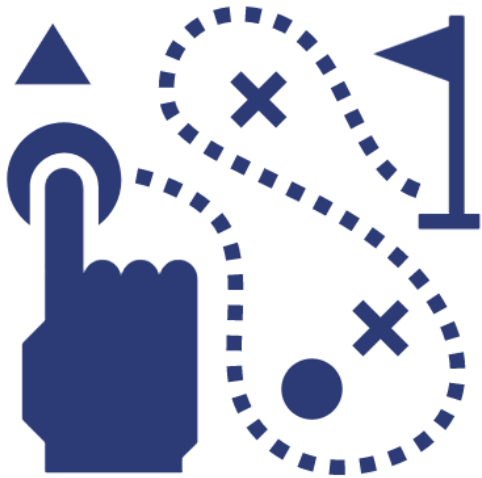


## Plant based Milk Market to Surpass US\$ 30 Bn by 2029

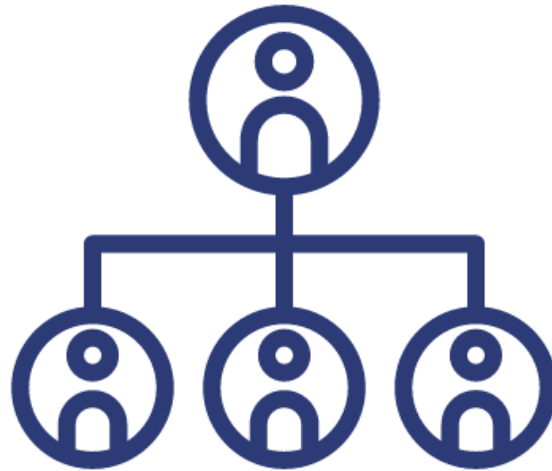
# Historical Post-Mortem

1. Innovation Lacked Consumer-Driven Strategy
2. Culture and Organizational Structure Did Not Enable a Conducive Innovation Environment
3. Business Priorities and Inconsistent Process Led to Overlooking or Bypassing Critical Tasks During Execution

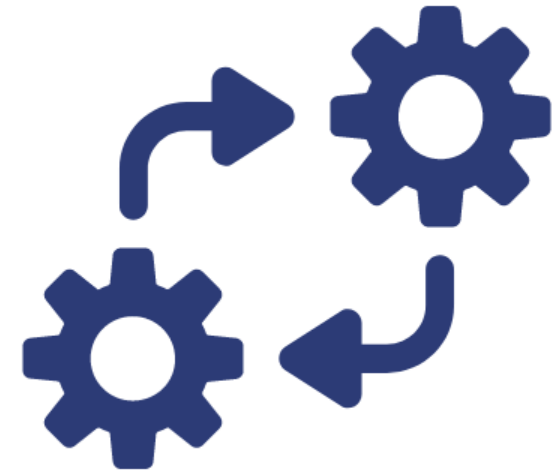
# Critical Success Factors



**Strategy**



**Structure**



**Execution**



## A Successful Strategy Starts with Why

### The Golden Circle

#### WHAT

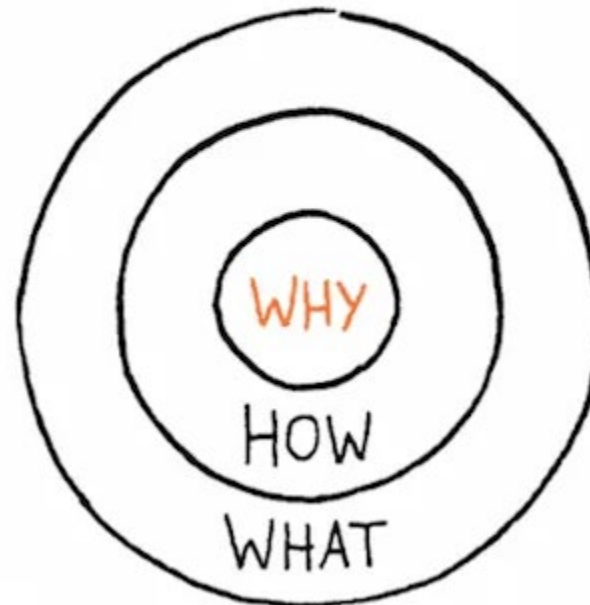
Every organization on the planet knows WHAT they do. These are products they sell or the services

#### HOW

Some organizations know HOW they do it. These are the things that make them special or set them apart from their competition.

