

32 Innovating through adversity.mp3

Matt Eastland [00:00:07] I'm Matt Eastland and welcome back to the Food Fight podcast from EIT Food. Europe's leading innovation community working hard to make the food system more sustainable, healthy and trusted. This week my co-host, Lukxmi, is away on holiday sadly, but I have three fantastic guests joining me for an episode that's just a little bit different to usual. So since the start of this year, Covid-19 has obviously affected industries across the world, posing new challenges financially, organisationally and from a health and safety standpoint. The agrifood sector has been no exception. But in times of turbulence, there are often also opportunities to make changes and fix broken systems. And innovating through adversity is the topic I'd like to focus on today. Why it's more important than ever to keep supporting innovation in the food industry. With me, it's an absolute pleasure to be joined by the CEO of EIT Food, Andy Zynga. Yes, that's right, everyone. I have my boss on the show. Hi, Andy.

Andy Zynga [00:01:13] Hi. How are you?

Matt Eastland [00:01:15] Good, thanks. Really good. Great to have you here.

Andy Zynga [00:01:17] Thank you.

Matt Eastland [00:01:18] And alongside Andy, two CEOs who Start-Up companies are recipients of a brand new funding investment from EIT Food, supporting innovation in the sector at this time. Firstly, we have Fanny Rolet, CEO of Antofenol. Antofenol is a biotechnology company dedicated to the development of a sustainable, low cost solution that preserves the shelf-life and quality of fruit and vegetables. It replaces toxic chemicals and it's made from agricultural waste from vineyards. Hi, Fanny.

Fanny Rolet [00:01:50] Hi.

Matt Eastland [00:01:51] Welcome to the show. And also we have finally Francois de Valera, the CEO of Food Sourcing Specialist, a company combining eco-friendly compostable packaging with sports nutrition products. Welcome, François.

Francois de Valera [00:02:07] Hi there. Thanks for having me.

Matt Eastland [00:02:09] Great stuff. Wonderful to have you all together. So we've got two Start-Up companies with innovation at their core with us and I'm really looking forward to finding out a bit more about them. But before we get stuck into this all I just wanted to ask each of you, you know, how of the past few months actually been? You know, how have you been coping with everything? And do you get the sense that there is a sense of optimism emerging now in the industry? Maybe we can start with Francois, what would you think?

Francois de Valera [00:02:39] So it really has been a tough few months here in Spain. The lockdown was really quite severe. And, you know, it's a little bit of a shock to the system, but I think shocks to the system are good because that's what really brings about change. It makes us have to re-evaluate things and reinvent ourselves. And so we've really been doing that. And our business, we've made a number of different changes in the business and we've seen a lot of growth on the online sector. And we've also completely restructured our marketing plan to focus more on, you know, viral marketing instead of exhibitions and so on. So really a lot of change. But, you know, change is good.

Matt Eastland [00:03:19] Okay, great to hear. Do you find that you're sort of pivoting your business then a little bit?

Francois de Valera [00:03:24] Yeah, I would certainly say so. I think when I really think about it, our original marketing plan was it was kind of traditional in its approach. And I must you pretty excited because I think that the new campaigns that we have in mind, which focussed more on viral marketing and working with endurance sports people and elite sports people to get the word out, I actually think it might work better even if covid hadn't come along than what we originally had planned. So it's exciting.

Matt Eastland [00:03:50] That's really great to hear. Really good to hear. And what about you Fanny, how's the last few months been?

Fanny Rolet [00:03:56] Yeah. For us, it's a little bit tough because we have dependent on the agricultural season, so we need to re-adapt our plan. It's craziness but it's a good challenge also because we need to internalise our production in order to be sure that we have all the meaning to produce by ourself in order to not be dependent of our supplier in order to produce our product. So it's also a good thing because it's to accelerate our development on our plan to develop our factory. So it's... With bad thing, we made good thing.

Matt Eastland [00:04:35] I like that. That's a good, positive approach. Andy, what do you think from an industry perspective, what's your census? Has the industry been coping?

