



Milestone report

Milestone 6: Final Report

Project code: P.PSH.1411
Prepared by: Kate Morrison
Mighty Good Food Group
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1. Project Objectives

Jimmie's for Kids Beef Bites bring for the first time a healthy, high protein, convenient and delicious snack product designed for busy families and active kids on the go. The Jimmie's Beef Bites range specifically targets the consumer problem of 'how to get more protein into the kids' lunchbox' with the added benefit of including up to 25% vegetables to increase the nutrition benefits even further. In addition, the Jimmie's Beef Bites are shelf stable using the Jim's Jerky meat dehydration process, creating high food safety with very long product life (12 months) using no artificial preservatives or flavourings.

This MLA Donor Company project has supported the market trial, commercial launch and realisation of traction potential for the Jimmie's Beef Bites value proposition.

In order to commercialise, gain traction and explore how to capture market share for a new beef snack product range targeted at kids, and to penetrate the lunchbox and after school/sport eating occasions, the project has employed the Traction and Bullseye methodologies.

This has ensured the most efficient and effective use of marketing and business development budgets in driving maximum growth in paying customers for the value proposition.

2. Milestone 6 Description

This Milestone summarises the activities, outcomes and value created by this project, as well as next steps and further commercialisation opportunities identified as the project has progressed, captured in a completed Business Model Canvas. The work undertaken in this milestone therefore represents a comprehensive overview of the project in its entirety and value created for all stakeholders as a result.

3. Methodology

The project has supported the market trial, commercial launch and realisation of traction potential for the Jimmie's Beef Bites value proposition.

The overall aim is to avoid failure through insufficient sales; and in turn maximise success by reaching the highest number of paying customers. This objective recognises that focus on product quality is necessary, but not sufficient, for the success of a new business or brand; and that a **distribution strategy** is required to focus marketing and business development activities on the key goal of maximising paying customers. This approach is emphasised by Netscape founder and venture capitalist Marc Andreessen in Figure 1 below.

“The number one reason that we pass on entrepreneurs we’d otherwise like to back is their focusing on product to the exclusion of everything else. Many entrepreneurs who build great products simply don’t have a good distribution strategy. Even worse is when they insist that they don’t need one, or call [their] no distribution strategy a ‘viral marketing strategy’.”

Fig. 1 Quote from Marc Andreessen

The project methodology utilised **Traction modelling** and the **Bullseye method** to identify the most value-creating channel for growth of paying customers. This approach has allowed strategic, evidence-based selection of the highest value marketing techniques and channel partners to maximise growth of revenue from the introduction of the new value proposition. The methodologies support creation of a **distribution strategy** to rapidly drive sales growth while measuring progress against defined metrics.

Over the project, the business has evaluated choices amongst a number of channels to market for the Jimmie's Beef Bite range. These have included distribution into retailers nationally, online sales from the Jim's Jerky e-commerce shopfront, independent grocery chains and several export opportunities.

The **Bullseye method** has been used to identify the key potential channels for this value proposition, and systematically rank, prioritise, select and test these to generate evidence by which to evaluate their effectiveness in maximising traction.

1. Roughly how much will it cost to acquire customers through this channel?
2. How many customers do you think are available through this channel?
3. Are the customers that you are getting through this channel the ones that you want right now?

Fig. 2 Bullseye method for channel selection <https://www.peterjthomson.com/2015/08/traction-book/>

Through this process, multiple iterations of the value proposition, including product, brand and packaging, have been refined in response to consumer and customer feedback obtained from the target channels. This has allowed the final product development pathway and distribution strategy to co-evolve, avoiding the risk of launch failure by over-reliance on beta testers and inherently biased feedback from close, non-neutral stakeholders.

The creation and execution of the **distribution strategy** is important for managing expectations and underpinning further investment decisions with key stakeholders in the business. This process has been significantly disrupted during the project by a fire that occurred at the Jim's Jerky factory in April 2023. While some go to market success has been achieved, a fully diversified customer portfolio has not yet been created.