#### WHY

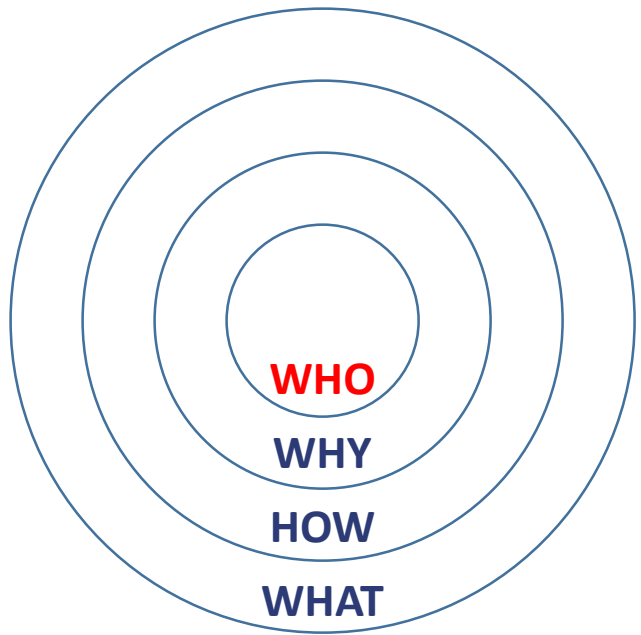
Very few organizations know WHY they do what they do. WHY is not about making money. That's a result. WHY is a purpose, cause or belief. It's the very reason your organization exists.



# Strategy



## A Successful Strategy Starts with ~~Why~~ **WHO!**



**WHO** is our consumer?



**WHY** do consumers believe in us?



**HOW** do consumers use our products?



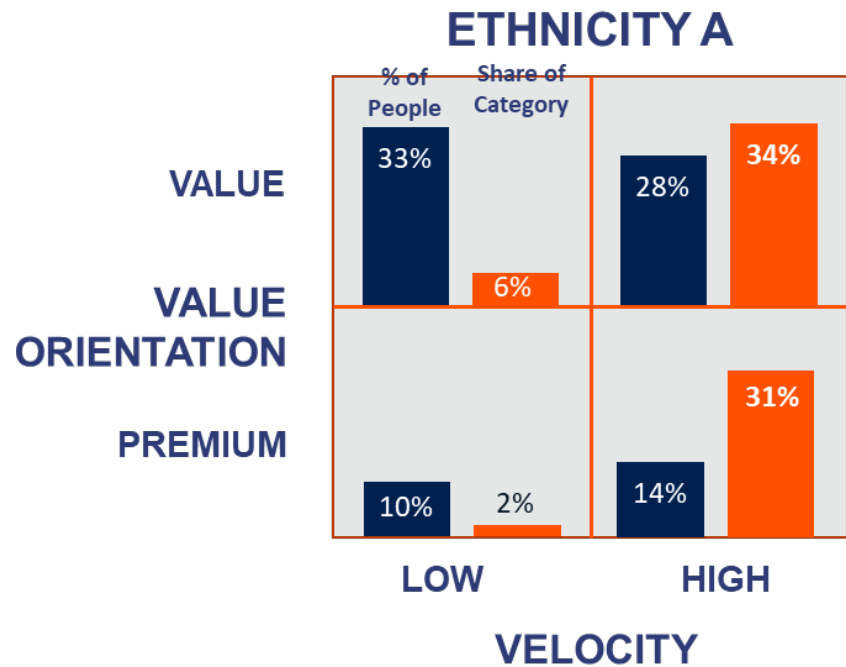
**WHAT** can we do to create additional value for consumers?

