

# **More for less: Enhancing Value and Efficiency in Dairy**

**South African Society of Dairy Technology  
Symposium 2025**

**Dates: 13 & 14 May 2025**

**Venue: Piekenierskloof Mountain Resort, Citrusdal, Western Cape**



India vs South Africa			
Criteria	India	South Africa	Difference India vs SA
Land surface area	3,287,263 km²	1,221,037 km²	2.7
Population	1,450,935,791	64,007,187	22.7
GDP 2024	± \$3,889 billion	± \$406 billion	9.6
Global economy rank	5 <sup>th</sup>	33 <sup>rd</sup>	~
GDP growth ave past 10 years	6.2%	0.8%	7.8
Milk: Tons produced / year	239 million tons	4 million tons	64.6
Cheese: Tons / year	10 thousand tons	92 thousand tons	0.1

# JUGAAD INNOVATION

An Indian cultural concept indicating non-conventional, innovative, frugal and flexible approach to problem solving. It aims to create solutions with limited resources by creating simplistic work a rounds and re-interpreting the rules





# DEFINITION of DISRUPTIVE INNOVATION

When an expensive and highly sophisticated product or service, accessible to a limited section of customers & consumers of an specific industry is transformed into



A simpler more affordable product or service and it is accessible to a much broader section of customers & consumers over a much wider industry



# HISTORIC EXAMPLES: DISRUPTIVE INNOVATION



PASTEURIZED MILK

STERILIZED MILK

7 Days



Best?



90 Days



# OPPORTUNITIES AND CHALLENGES of DISRUPTIVE INNOVATION

## Opportunities:

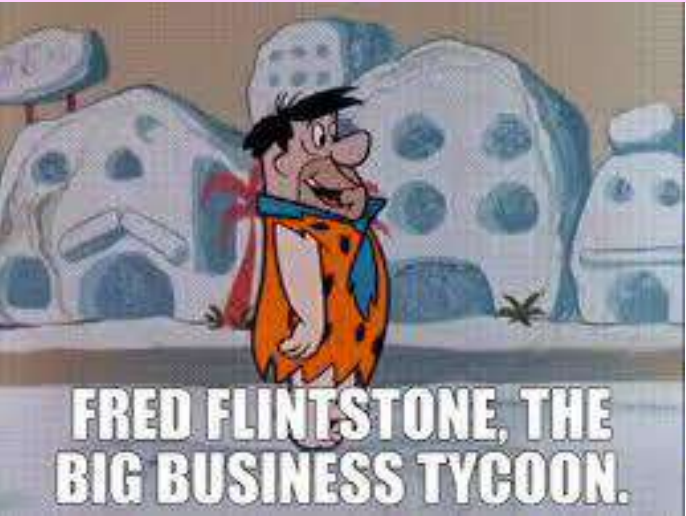
- i. Meet the current **priority need** of customers or consumers
- ii. It delivers a **cost benefit** to the customers and consumers
- iii. Reach new **under serviced** customers and consumers
- iv. Extend into a **new market sector** reaching customers and consumers from adjacent industries

## Challenges:

- i. Requires a new or **adjusted business model** – new thinking!
- ii. Very often requires **new technologies** rendering better efficiencies
- iii. It is **time consuming & expensive** to identify and isolate the unique benefit for the customer and consumer
- iv. Higher volumes at **lower margins** but higher asset turnover of factory



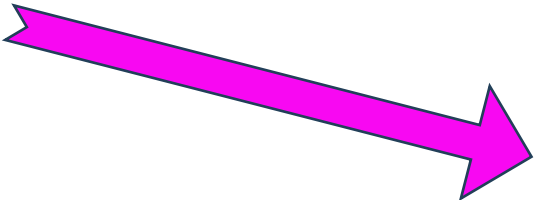
# UNFOLDING OF THE DISRUPTIVE INNOVATION PROCESS



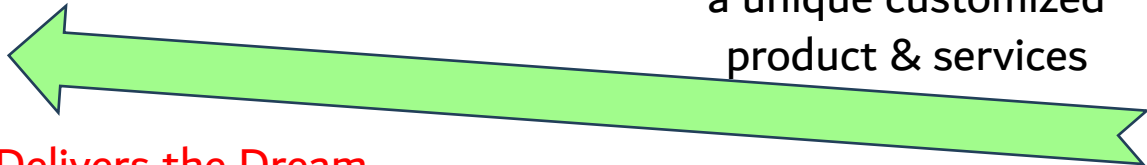
Market leaders only services the most profitable customer & consumers



Less profitable market remains under serviced



The disruptor enters the market at this point with a unique customized product & services



Delivers the Dream

## 2 x DISRUPTIVE INNOVATION APPROACHES

### (1) LOW-END DISRUPTION:

- a. Focus on bottom end / low profit markets
- b. Meet minimum expectation of consumer
- c. Market leaders typically increase profit margins if they exit those market sectors of interest to the disruptors.
- d. Market leaders somehow ignore the indicators of disruption

Carbonated  
beverages

*Coca-Cola*  
South Africa



Low cost spiced  
Buttermilk / Yogurt

### (2) TOP-END / NEW MARKET DISRUPTION:

- a. Focus on a complete new market opportunity
- b. Customer and Consumer needs are met with new cutting edge technologies
- c. The emerging business becomes profitable at the lower sales prices and margins