This project has allowed all of the key ingredients required for market success to be developed and refined, ready for implementation at scale once the business has moved into its new manufacturing footprint.

4. Results

4.1 Milestone 1

Project establishment activities in Milestone 1 produced the following outcomes:

- Factory trials of initial recipe formulations to meet the core requirement of being 'healthy and tasty' within the context of children's flavour preferences and palate;
- Proof of concept testing for initial product formulations with family, friends and existing Jimmie's Jerky customers (sampling within the Charlton retail store);
- Seeking industry feedback via trade shows and off-line presentation to potential retail partners;
- Development of Jimmie's prototype branding and packaging in line with target consumer segmentation;
- Entry of selected Jimmie's SKUs into national product awards;
- Securing opportunities to pitch the new range to multiple national supermarket retailers and major distributors.

4.2 Milestone 2

In this period, a major NPD refinement was undertaken in response to feedback received from potential customers. This was focused on the 'health attributes' of the product, which are being increasingly tightened by retailers for products that are being marketed to children.

We were fortunate enough to be advised directly by the Technical NPD Manager of HealthyLife, the wholly Woolworths-owned healthfood retailer, on the nutritional requirements of any product to be represented by that channel.

In response to this feedback and possible inclusion of the Jimmie's range in the Woolworths Health Food aisle, significant nutritional adjustments were made across the launch range.

In this Milestone, the brand and packaging were also finalised (as shown in Fig. 5) and product quality established with the receipt of multiple culinary awards.



Fig. 5 Pack mock-ups shown with medal overlays on the Jimmie's Shopify (D2C) e-commerce platform

In addition, experiments in unpaid media placements were conducted, including coverage from ABC News (as shown in Fig. 6) and social media via emerging influencer relationships.



Fig. 6 ABC Media coverage of the Jimmie's offer and beef snack trends

4.3 Milestone 3

Activities conducted during Milestone 3 allowed the project team to clarify positioning around two major topics, as described below:

Health Attributes

While several recipe modifications were made to meet the health requirements communicated to us by HealthyLife, we were unable to achieve a 'health star rating' high enough to allow inclusion in the 'Health Food' categories of the major retailers, which we have been informed is 3.5 health stars or above.

This is due to the naturally high levels of sodium in our products, due to the naturally occurring salts in red meat being retained through the drying process, which reduces overall weight by up to 50% - leaving a relatively high sodium concentration in the finished product.

While we are of the strong opinion that these naturally occurring sodium levels should be treated in the same way as naturally occurring sugars in fruit-based products, we have unfortunately not been able to make this case successfully to the Health Star ratings body nor to the supermarkets themselves. We do believe, however, this presents a significant opportunity for industry advocacy, potentially via MLA and/or AMIC.

In the meantime, we took a strategic decision to remove reference to the health star ratings completely, and focus our on-pack call-outs and market positioning around the other key health attributes of our product (including gluten free, less than 2g sugar per serve, added vegetables and of course very high protein).

In this decision we have taken guidance from existing 'healthy' brands with a 'kids' orientation, that also do not conform to the health star rating system, as shown for example in Figure 7 below.



Fig. 7 Health focused, kid-oriented products are increasingly sitting outside the health star rating system

Feeding Regime

We also received strong feedback from one channel (independent grocery in Victoria) that a 'grassfed' claim for the range will be 'required' in order for the brand to gain traction with consumers in this geography and channel. In the eighteen months of development for Jimmie's undertaken to date at that time, this was the first time we had been issued with such a requirement.

Needless to say, securing grassfed raw material presents twin challenges in terms of increased cost and reliability of supply from a seasonable perspective.

We responded to this request by providing a 'menu of options' to the buyer in question, with a lower wholesale and RRP level for the 'standard' (i.e. non grassfed) beef used in the original Jimmie's range, and a higher wholesale and RRP pricing for the grassfed version. The difference in pricing is around 8-10%. The distributor who acts on our behalf in this market has subsequently informed us that there is little appetite on the behalf of this retail group for a higher priced grassfed option. Our intention is thus to keep the Jimmie's brand linked to our 'standard' raw material sources, with the grassfed option only being available as a special or limited edition. This may become more relevant in export markets.