# Understand the Consumer



Leverage Research to Create Opportunity Segments

Bring Segments to Life by Creating Consumer Muses



- Gender
- Age/Generation
- Income
- Marital Status
- Household Size
- Language
- Attitudes
- Beliefs
- Behaviors
- Motivations
- Brand Affinities

# Create a Reason to Believe



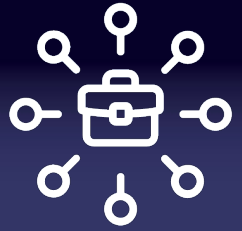
## Talk to Consumers to Develop an Understanding of WHY



People seek out familiar, nostalgic favorites in order to experience comfort and security of home.

During challenging economic times value and promotions play a more central role

LALA can be a modern cultural gateway that helps connect one's identity with the delight of authentic discoveries



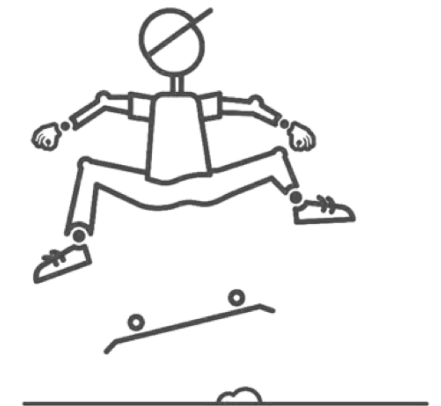
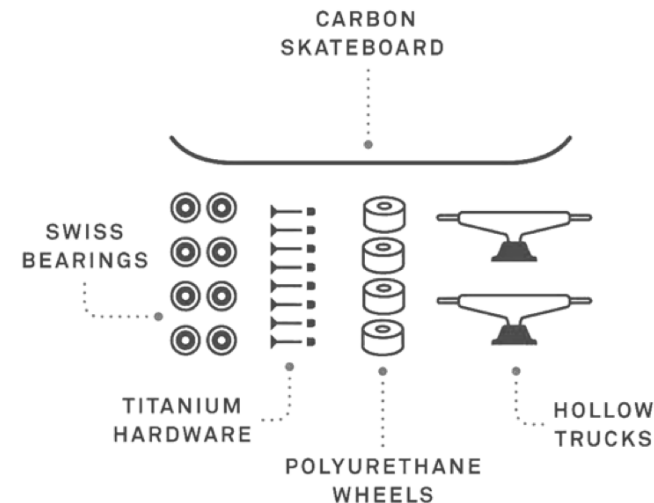
## Jobs to be Done Framework Helpful in Identifying HOW

**Jobs are a Cluster of Functional, Emotional and Relational Motivations that Mobilize People to Seek and Hire Solutions to Make Progress in Their Lives**

- Flow from specific life situations (family time, commuting, work, etc.)
- Context of the situation results in a complex cluster of motivations (may compromise my desires to find a solution that works for my whole family)
- Moods (bored, anxious, joyful) in situations amplify or diminish people's propensity to take action

Even though customers buy this...

...they really want this.



Source: JTBD.info





## Leverage Jobs to be Done to Identify WHAT Incremental Value Creation Opportunities Exist

Jobs to be Done:

2021

2022

2023

2024+

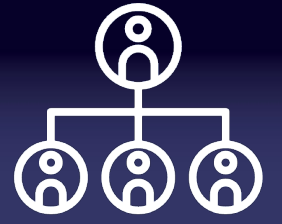
**"Comfort of Home"**



**"The Crave"**



# Structure



**Vision**



**People &  
Culture**



**Resources**



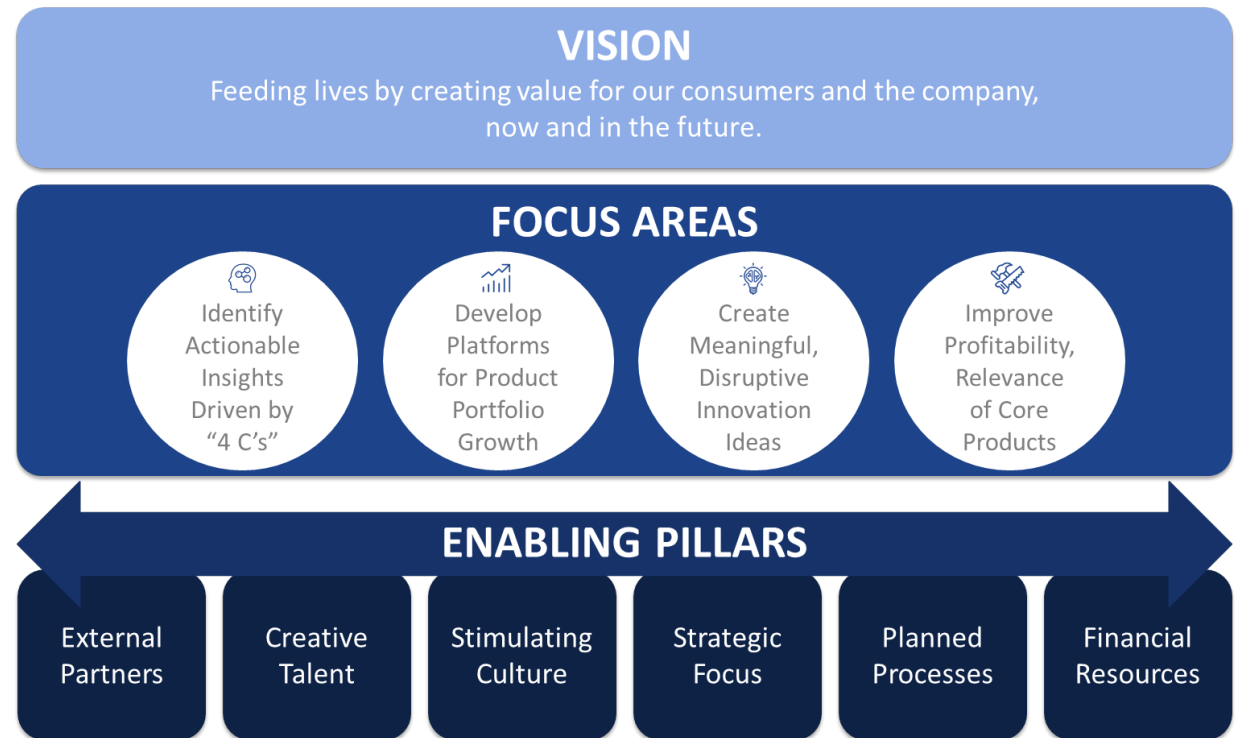
**Attainable  
Targets**

# Establish a Team Vision



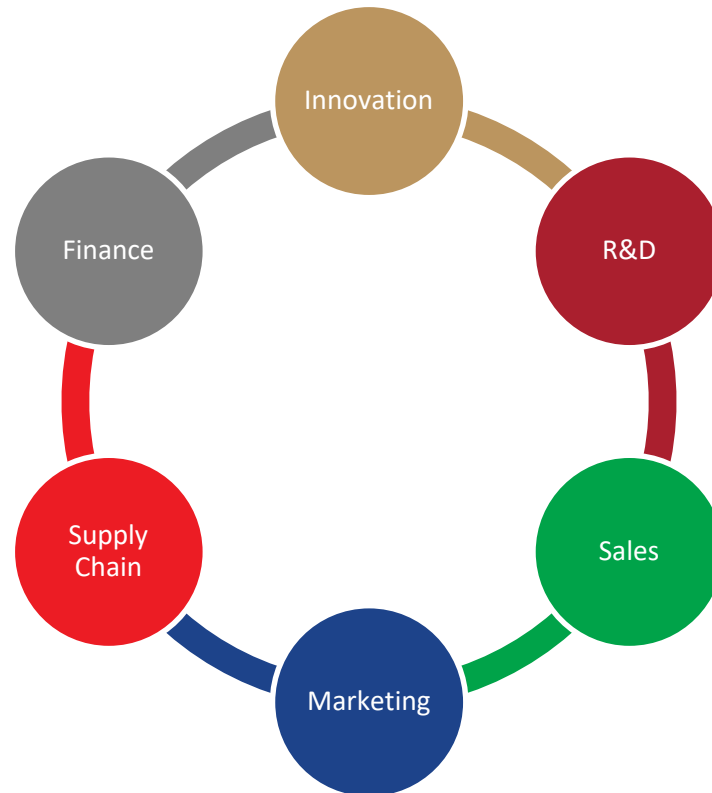
**Grupo LALA Vision:**  
“To be the preferred dairy  
company in America”

**Grupo LALA Mission:**  
“Our passion is to feed your life”





## Innovation Relies on Support from Cross-Functional Creative Thinkers to Develop and Execute Projects





## Encourage Participation in the Ideation Process by All Employees Within the Organization

## Change the Way We Think About How and What We Consider Innovation

Are you a Crema Consumer?