Andy Zynga [00:04:44] Yes, I think when thinking about the impact of the covid crisis and the past few months on this organisation, there are really two elements that I tend to think about right. So one of them is what has the impact been on the ecosystem itself? So on the partners that we have and as you know, the partners that we work with on a regular basis in order to come up with great innovations are besides those start-ups that we also have two of them here on this programme. We also work with larger industry, we work with universities and we work with research centres. And pretty much all of them have been affected by this crisis. But I would say that larger industry players have done a little better than many of the others, and that is because the industry itself has proven to be a bit more resilient than other sectors, because obviously there's still going to be a demand for food and beverage products. And in fact, some of our partners said that their sales have gone up by 15 percent or so through the crisis.

Matt Eastland [00:05:48] Wow is that right?

Andy Zynga [00:05:49] Yes, except for maybe in the foodservice business or when they ship products and have services with restaurants and such like and the foodservice industry, that's obviously suffered. But then again, you know, it's also been an impact on universities who had to do a lot more online now and of course, the start-ups, we're going to talk about that a lot more here. And research centres say all had all kinds of problems. Now, the second element that I mentioned is the impact on us as an organisation. We are the orchestrators of all of this work and we have done a lot more online. And I think it actually worked much, much better than anyone could have expected. And we're doing a lot less travelling, which is great. And I think everybody's coped with it quite well. So all in all, I would say you mentioned optimism, I think we are pretty optimistic that this will be an interesting lesson to have learnt and we will emerge, all of us will emerge from this crisis stronger.

Matt Eastland [00:06:49] Okay. So it feels to me like covid has really shaken things up, you know, across the industry. So do you think now is the time for inventiveness more than ever has covered really accelerated that and, you know, is this going to actually make the food, agrifood sector, even better for it? What do you think Andy?

Andy Zynga [00:07:09] I think yes. I think the crisis has brought out some of those trends and firmed them up more. The trends that have been sort of lurking around anyways. But when you have too much great success, too much to do, you can't really look at those right? So, for example, online shopping. So more consumers, obviously, through the crisis have resorted to shopping via online channels. And for the industry, this also means a change right? So, for example, industry has to have longer shelf life. You've got to have new packaging concepts to reflect that. And there's also more shipping around so that has an environmental impact. So all of those are things to think about and innovate around right? So there's also, of course, what's never gonna go away is consumers thinking about both what are the healthy choices they can have and also what's the environmental impact? And I read recently that with climate change happening at without getting into a modus of managing the crisis, not really avoiding it any longer, but just managing it, that now more of these virus infections could happen in the future. So I think we need to be ready and prepared for it. And this is a kind of a hopeful lesson, as I mentioned to all of us, to see how can we cope with adversities like that in a crisis.

Matt Eastland [00:08:28] Yeah, okay. That's interesting. I guess I'm keen to get the startup's perspective on this. Do you feel the same? You know, is this now a great time for innovation and inventiveness? Fanny, what do you think?

Fanny Rolet [00:08:41] Yeah, I think that is, its kind of crazy. Help us to innovate because we need to move and we've crisis we need to move. So it's easier to move when everything changes around you. And we need to take that great opportunity for the development of our company for find also the good priority, because I think that's this crisis to help us to find the priority in terms of conception interms of a product that we need on the market. I think it's also a good thing to think about that and to understand what we need to develop, what we need to innovate. For example, it's a simple example because Antofenol we make extraction but we also developed a product from biocontrol restriction and with the crisis our customer in extraction told me ok Fanny, we have a problem, we don't have enough ethanol to extract our plants. Could you extract my plants? We've only water and your system and I said okay, no problem.

Matt Eastland [00:09:51] Wow.

Fanny Rolet [00:09:51] I love innovation because we have, you can't find ethanol during the crisis. It's a little bit easier now, but during the crisis, you can't find. And our system of extraction allowed us to extract these kinds of solvents. So it's an example and it's good for Antofenol also.

Matt Eastland [00:10:12] Love that, yeah really innovating in, you know, through the crisis. And François, do you kind of echo that? I mean, so Fanny's been talking about that this has allowed their company to prioritise and do you feel the same?

Francois de Valera [00:10:25] Yeah, absolutely. And I think it's also allowed us to find new routes to innovation. So I think when someone really pulls the rug out from under your feet on one particular channel of sales, you feel very grateful when you figure out that you

actually had another channel sales, which in our case was the Internet. And actually on the Internet, our Internet sales have grown not 15 percent, but 15 times what they were.