# ASSESSING MY RISK PROFILE OF BEING DISRUPTED

## RED FLAGS:

Negative trends

Covering

past

12 – 24 months

focusing on

**your non-core lines**

1. Quality complaints increasing
2. Access to outlets / shops decreasing
3. Shelf space allocation in shops decreasing
4. Cost of shelf space increasing
5. Sales volumes decreasing
6. Net sales value decreasing
7. Gross margins decrease



# COMPETITORS RIPE & READY FOR DISRUPTION



- a. **Tensions & Frustrations:** Regularly flagged by customers or consumers
- b. **Complacency:** Expectation is that the customers and consumers must adapt to their offering
- c. **Market consolidation:** Greater focus on profitability rather than meeting consumer needs
- d. **Lack of modernization:** Retaining old technologies rendering uncompetitive efficiencies
- e. **Missing current customer or consumer needs:** Meeting old redundant needs not current needs
- f. **Innovation:** Mainly Cost reduction & Sustainability rather than Breakthrough & Disruptive Innovation



# IDENTIFYING OPPORTUNITIES OF DISRUPTIVE INNOVATION

- 1) **Manufacturing availability & Capacity:** Understand your own manufacturing capability
- 2) **Intense observations:** What consumer needs do we observed but ignored due to tradition
- 3) **Most important product feature:** What single feature does consumer expect and do not want to give up
- 4) **Current focus areas:** Health, wellness and if on indulgence what would be the benefit
- 5) **Filtering:** Noise (hype/fads) from Needs (what value would it add)
- 6) **New technology:** Investigate and embrace it if it would deliver improved results
- 7) **Collaboration:** Reach out across industries: i.e. Sectors, Segments, Divisions, Categories, Classes, Types, Variants





# DISRUPTIVE INNOVATION 2025 and beyond.....

Coca-Cola has entered the booming \$820 million prebiotic **soda market** with the launch of "Simply Pop," a new line of sodas formulated with **prebiotic fibre** to support gut health.

**Combining  
Health & Wellness  
with Indulgence**



Simply Pop is launching with five flavor variants: Strawberry, Pineapple Mango, Fruit Punch, Lime, and Citrus Punch.

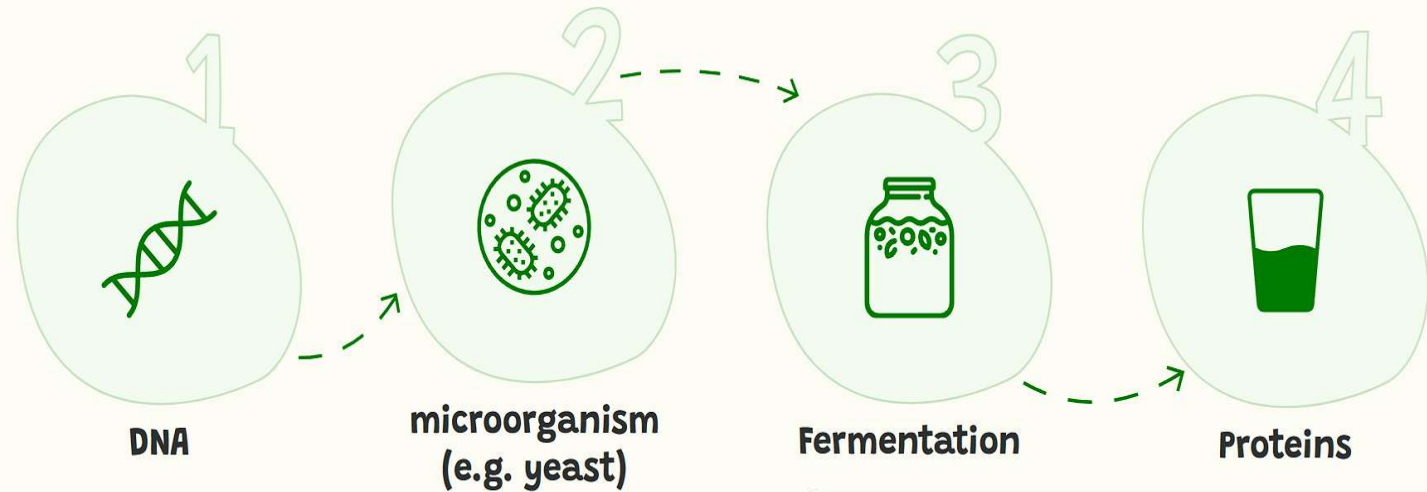
# DISRUPTIVE INNOVATION 2025 and beyond.....

Future Of Food  
Starting With India's  
First Animal-Free Dairy!  
**100% Real Dairy.**  
**0% Cow.**



Zero Cow Factory

## It's Microbes and Not Cows



### Healthier Food

- 0% Lactose
- 0% Cholesterol
- 0% Saturated Fat
- 0% Antibiotics
- 0% Growth Hormones



### Climate Friendly

- 99% less land consumption
- 98% less water consumption
- 84% less CO2e emissions
- 65% less energy consumption

