

Case Study - Food Innovation Solutions Ltd

Food Innovation Solutions (FIS) are at the forefront of strategic innovation, management, food and concept development for retailers, manufacturers and restaurants. Everything at FIS is underpinned by innovation. Whether creating innovation strategies, running bespoke workshops, researching and validating products or developing products and menus their approach is always focused on pushing the boundaries; R & D is a daily occurrence.

With previous experience in the food and beverage industry Fiscale was well aware of the scope of the potential R & D Tax Credit claim for FIS within minutes of meeting them at the MENTA Trade Fair and Food and Drink Expo in October 2014. The concerns FIS expressed over the level of background work required to submit claims were soon put to rest by Fiscale. The professionalism demonstrated by Fiscale gave FIS the confidence to proceed.

FIS received their first cheque from HM Revenue and Customs (HMRC) 12 weeks after their initial meeting with Fiscale.

The background

Michael Faers founded FIS in 2011. After over 25 years of working in the food and beverage industry he identified that there was a real need to provide businesses in this important and fast changing sector with access to innovation. Capitalising on his wealth of experience in culinary services Michael was able to offer businesses practical solutions using innovation to increase revenue and reduce costs.

FIS engage with their clients at a strategic and tactical level. They develop innovation strategies to accelerate profitability, offer management consultancy to address specific innovation issues and provide training courses, coaching and mentoring to improve learning and development.

The food solutions offered are centred on the creative development process for taking new products to market; research and validation to investigate opportunities and provide insight into consumer behaviour and preferences and analysis of current and future trends.

The research and validation is undertaken by Good Sense Research, part of FIS. Good Sense Research uses a variety of quantitative and qualitative methods to facilitate detailed profiling of consumer products.

With offices in Bury St Edmunds and London the company has grown rapidly and now employ a team of seven. FIS is acknowledged as being at the forefront of strategic innovation, management and food and concept development for food retailers and food manufacturers in the UK and overseas.

The client list includes global brands; start-up companies; own label food and drink manufacturers; pub groups and restaurants.

The challenge

Food retailers and manufacturers are faced with the challenge of ever changing customer needs and wants and fierce competition from their competitors. Differentiation and trust are critical success factors. Without differentiation the product or service is viewed as a commodity with no added value and price becomes a key factor.

Creating new and improved products that satisfy the needs and wants of consumers is the way to keep them happy and loyal. New products do not just happen; the new product development process is lengthy and fraught with uncertainty and failure rates are high. Without continually innovating and introducing new and improved products retailers and manufacturers will lose market share.

The clients who work with FIS understand this dilemma and appreciate that creativity and innovation are vital ingredients in developing a new product or concept or even creating an entire concept for a restaurant. What many in the industry fail to recognise is the level of culinary science and technological expertise that is involved in food development.

Many scientific factors impact on the development of a new food product. For example the environment where a food is grown can affect its micro biological composition. Rearing and growing techniques can also have a biological effect on the food. The way that chemicals, such as gelling agents, react with each other can impact on the end product. Testing will involve technological uncertainties.

Every client that FIS works with is looking for a bespoke solution and a high degree of added value. A considerable amount of time is dedicated to researching and developing these solutions for the client.

The solution

FIS were introduced to Fiscale when they were exhibiting at the MENTA Trade Fair and Food and Drink Expo. After a brief conversation it soon became clear that FIS were undertaking a substantial amount of Research and Development in their everyday operations and a commitment was made to have a meeting.

The initial meeting took place three months later as FIS were incredibly busy and experiencing rapid growth in their business. Several meetings and phone calls took place between Fiscale's Technical Director Stephen Bunting and FIS Finance Director, Sarah Mort. The level of R & D taking place in the company was extensive and Stephen wanted to ensure that nothing was missed.

Sarah spent around one and a half days of her time assimilating the information required for Fiscale to process the claim.

A draft copy of the report was presented to FIS for their consideration and upon approval was submitted to the HMRC R & D Tax Credit team in Leicester.

The results

From the initial meeting with Fiscale to receipt of the first cheque from HMRC took 12 weeks. The directors were surprised at the size of the amount of relief given; it was way beyond their initial expectations.

"I admit at first I was sceptical about the R & D Tax Credit scheme as it really did seem too good to be true! I was also slightly concerned about the amount of time and effort that would be required to put together a claim. We had an extremely hectic few months in the last quarter of 2014 and my time was really precious. I wasn't convinced the potential return on investment would justify the time and hassle. Stephen from Fiscale soon put me right!"

Stephen's ability to pinpoint the technological uncertainties within the new product and process development was impressive. He explained the information required without using any jargon. I love number crunching and analysis so actually found collating the data required quite enjoyable!

We have already submitted two claims covering the last three years; the return has been significant and has provided the means for us to pursue new opportunities.

Our experience with Fiscale has been nothing but positive, and they were always available to offer support and guidance. There is no way we could have put the claim together without Fiscale's help. I have no hesitation in recommending them."

Sarah Mort, Finance Director of Food Innovation Solutions Ltd

The conclusion

Innovation lies at the heart of everything that FIS undertake both internally and for their clients.

The team will continue to work closely with Fiscale to ensure that they correctly identify and record the research and development elements that form an integral part of the new product development process.

FIS now appreciate that their passion and enthusiasm for food combined with industry leading expertise is pushing the boundaries in the field of food science. They are also able to recognise whether the projects that their management services clients within the food and beverage industry are engaged in could potentially qualify for R&D Tax Credit relief. This is another way for the company to add value to their client base.

The R&D Tax Credit relief has been instrumental in FIS setting up an Innovation and Development kitchen in North West London and expanding into new offices.