Help Make LALA Crema Mexicana the Best on the Market!



NOW RECRUITING CONSUMERS OF CREMA!

- As a Participant on the Crema Panel, You Will:
- Sample products throughout the product development process,
  - Attend product evaluation meetings,
  - Provide open feedback about product samples.

Complete the Panel Survey by [Clicking Here](#) or Scanning the QR Code Below!



Seller Driven

What can we make with our current infrastructure?



Consumer Centric

How do we maximize our share of what we can make?

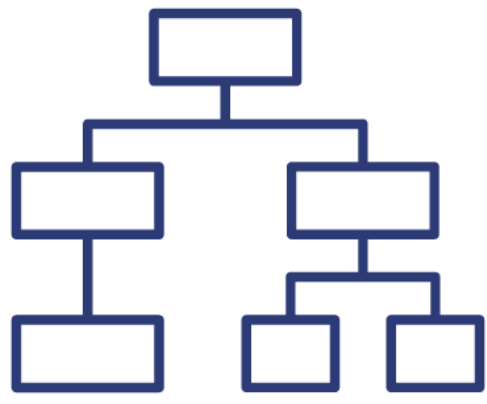


Consumer Driven

What do we make for consumers before they know they want it?



# Resources



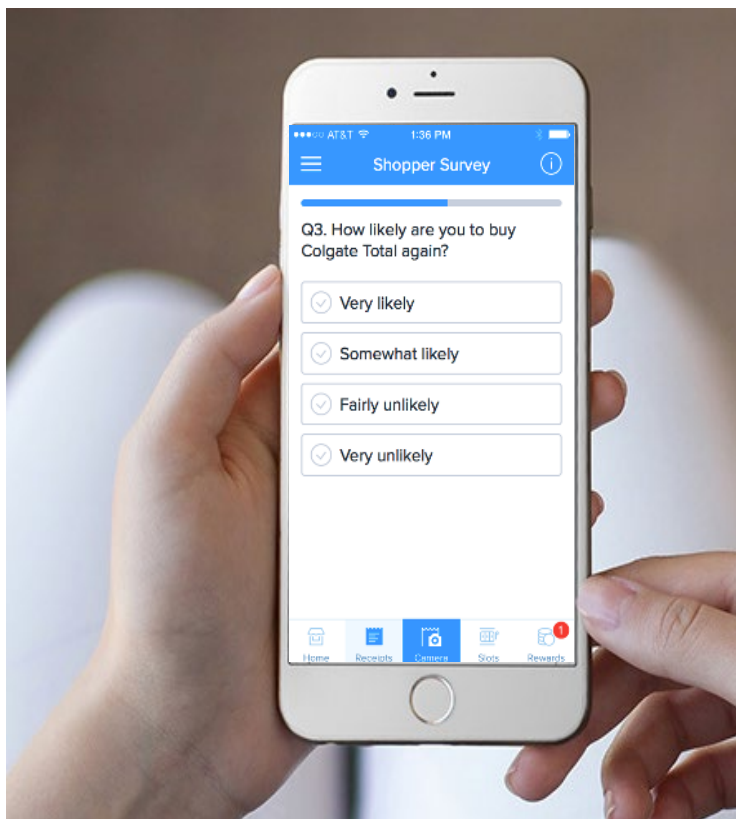
**People**



**Agencies**



**Funding**

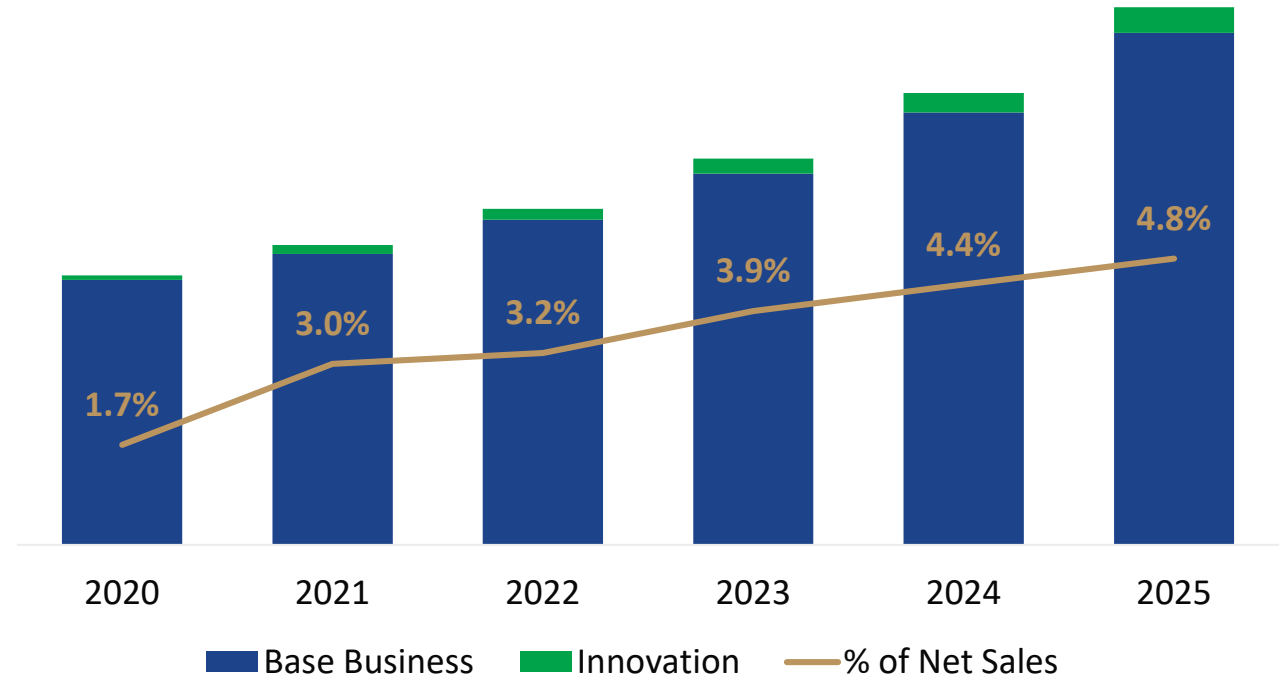


# Set Attainable Targets



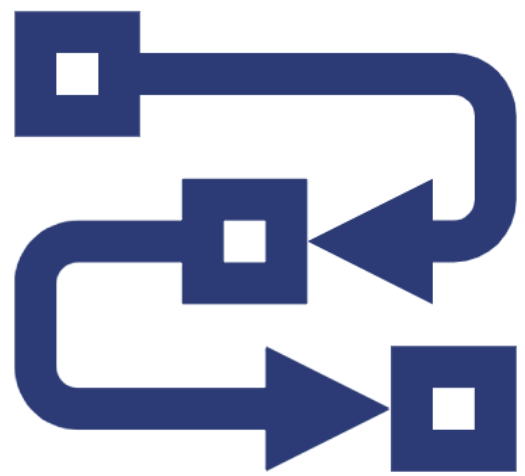
## Innovation Becomes Nearly 5% of Total Sales by 2025

LALA U.S. Net Sales Projections (\$M USD)