Pack Design Finalisation

Also in this Milestone, and as shown in Figure 8, we finalised pack design with the inclusion of bespoke usage images plus acknowledgement to MLA for support of the product, as well as inclusion of the MLA Aussie Beef logo. This pack design will be used for all Jimmie's customers, both domestic and in export markets, to avoid the need for multiple lines of packaging to be held in inventory.



Fig. 8 Final print-ready artwork for Jimmie's

Channel Selection

Concurrently in Milestone 3 the project secured the commercial options for distribution and sale via the following channels, shown in Table 1 below. Red denotes no further opportunity, orange pending and green confirmed for market launch.

Note: Confidential details from this Milestone have been removed.

Potential Customer	Channel	Geography	Estimated Volume	Status
	National Supermarket	Australia	11,500kg p.a.	Rejected due to HSR
	Online, National	Australia	6,500kg p.a.	Rejected due to HSR
	National Supermarket	Australia	11,500kg p.a.	Rejected due to HSR
	National Supermarket	Australia	6,500kg p.a.	Not relevant to category
	National Supermarket	Australia	11,500kg p.a.	Pending response
	National Supermarket	Australia	11,500kg p.a.	Pending response
	Bulk Retail	Australia	15,000kg p.a.	Pending response
	420+ Independent Grocery	Australia	6,500kg p.a.	Confirmed for launch ¹

¹ This channel opportunity is secured however may include a Jimmie's grassfed variant to the range

	Speciality Retail	Singapore, Hong Kong, Middle East	10,000kg p.a.	Confirmed for launch
	Online	Japan	10,000kg p.a.	Pending response
	Ind grocery;p&c, alcohol retail	South Australia	6,500kg p.a.	Confirmed for launch
	D2C exposure of >250,000	New South Wales	2,4000kg p.a.	Confirmed for launch
	TBC	South Korea	TBC	Pending response
	TBC	Singapore	TBC	Pending response
	TBC	United States	TBC	Pending response

Table 1 Summary of Commercial Options secured for distribution of the Jimmie's range as at March 2023

We also continued to operate our D2C Shopify site for Jimmie's where we were securing on average one sale per day (with no paid advertising or other promotion currently in place).

Based on analysis of the channel data gathered to date, we determined the go-to-market strategy shown in Table 2 below based on the margin, reach and customer acquisition costs specific to each channel. Note: Confidential details from this milestone have been removed.

Potential Customer	Margin Rating	Acquisition Cost Rating	Reach Rating	Estimated Revenue 23
	Medium Fixed margin structure for distributor + retailer	Low Single point of contact to reach 450+ outlets	Low Niche product in non-majors	
	Low Export markets are more price sensitive	High Costly export docs + registrations inc Halal	High Increased population	
	Medium Fixed margin structure for distributor + retailer	Low Single point of contact to reach 350+ outlets	Low Niche product in non-majors	
	High Direct to consumer allows all margin to be captured	High All costs of retail self-funded inc staff, stall costs, transport etc	Low Single event however good profile raising	
TOTAL				\$

Table 2 Initial Distribution Plan for Jimmie's range: March 2023

As indicated above, costs and benefits vary across different routes to market. At this early stage of go-to-market, the business was satisfied that we had the right mix of reach, cost-effectiveness and sustainable margin to put the Jimmie's brand on to a strong foundation for future growth.

4.4 Milestone 4

Unfortunately, it was during the delivery of Milestone 4 activities that the fire occurred at our Charlton factory. While this event had a significant impact on our production ability, with our entire facility having to be rebuilt over the subsequent six months, the project was able to undertake the following activities:

Brand Finalisation

Two of our Jimmie's launch flavours – Mushroom and Cauliflower, and Tomato, Olive and Cheese – were successful in receiving medals in September 2023 in the Sydney Royal Fine Food Awards and Australian Charcuterie Excellence Awards, respectively; as shown in Figure 9.