Matt Eastland [00:10:48] Wow really! 15 times!?

Francois de Valera [00:10:50] 15 times what they were before the covid crisis and while also trying to make lemonade from lemons in other ways, because, for example, in the packaging solutions that we have developed one of the key things that we always thought about, but we didn't realise how important it would be, is that sports energy gels, for example, which is one of the key products that we're working on at the moment. Most of them, when you buy them in the store, there is no protection from instore handling and you have to put the whole top of the packet in your mouth. And anyone could have touched that. But of course, now with covid, the hygiene aspects are really key. And so that innovation that we had created in the hygiene aspect about packet designs is now so much more important and we think it's going to help us with our sales as well.

Matt Eastland [00:11:38] Incredible. Wow, that's amazing. It's so great to hear that, you know, this crisis has allowed you to kind of change the way you do things and actually probably improve what you're doing. That's amazing. And Andy, so both Antofenal and Food Sourcing Specialists are recipients of this new, what we're calling, the covid-19 bridge fund. I was wondering, could you just explain for our listeners why EIT Food decided to launch this and why now?

Andy Zynga [00:12:05] Sure. So this bridge fund is actually part of a European Union response to the covid-19 pandemic. So the EIT, which is the funding agency from which we receive the funds to run the projects with our partnership and receive the funds from the European Union. And the EIT, our funding agency, decided to respond to the crisis by setting up a crisis response initiative which has two elements. The first element is a so-called venture support instrument. In other words, the thinking behind that is to say, how can we support start-ups that are suffering from the impact of the crisis, be it in terms of access to customers or cash or whatever. The second part was and is a pandemic response project set. So having the partnerships across all the different kicks like EIT Food, work on coming up with projects that help to mitigate the pandemic situation. So this is now what we're looking at. So what we did was then to say, ok that's excellent, and we're very much in favour of this. So we did in record time, just like all the other kicks, we put together a programme to look for start-ups that are suffering that, first of all, that are suffering from the impact of the pandemic. But more importantly, have products and services that can help us to achieve our longer term impact objectives. So making both the people in the EU and the planet healthier. And that's where we've found those organisations. And two of them are here on this programme right now. And we are very happy and proud to have been able to award them funds. And we didn't just stop there. So we didn't just stop with the with the venture support instrument that we received from the EIT, for which we're very grateful. But we also added in some of the additional funds that we still had because we thought this is the moment. These are great businesses that have a great impact. They will be the survivors and the people that will thrive after the covid crisis. And so we thought it's a great instrument. And again, we're very grateful to both the European Union and the EIT to have been enabled to make this instrument available to those start-ups in the agri-food business.

Matt Eastland [00:14:30] Absolutely. And I guess I imagined when this was launched, you must've received a number of applications for something so important. So I think we probably boiled it down to like thirteen start-ups. So can you just explain, you know, what

was this selection process? How how did we go from, you know, right at the top of the funnel all the way down to these chosen few?

Andy Zynga [00:14:51] Sure. So we made an open call for interested parties that feel that, again, that their goals are aligned with ours, that their products and services are doing exactly what we'd love to see happening in order to achieve our impact objectives. And we had about a hundred or more than a hundred applications for it. And we put together a panel of advisers from industry, from venture capital food executives. And this advisory panel helped us to whittle this list down. And then we did an evaluation and looked at which are the really exciting bits and pieces here, which are the exciting products and services and processes that we thought are really going to be the path to the future. And from that, we then graded and rated them. And that's what we then came up and said, ok, well up to fifteen, we can do it to the availability of funds have thirteen that can be funded. And so that's where we ended up with a list of thirteen. That's the process with that external panel of other advisors.

Matt Eastland [00:15:56] Wow, that sounds comprehensive. And you mentioned the actual fund itself. So just just quickly, how much? How much money did we make the investment money to make a bet available?

Andy Zynga [00:16:05] So we made available right around 4.1 Million from that venture instrument that I mentioned earlier from the EIT. And then we also put in 1.3 million of our own funds. So about 5.4 million euros was made available across those 13 start-ups.

Matt Eastland [00:16:21] Okay. Wonderful. Good to know. And then just switching back to our Start-Ups. So, you know, Fanny, perhaps you can explain a little bit what Antofenol does to give our listeners a bit more detail, but then explain, you know, how is this funding going to help you? You know, how is this going to move you on to the next stage of your business?