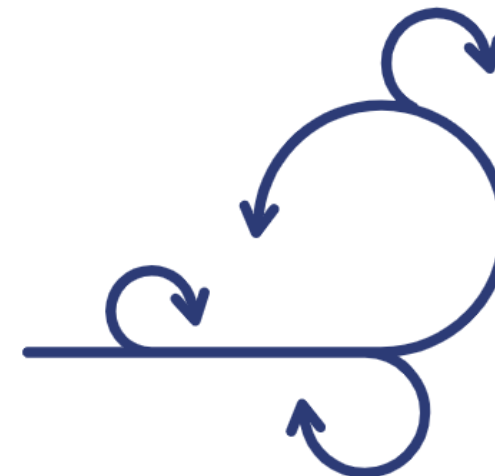
# Execution



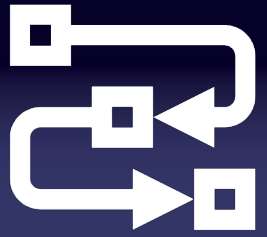
**Process**



**Tools**



**Iteration**



## Leverage an Innovation Stage Gate Process That Fits Company Needs



**Opportunity Discovery**

Solicit ideas from various sources

Gate 0



**Concept Development**

Create a concept to support idea

Gate 1



**Product Development**

Design a product to fit concept

Gate 2



**Product Commercialization**

Prepare product for launch

Gate 3



**Launch & Analysis**

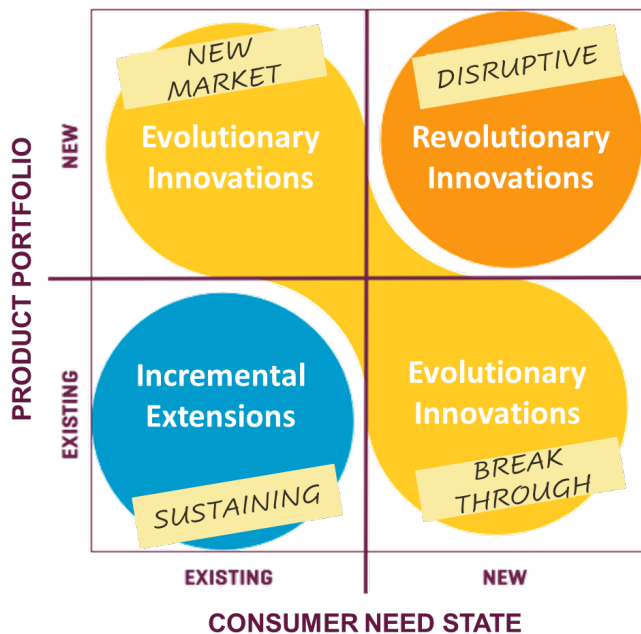
Launch product and assess results

Gate 4

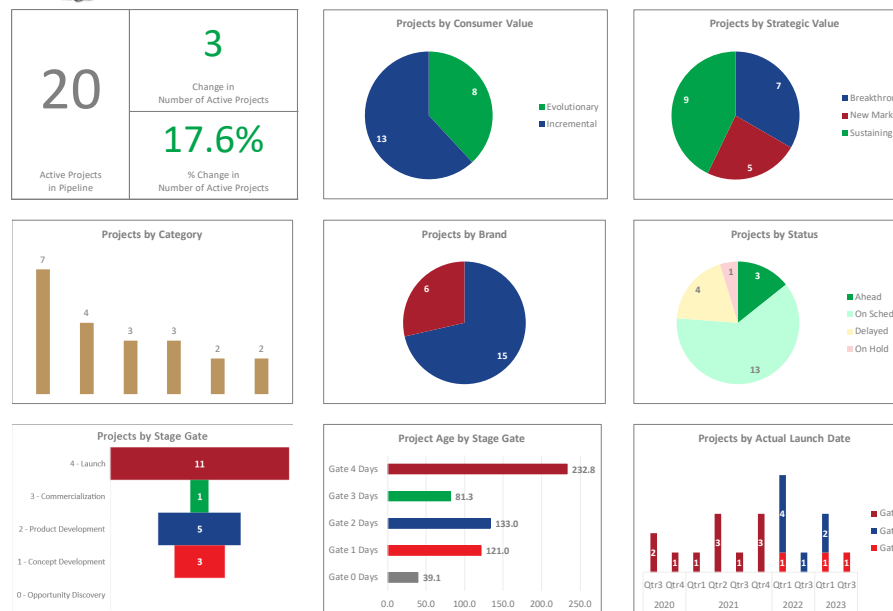
# Tools



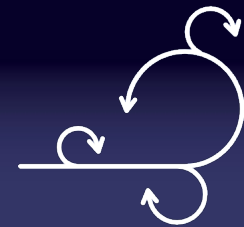
## Utilize Various Tools to Define, Track, and Measure Projects



