

Results of the 2nd IPA 2010 Flash Survey
“Knowledge Management, R&D and Innovation”

No Crisis for Innovation!

IPA 2010 – the World Food Process Exhibition – releases the results of its second 2010 Flash Survey, on Knowledge Management, R&D and Innovation.

Carried out in May 2010, this new Flash Survey collected the opinions of 144 national and international professionals from all sectors representative of the food industry¹.

What emerges from the data gathered is that the crisis is not curbing innovation. On the contrary, in these times of economic upheaval R&D and innovation would seem to be an aid to competitiveness and development. As something new, companies are no longer hesitating to call on all their resources for that purpose. Good news, not only are investments in R&D and innovation up on 2008 levels, but they are also expected to keep rising over the next two years.

Services popular in innovation

78.5% of respondents declare having launched one or more new products, services or processes over the last two years. In 2008 the figure was 71%.

Results of the survey show that the number of incremental innovations – modification, adaptation or improvements to already existing products/processes – is still higher than that of breakthrough innovations (36%).

Among these innovations, those involving products are still the most mentioned (84% vs. 88% in 2008). Process innovations have been decreasing (27% vs. 33% in 2008). **These innovations mainly concern automation, which experienced substantial growth (55% vs. 28% in 2008)**, followed by heat treatment (35% vs. 28% in 2008) and energy savings, which remain stable (22%).

Innovations in services are showing marked growth: 27% vs. 9% in 2008.

¹ **Respondent Profile**

Survey, carried out between May 4 and 19, 2010, of 144 representatives of all food industry sectors, with dairy and cheese products (13%), liquids and beverages (12%), meat products/fish (10.5%) and bakery/pastry/confectionery (9%) being slightly better represented.

All sizes of companies are represented. A third of respondents belong to decision-making departments or are involved in R&D and innovation.

Nearly a third of those replying were European, with 42% from France. The most represented geographical zone outside Europe was North Africa (17%).

Putting customers at the heart of concerns

As in 2008 the central objectives of innovation remain growth in sales/turnover (65% vs. 62.5% in 2008) and the development of a competitive advantage (53% vs. 52.5% in 2008).

On the other hand though, 2010 shows a marked increase in the interest industrial concerns have in “customer service”: improve product quality (37.5% vs. 23% in 2008), meet demand (31% vs. 19%), enhance reputation (14.5% vs. 10.5%).

In these troublesome times economic worries dominate: productivity gains is a growing objective (21% vs. 13.5% in 2008).

All internal resources called upon

While the in-house R&D department understandably remains the leading player in innovation in companies, more and more of them are making the most of the know-how and experience of internal teams not specifically dedicated to R&D (production, sales...): i.e. 51% vs. 38% in 2008.

Companies are also relying more heavily on external innovation/competitiveness/technical centers (14% vs. 8.5% in 2008) and laboratories (13% vs. 9.5% in 2008).

Budget, the biggest drag on innovation

In 2010 only 2% of companies state that innovation is not part of their current strategy, a figure clearly falling when compared to the 11% in 2008.

The three drags on innovation are the same as in 2008. And while the problems of human time and resources have shown a decrease (respectively 27% vs. 33.5% in 2008 and 26% vs. 32.5% in 2008), budgetary problems have seen a significant increase (47% vs. 35.5% in 2008).

Closely following are technical and technological difficulties (24%) and access to external financing (19%).

Investment on the increase

Companies are not hesitating to dig into their own pockets to finance research: the share of turnover devoted to R&D is markedly up. This is a daring gamble in times of economic instability and one that bears witness to the growing interest among companies in R&D and Innovation.

28% of companies devote 1 to 3% of turnover to R&D (vs. 18.5% in 2008); 16% more than 3% of turnover (vs. 13.5% in 2008); and 24% less than 1% of turnover (vs. 28.5% in 2008).

63% of companies have not made use of state aid to finance research, steady on 2008. Those eligible have primarily used research tax credits (10.7%) and regional aid (8%).

This upward trend in investment is expected to last as 68% of companies believe that the share invested in R&D will increase (38%) or remain stable (30%) in the coming two years. At the same time, 77% of respondents plan on bringing innovations to market.

The most innovative sectors remain the same

The top four most innovative sectors in the food industry are the same as in 2008...but in a different order.

In 2010, those replying were impressed by dairy and cheese products (44% vs. 30% in 2008), liquids and beverages (38% vs. 23% in 2008), ready meals (33% vs. 50.5% in 2008), and health/baby food products (30% vs. 46.5% in 2008).