Fanny Rolet [00:16:40] Of course. So Antofenol is a company specialised in development of biocontrol solution. In chemical pesticides in agriculture. So we created the first extract from vine-woods which helped us to help the fruit and vegetable to be consumable more longer. So it's a first preservative for fruit and vegetable. And we developed this extract. We vouch using chemical solvents in order to extract because we also develop system of extraction. We have a microwave vacuum plus armed, which told us to keep this kind of molecule, but without use of chemical. So it's a very interesting process because we have an innovation on our product which called Antoferin, which is our first product. And also the process, on the process we have only one part of the process, so we need a supplier in order to finish our product. But with the covid, we can finish our product because our supplier must be closed. And there's a reason why the EIT Fund is very important for us because it's allowed us to develop a new system in order to integrate all the production system of Antoferin in our factory and Brittany so it's very helpful for us. And we also dedicate one person to this new project on Antofenol so it's very, very, we are very lucky with this fund.

Matt Eastland [00:18:25] It's nice to know. I was just listening to you speak, and I'm desperate to ask. You mentioned that you extract from vineyards, is that right? So why vineyards? And is there something very particular there about vineyards that you need to work with?

Fanny Rolet [00:18:37] Yeah. Of course and why? It's because I drink lots of wine, I think.

Matt Eastland [00:18:41] Ahahaah I did, I wanted to ask you that first yeah.

Fanny Rolet [00:18:46] But its the first story of Antofenol. I met a wine maker five years ago and the ask me, if I have an idea to win more money and I say, I don't know. But the week after I say, okay, I have an idea. We can extract you vine-wood in order to extract molecule of interest. We have antifungal properties in order, the to replace pesticides and we start the project like that.

Matt Eastland [00:19:15] Well I love that. Literally starting with something you love. Amazing. And François, same question to you, maybe you can tell us a little bit about Food Sourcing Specialist and you know how this fund is particularly going to help you?

Francois de Valera [00:19:28] Yes, absolutely. So we were an existing organic food business. And Glenn, my partner, business and personal partner, and I are both long-distance hikers and trail runners and so on. And we were dismayed at the low quality of the ingredients in different sports nutrition products and the fact they were all packaged in single-use plastics. So we decided that we really wanted to change that. And we wanted to start with these sports nutrition category that had the biggest number of consumer pain points, which is energy gels. And of course, one of the key things we wanted to do was to eliminate the single-use plastics that all of the energy gels are currently packaged in because we live in a beautiful unesco biosphere site here in Spain and unfortunately, you know, there are just empty wrappers and empty gel packets all over the place.

Matt Eastland [00:20:17] Oh, that's terrible.

Francois de Valera [00:20:17] Which is a great shame. So we decided that we would, originally, we thought we would buy third party home compostable packaging to package those products. But we discovered that no one had actually invented it yet and so we had to do it ourselves. So we were very lucky because we initially got some funding from the Spanish government. We made prototypes. We then got a and Horizon 2020 grants. And with the Horizon 2020 grants, you have to call fund the money. So we needed to get eight hundred thousand euros from a round of investment to co-fund the Horizon 2020 programme. And we literally just started the round of investment at the end of January of this year and it was, you know, really great response from investors, really awesome. And then covid hit and, of course, you know, people investors were starting to say, well, I want to wait and see what the macroeconomic situation improves before I invest and everything really slowed down. And I'd like to actually take the opportunity to thank the investors who have not left the round of investment and who are continuing with us and, will hopefully invest in the next few weeks. But the EIT Food funding was fantastic because it meant that we were able to keep going with the project, not have too much delay. We did have a little bit delay because we'd had to put our foot on the brake a little bit to preserve our cash flow but we were able to start to pick things up again and work towards a programme and deadlines. And it's well, I don't think that it's too much to say that it's really saved our project. So it's fantastic.

Matt Eastland [00:21:51] That's amazing to hear. So, you know, I wish you all really well with that and by the sounds of it, you're going to go from strength to strength. So, you know, congrats. Andy just kind of coming back to you. So, you know, we often see start-ups leading the way with innovation, the food sector, as you know. I mean, what is it about these particular companies that we've seen going through the bridge fund to see their investment? And that have really excited you? What results are we hoping to see here?