**LALA US** Innovation Dashboard  
Updated: 9/9/2021



# Iteration



# Successes



**OUTSTANDING FOOD PACKAGING DESIGN**

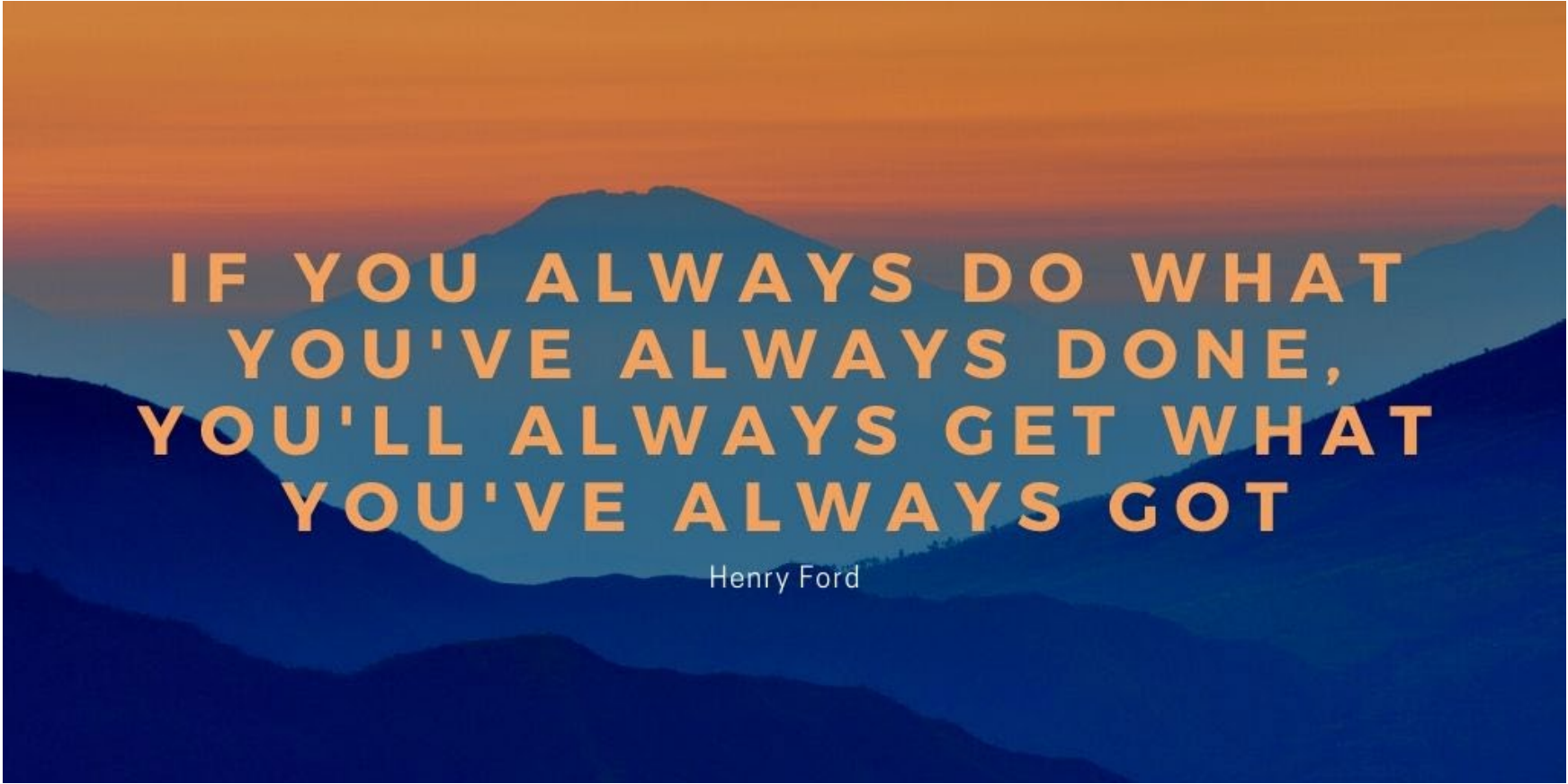


**LATAMPACK**  
PREMIOS INTERNACIONALES DE ENVASE LATINOAMERICANO




# Key Takeaways

1. Develop Strategy Centered Around WHO
2. Create a Culture and Organizational Structure Conducive to Innovation
3. Leverage the Right Process and Tools to Ensure Successful Project Execution





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