In response to this approach IPA in 2010 is focusing on innovation by creating a dedicated **Research-Development-Innovation Area** and by devoting a day and a half to European innovation with the **European Research Meeting**.

The Research-Development-Innovation Area

In 2010 IPA will dedicate a specific area to analysis and R&D: the **Research-Development-Innovation Area**. Strategically located right next to the Innovation & Research Forum, this exclusive exhibition and information zone will bring together research and analysis institutes, technical centers, and specialists in consulting, finance, services and solutions for the development of new products and innovation in the food industry.

Those registered to date include: ATAGO CO LTD (Japan), SPECTRALYS INNOVATION (France), JRI MAXANT (France), NEOGEN EUROPE (UK), CRYOLOG (France), SIRYEL (France), HUMEAU LABORATOIRES (France).

The Innovation & Research Forum and the European Research Meeting:

Practical ways to innovate

Food industry professionals are well aware of it: innovation and corporate performance are inseparable. Innovate, of course, but not in any old way, and not under any conditions either.

In 2010 IPA will be presenting sector professionals with some food for thought and leads in developing innovation: what are the future challenges? What types of innovation to favor?

A series of theme-based lectures, the **Innovation & Research Forum** is freely open to all visitors. In 2010 the Forum will address four main themes: Process Innovation (Sunday, October 17), Industrial Performance (Monday, October 18), Equipment Hygiene (Monday, October 18), and Environmental Issues (Thursday, October 21).

On Tuesday, October 19, the **European Research Meeting** will provide a comprehensive overview of food processing research in Europe: Presentation of key research players in Europe (Food For Life, AgriFoodResults), Hygiene and sanitary quality of processes and food (PathogenCombat, ProSafebeef, Truefood, Icare, FRISBEE), Control of food processes (Novel Q, OPTIM'OILS, Healthgrain, DREAM, CAFE).

Also on the agenda that day will be **two round tables**: Health and safety research, tomorrow's challenges? In the light of environmental concerns which research to review processes without impacting quality?

On Wednesday, October 20, the main results from national and European research projects on packaging and its impact on food quality and safety will be presented (APT-PACK, ACTIA 05.22, HIGHQ RTE, Novel Q, TRUEFOOD).

Finally, a focus will be made on environmental challenges: Environmentally-friendly food processing – from the labs to industrial reality; Eco-design of membrane processes producing protein fractions with targeted functionality; Water management in food industries – assessing the required water quality step by step to reduce your overall water consumption.

The full program of the Innovation & Research Forum
will be available at our press conference to be held Friday, June 18.

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IPA Exhibition

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October 17-21, 2010 - Paris-Nord Villepinte Exhibition Center - Hall 7

**Find all press information and the trade show logo and picture gallery at:
<http://www.ipa-web.com> - in the "Press" section.**

Name	IPA – World Food Process Exhibition
History	<ul style="list-style-type: none"> • Created in 1968, co-located with SIAL at CNIT, then at Paris-Porte de Versailles exhibition centre. • 1986: SIAL moved to Paris-Nord Villepinte, IPA remained at Paris-Porte de Versailles; the 2 exhibitions continued to be held at the same time. • 2000: IPA ceased to be held at SIAL's dates in October, and joined Emballage at Paris-Nord Villepinte in November. • 2010: IPA will return to the same dates and venue as SIAL, in October at Paris-Nord Villepinte
Cycle	Biennial
Dates 2010	October 17th – 21st, 2010
Venue	Paris-Nord Villepinte – NEW HALL 7
IPA, organised into 2 strong entities	<ul style="list-style-type: none"> • IPA Matic : an area dedicated to equipment for the meat and fish processing industries • IPA Multifilière : an area which groups together all equipment and machines for dairy products, milk and liquids, breads and pastries, confectionery, fruit and vegetables, ready-made meals, as well as all food and sanitary testing tools.
Number of exhibitors	<ul style="list-style-type: none"> • 600 companies
Exhibitors' profile	<ul style="list-style-type: none"> • Manufacturers and distributors of machinery/equipment, technologies and services for the food and beverage industries
International participation	<ul style="list-style-type: none"> • 29 countries • 48% international exhibitors
Exhibition area	36,000 sqm
Visitors	<ul style="list-style-type: none"> • 44,000 expected visits
Visitors' profile	Food and beverage industries, Food Retail industry, Trade, Research centres <ul style="list-style-type: none"> • Managing Directors / Factory Managers (26%) • Manufacturing/Production/New works (18%) • Design/ R&D (13%) • Purchasing (7%)
Geographic origin	<ul style="list-style-type: none"> • 105 countries represented • 36% international visitors