Andy Zynga [00:22:23] Sure. So first of all, I mean, we all know that start-ups, per se, have a lot of inherent strengths, right? So they usually led by a management team that's sort of scrappy, is happy to take risks as innovative. They come up with new ideas that nobody else would have thought about, and they have a bit more risk appetite than some of the larger players right? So obviously, when you're a larger player, you don't have to take very, well you take risk all the time, right? Obviously in business. But, you know, innovation risks. You can be a smart follower as a large company right? Because you can look at how well is innovation working and then scale it up and just sell the heck out of it, which is great. Now, that's where the interplay between start-ups and larger industry comes in. And we saw in those particular start-ups that we selected in those thirteen. And I will say they meet the criteria of all the things that are important to us, to have sustainable agriculture, sustainable aquaculture, circular food systems, targeted nutrition and such. And these particular start-ups here right now, they are very much aligned with our food waste reduction goals. So think about on Antofenol, that is helping to extend the shelf life of food and vegetables. So just I read recently that if you can extend the shelf life of vegetables by our food by just two days, then fifty percent less food is thrown away. And so.

Matt Eastland [00:23:53] Wow is that right?

[00:23:54] Yeah. So that's that's really pretty, pretty amazing. And when you look at vegetables, that's actually, Fanny told me this the other day on a phone call, that about forty percent of all fruit is thrown away and eighty percent of that is thrown away due to a fungus that can be avoided. So through the non chemical ingredients that they're putting onto those. So that's exciting to us. We'd love that. So we love being able to reduce food waste. That's a very, very big piece. And when you look at Food Sourcing Specialists, this piece around single use packaging. So we are also very much interested in trying to find solutions for that. And those are just two of those really great examples. And there are many, many more. So we have one company from the U.K. called Mimica that has touch-sensitive labelling, whereby you can actually now know, it's not just what's printed on the sell-by or use by date, but now this is fully calibrated with the content inside of the package and it checks what temperatures that package was exposed to to see what the real usability is. Again, shelf-life is key in this one. But there are many other examples amongst all of those areas. And that's what excites us. So we, of course, in the due diligence, we also looked at the management team, is it solid? We looked at their growth prospects. So we wanted to make sure that we work with those winners and help them to get even stronger. So that's why I said they won't just survive. They will thrive in the post-covid world.

Matt Eastland [00:25:25] Thanks Andy. And actually, we've had Solveiga from Mimica on the show. So if anybody listening wants to check out that show, please have a look. So maybe we can just flip to talk about some of the barriers. So more broadly speaking, what are the key barriers to accelerating change? Whether that sort of changing the business model or change to make the food system more sustainable? I'd be really interested to get your thoughts. So maybe, François, what do you think? How can we be more sustainable and how can we get more people to adopt your products and ideas?

Francois de Valera [00:26:01] Well, I think the key thing is really getting people to understand why, why it's important. And when I talk to people on a day to day basis, most most people don't realise some of the key impacts that are happening on our planet today. Even, you know, some of the really big, important numbers. So, you know, in Europe, a

number of European states in a single year are losing thirty percent of their bee colonies. In the U.S., it's fifty percent were using chemicals on, I'm actually an organic farmer at the weekends, and I had to sit all the organic farming exams. And there's there's a whole chapter in the book that you have to study that explains all of the different cancers and birth defects and all the other things that you can get from the different standard chemicals that are being used on our crops. And there are some very big issues like that that I think most people, most consumers don't understand. So I really think that there's a big element around education that needs to happen to help people to understand that. And that will make people want to go for more sustainable options for organic options. And I really do think that's key.

Matt Eastland [00:27:08] Ok yeah, I love that. Thank you. And the same question through to Fanny. How do you accelerate change to improve sustainability? So how do we get more people to take on your products and ideas as well?