Fig.9 Two new medals for the Jimmie's Beef Bites range

Launch packaging design was finalised to showcase our medals received in 2022 and highlight the key call-outs which resonated with consumers most strongly in our initial trials. As shown in Fig. 10 below, the 'high protein' and 'hidden veggies' were selected as the primary call-out messages, based on market feedback.



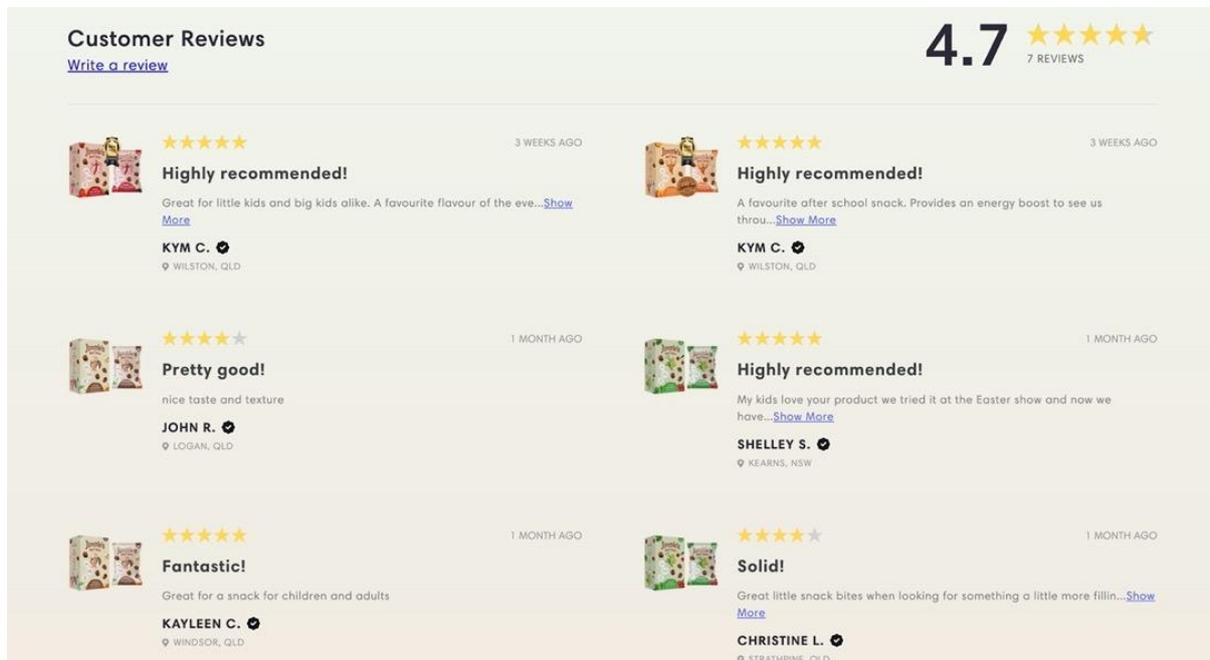
Fig. 10 Key messaging on the final Jimmie's pack design

These findings were carried forward into an online advertising and social media campaign, a sample of which is shown in Fig. 11 below. The content created for this campaign directly targeted the archetypical consumer for the Jimmie's brand – women aged 30-50 with primary school aged children, who value convenience and nutrition when providing snacks for their kids.



Fig. 11 'Hidden veggies' marketing content

Our online campaign was successful in generating a small number of very high quality reviews for the Jimmie's products, as shown on our Shopify site in Fig. 12 below.



"...My 2 children (10yo son & 6yo daughter) and husband munched them down immediately..."

