



Staying fresh

As I see it **Dale Morrison**

President and CEO, McCain Foods Limited

When Dale Morrison joined McCain Foods as President and CEO in 2004, the company was coming off a 50-year double-digit growth trajectory. It had grown used to running hard to keep up with demand, building plants, sales offices and infrastructure. “We didn’t have to be good innovators because the marketplace was growing by leaps and bounds,” says Morrison. “When I came on board, we had a bit of an awakening. We were at a place where our core markets were mature and so we were no longer running to catch up with demand. We had to shift from keeping up with demand to creating demand—it’s a lot harder to create demand. That meant better marketing and new product innovation.”

Five years later, McCain Foods is on a journey to reposition itself for tomorrow and to live its core value: daring to be different with innovations that win with customers and consumers. “This is what we are trying to be about,” says Morrison. “Innovation is now our lifeblood. There is a realization that how good we are at innovating is what will ultimately define how successful we are in the future.”

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As the company began on this journey, Morrison's beliefs around innovation were immediately reinforced. "Innovation starts with a clear understanding of customers' wants and needs," says Morrison. "And it only happens with the support of senior management."

Soon into his leadership, the global frozen food producer added big time to its research capability in order to gain the customer and consumer insight needed at the front end of the innovation process to make it successful. "As we began this global research effort, we went through an interesting phase of discovery and found out our global customers and consumers are a lot more alike than different," says Morrison. That critical insight led to the development of global, transcending platforms that can reach across regions and functions.

In order to ensure sponsorship of innovation from the top, the company has also established a CEO Innovation Council that includes Morrison, CEOs from each of McCain's regions across the globe, along with the head of innovation and the head of supply chain. "We make sure as an organization we are following the right protocol and discipline, that we are creating linkages across our R&D community and our marketing, sales, service and manufacturing communities." The council has also established key performance indicators in order to track innovation. "I share the progress we are making on innovation with my board. I talk about innovation, what's hot, what's not and how we are doing against the metrics," says Morrison. "We've also linked innovation to both our short-term and long-term incentive programs. We now have annual innovation targets tied to revenue generated from new products."

In the spirit of leveraging its global scale, an umbrella program called McCain Competitive Edge oversees all of the company's continuous improvement initiatives across regions. Being productive, constantly figuring out ways to improve how the company operates and to enhance execution to improve cost base is critically important and has led to the adoption of the Toyota way and Kaizen sessions, says Morrison. In a nutshell, 10 to 15 people are brought together at the start of the week, given a business challenge they must tackle and implement a solution

to by the end of the week. McCain Foods has now undertaken hundreds of these sessions and has benefitted from increased employee engagement and improved efficiencies. "For example, in the supply chain, we may have a line where it takes 60 minutes to complete a changeover," says Morrison. "We spend a week, map people movement on that line and the task work they do, study it, redesign it and in most cases, once we complete that week, we typically decrease our changeover time by 50 percent or better."

"Innovation is critical," says Morrison. "You could argue that importance is enhanced by the economic times we are in but I'd also say that our marketplace is changing in an extraordinarily fast way. Think about the Internet and how ideas and thoughts and news travel at light speed today globally. I spend a lot of time in China, and they are condensing 50 years of development into five. It's there for you to see, even just in terms of the infrastructure in place. I have a saying that I use regularly at McCain: When the rate of change outside a company is faster than the rate of change inside a company, trouble is on the horizon. At McCain, we are working hard to capitalize on the opportunities that a changing marketplace brings. I would argue that if you are not innovating, you risk your business running into trouble."