[00:27:21] Yes, it's so easy for me because today European Union want to change and want to replace pesticides by biocontrol solution. So we develop a product in this way. So we see over the last year the European Commission want to change agricultural practise, but for agriculture they are in lake of efficient and cost-effective solution to replace pesticides and our challenge and our innovation is to propose to this agriculture natural product, but effective and with the costs compliance with the cost of the market. And we see that is a change of mind on the last eight years. We see that agriculture wants to reduce pesticides and we say that people will consume fruit and vegetable, want to consume organic product without chemical solution. So you have, in French you say, *inaudible*, but in English, I'm sorry. So I think it's it's a very interesting period because people take care of their health at the moment. And I think that we owns a good way that we need to be clever, because we know that the population grows and as an agricultural not grows enough for the population. So what we want to develop, it's the reason why we welcomed the shelf life of fruit and vegetable before to produce more. We want to reduce loses. And it's the reason why I developed a solution for post harvest. And it's the way that we choose for innovate and helps the world to be better.

Matt Eastland [00:29:29] Very positive stuff. I love that. Thank you very much for that, Fanny. And so we've spoken a lot about the crisis and the challenges. And I guess I'd like to shift into talking about some of the advice that we can give to other start-ups. So what would be your top tips, shall we say, to other sustainable food start-ups looking to create a buzz? Or some excitement around innovation's like the start-ups in this show are? So, Andy, what do you think? What are your top tips for food start-ups looking to accelerate what they're doing right now?

Andy Zynga [00:30:01] Yeah so in my career I built several businesses myself and had successful exits. And I must say I learnt a few things. One of the key things that you can see in the statistics, why start-ups fail, there is often times, I think the number one factor for that is no market need. So I think the number one thing to check is always to understand the market need because of times an idea comes to mind and you say like, ok well, this sounds like a great thing because I, I think so or people in my personal orbit think so. But there's much to be said for really understanding from the potential buyers much better the feedback. Which is why we set up at EIT Food programmes for smaller start-ups even pre revenue start-ups to go get exposure to potential buyers of the product. So for example, in our Seedbed programme there are up to one hundred, and ever more, customer contacts on that four to six month programme that our chosen start-ups go through so that to me is the number one thing. The second one is and this is, again, just a

personal observation from all of the start-ups that I've done, have grown in the past, is always good cash management. And I think the two start-ups here today can probably confirm that, that, you know, many people think, you know, great marketing is that and stuff. But you actually also have to look at cash. Very much so. It's often a very underestimated item and even if you have sales like crazy, if you grow fast, you're very profitable in theory of high margins, you can still run out of cash. That's why it's important to watch that all the time. So to me, those are two very important, important pieces.

Matt Eastland [00:31:45] Brilliant. Thanks, Andy. And why don't we ask them? So, François, do you agree with Andy and have you got any other tips to add on top?

Francois de Valera [00:31:53] I definitely agree with Andy and I would also say that to start up your own business, unless you get somehow very lucky, you have to be very determined. I would actually say stubborn. You have to be super stubborn to really get through all the different challenges and you have to never, never give up because people are going to be a lot of people who don't believe in your project, even if it's the best project on the planet. There are going to be a lot of challenges with the financing and a lot of closed doors that you're going to need to kind of kick open. So it's that there's a big part about mindset, I think, and maybe we acquired some of that through trail running and the long distance hiking.

Matt Eastland [00:32:32] I bet, I bet.

Francois de Valera [00:32:34] Makes you determined. And yeah, I think it's also about looking at the different opportunities that that covid is bringing us and trying to figure out new opportunities that come from that from these changes that are happening right now.

Matt Eastland [00:32:47] And you spoke right at the start. You spoke about the fact that you're changing your marketing approach. So is that something which you're finding is helping you create a buzz around your products? And has that been really useful for you?

Francois de Valera [00:32:59] Yeah, absolutely. And I think investors appreciate it, too. It's definitely if you really rely on exhibitions and I actually come from the world of exhibitions, like I kind of feel bad saying it. You know, it's a kind of a state way of doing business in a way, it's very formulaic and not a huge amount of interaction, no matter how hard you try to engage people, at stands and so on. Whereas if you can really get consumers involved with the products and you can get sports people involved with the products and have people, you know, see the positive impact on the environment that your products can have in a kind of fun and viral way, then I think that's much more powerful.

Matt Eastland [00:33:36] Yeah, and I guess getting through this time as well, we've spoken about the importance of cash and, you know, problem management and all that, but maybe we can also talk about investment as well. So it's really key for start ups when they're looking to scale up, particularly. What do you think François?