"Also want to thank you for the wonderful product, I don't have kids I just eat these all to myself since falling in love with them at the Sydney Royal Easter show! Keep up the great work and thank you :)"

Fig. 12 Feedback received direct from consumers

Fire-Impacted Channel Selection

The fire impacted multiple channel opportunities during this period. This setback was to some degree mitigated by new commercial interest from Harris Farms and OurCow as shown in Table 3 below.

Note: Confidential details from this Milestone have been removed.

Potential Customer	Channel	Geography	Estimated Volume	Previous Status (M3)	New Status
	National Supermarket	Australia	11,500kg p.a.	Rejected due to HSR	Rejected due to HSR
	Online, National	Australia	6,500kg p.a.	Rejected due to HSR	Rejected due to HSR
	National Supermarket	Australia	11,500kg p.a.	Rejected due to HSR	Rejected due to HSR
	National Supermarket	Australia	6,500kg p.a.	Not relevant to category	Not relevant to category
	National Supermarket	Australia	11,500kg p.a.	Pending response	Meeting 20/9
	National Supermarket	Australia	11,500kg p.a.	Pending response	Pending response
	Bulk Retail	Australia	15,000kg p.a.	Pending response	Pending response
	420+ Independent Grocery	Australia	6,500kg p.a.	Confirmed for launch	Requires confirmation of sales data
	Speciality Retail	Singapore, Hong Kong, Middle East	10,000kg p.a.	Confirmed for launch	Requires confirmation of sales data
	Online	Japan	10,000kg p.a.	Pending response	On hold due to fire
	Ind grocery;p&c, alcohol retail	South Australia	6,500kg p.a.	Confirmed for launch	In order fulfilment
	D2C exposure of >250,000	New South Wales	2,400kg p.a.	Confirmed for launch	Sold – volumes exceeded expectations
	TBC	South Korea	TBC	Pending response	On hold due to fire
	TBC	Singapore	TBC	Pending response	On hold due to fire
	TBC	United States	TBC	Pending response	On hold due to fire
	National	Australia	6,500kg p.a.	New	In order fulfilment
	National	Australia	6,500kg p.a.	New	In order fulfilment

Table 3 Summary of Commercial Options for distribution of the Jimmie's range, as at September 2023 (post fire)

Intellectual Property

Via the services of IP specialists during this milestone, we achieved a sustainable and binding arrangement with a third party to demarcate and protect our use of the 'Jimmie's Beef Bites' word mark for our particular segment of snack foods.

4.5 Milestone 5

In this Milestone we analysed overall benefits, costs and profitability potential for the brand. Confidential details pertaining to this milestone have been removed

One promising growth area is in the D2C channel, where we are now achieving repeat purchases with multiple consumers, indicating an acceptance and possible 'habituation' of the Jimmie's Beef Bite product into the weekly household shop. To this end, we are evaluating the possibilities for a consumer-led focus group to trial a 200g fridge pack, and a pilot program for a monthly subscription service.

Lessons Learned

The team undertook several Lessons Learned (After Action Review) sessions to identify the major learnings from a market-launch project for a new category of product. The summary findings are shown in Fig. 17 below.

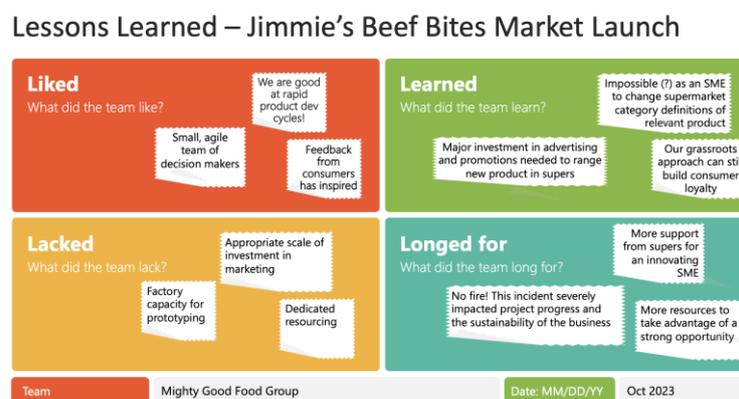


Figure 17. MGFG Team Lessons Learned – Jimmie's Beef Bites Market Launch

The key points and actions from each lesson are:

Liked:

- **Small, agile team of decision makers:** we value strong incentive alignment amongst project participants and find that those without 'skin in the game' can distract or derail;
- **We are good at rapid product dev cycles!:** as a resource-constrained SME we are proud of the fact that we required only 12 experimentation cycles to perfect the new product range for commercial readiness;
- **Feedback from consumers has inspired:** whilst not always comfortable, actively seeking feedback – positive and negative – from different types of consumers consistently improves our NPDP outcomes, often in unexpected ways.

Lacked:

- **Factory capacity for prototyping:** each product development cycle has had to be scheduled within commitments to production of existing SKUS for customers. It is recognised that this is simply a fact to accept if innovation is to be pursued, as commissioning of a pilot plant is beyond the scope of businesses even much bigger than ours;

- **Appropriate scale of investment in marketing:** we now realise that we are orders of magnitude behind our competitors in terms of marketing investment – and are actively considering this learning in our strategy development from here;
- **Dedicated resourcing:** while the project benefited greatly from the support provided by MLA, as an SME we are still constrained by having those working in the business also being the key resources for strategic projects such as this. New team members Joel Andrade (Commercial NPD Manager) and Kate Morrison (Director Commercial and Strategy) help provide additional capacity however as with all other team members are required to undertake multiple roles in order to keep the business sustainable – again a fact of choosing to innovate as a small business.

Learned:

- **Impossible (?) as an SME to change supermarket category definitions of relevant product:** we have made multiple pitches for the Jimmie's range to major supermarkets, however their default position is that significant sales data are required in order for them to accept the new product, especially when it does not clearly fit within existing category boundaries. We note that a major player (Primo) is able to overcome this entry hurdle, presumably by being able to commit required significant investment to advertising and promotions;
- **Major investment in advertising and promotions needed to range new product in supers:** we are undertaking a 'root and branch' evaluation of our investment in 'go to market' activities including key roles, marketing budget and strategic partnerships. We realise that we need to pay as much attention to 'op ex' investment requirements i.e. in the 'soft' capabilities associated with innovation, as we do to the 'cap ex' or 'hard' investments needed in plant and equipment;
- **Our grassroots approach can still build consumer loyalty:** while there is a long legacy in the JJ business of creating very high quality beef snack products that are much loved by a loyal fan base, the art and science of innovating for new market launch is a relatively new skill set. While we build these new skills, we continue to recognise that the direct to consumer, transparent, authentic and quality-first approach on which the Jim's Jerky brand has been built (over twenty years!) can still play a role in the successful build and launch of a brand new value proposition. We believe our task now is to find and combine the best of both worlds to achieve the optimal mix of 'brand stickiness' and speed of scaling up.

Longed for:

- **No fire!** This incident severely impacted project progress and the sustainability of the business;
- **More support from supers for an innovating SME:** engaging with supers at the level of category manager via the range review process is almost completely inimical to innovation. With this realisation in mind, we are actively working towards a higher level, top-to-top relationship with one of the major retailers, with whom we may collaborate in a future joint innovation project;
- **More resources to take advantage of a strong opportunity:** we continue to believe in the significant commercial opportunity represented by the Jimmie's Beef Bites range. This project has allowed us to prove that there is a market for this product, and that it can become part of habituated household purchasing decisions. We will continue to think creatively about how to find our 'tribe' for Jimmie's, in order to secure a sufficiently large market niche for the brand to achieve the profile we believe is possible for it.

5. Conclusion

The project has proved that a small business is capable of innovating to world class standards with the support of industry entities such as MLA. While the scale opportunities are significant, and the profitability potential of this snacking product is clear, there remain many steps in front of us for full commercialisation and return on investment to be realised. We believe that with new investment and a new, large scale manufacturing site from which to operate, we are well positioned to capture these opportunities.