Francois de Valera [00:33:55] Well, I think the first thing to say is that in some ways we're unlucky on this call because we're not in the I.T. sector and it's much easier to attract investment if you have, you know, a fancy fancy application or I.T. solution. But on the other hand, we're really lucky because the food sector and in our case also the sports and packaging sectors are some of the least affected sectors by the covid crisis.

[00:34:20] Right.

[00:34:20] And I think investors are increasingly looking to opportunities that are sustainable. That give them a kind of corporate responsibility. Kudos as well. Makes them feel good because they're doing something that helps the planet. And I think that those are trends that we can tap into when we're looking for investments. And apart from that, you know, we found our greatest success on the investment front was that we hired someone in our team who only looks at investments and subsidy opportunities for us. In fact, she was the one who found the EIT Food fund for us. And I think if you don't have someone in your team who's completely dedicated to helping you to raise those funds, you may fail because you have so many other things that you have to do on a day to day basis that you may lose track of, you know, what's important in your business just to try and get the money together. So that would be a key tip for me, is to have someone in your team who just does that.

Matt Eastland [00:35:13] Okay. And actually, I'm watching Andy here nodding away while you're talking. So, Andy, why did you chip in? You obviously agree with François.

Andy Zynga [00:35:21] I think that's key yes. You need to understand what are your sources of funding, obviously. And then you have to make really judicious investments right? So I think I go back to what I said at the beginning, which is scrappy right? So by scrappy, I mean being able to flexibly react to new conditions right? So in business when you start out my experience is you have a hypothesis around what the market wants and how the market is gonna react. And you've got to be able to be flexibly react and add new elements because you start from point A with your product or service and you end up in point B and then maybe point C over time. And that's where you have to be flexible enough to make those investments that keep you still nimble right? Now granted, in the agri food and food and beverage sector, it's a little hard because some of those investments actually require quite a bit of capital investments, i.e., machines and other resources. And that's where at some point you're going to have to take a bet right? So but the more you have market feedback, the more you talk to investors too, that's another piece right? So if you say I'm going to make an investment to talk to others that are also investors to see how they would feel about investing in this, what they put their own money into this, that's also, I think, a very valuable feedback from the market. So I think between the flexibility and getting as many inputs as possible, that's what it is. So I totally agree with what's been said so far.

Matt Eastland [00:36:46] Very sage advice. Yeah, I like that. And Fanny you were trying to jump in as well. Have you had to be scrappy like Andy was talking about when it comes to investment?

Fanny Rolet [00:36:56] Yeah course and I don't have to have somebody in my team dedicated to find the fund, but still we work everyday with our investor. And it's one of our business angel who told us, okay, you need to find fund before the end of the crisis because it's I think it's must be complicated in 2021. Because Antofenol is dependent also on cosmetic industry and that we observe now, it's cosmetic industry is not the same as last year. So we think that the crisis is coming. So is the experience of one of our investor, which helped us to find this fund quickly and to find a solution to that.

Matt Eastland [00:37:44] And just before we get to the wrap up stage of this show, Andy, I did want to ask you a question quite pointedly, because I think you've probably got a really good view of this. So how do we go about what can we do, shall we say, to connect start-ups to big business and corporates? What's the kind of magic in that?

Andy Zynga [00:38:03] I think the magic and that is to, first of all, know what the need of the large corporates is. So what are they actually looking for right? So and all the corporates they have they have, as you know, much more, much more financial resources at their fingertips right? So they've got a lot of consumer feedback. They get a lot of they get a lot of feedback from sustainability and they have goals and understanding where they see what kind of markets they're betting on. I think is the very first step. So that's where then an opportunity arises for a Start-Up to work in concert with those larger corporates right? And with universities. So I think the very first step is to understand what are those needs. Now, the question is, where do you get those needs from? And just the kind of a tip would be a lot of the large corporates that I know off in food and beverage have their own idea canvassing web sites. You know, you could just go in there and see, are there any common factors in there? You could also just call them right? And you can call the research and development arm there. Often times when they have these idea web sites, they also have names of people that are interested in them. So if you feel there's that, then you can do that. There's also a lot of open innovation intermediaries like Nine Sigma, InnoCentive and others that do technology searches for those large corporates. So that's when you kind of again see what are the needs that you could respond to. So, again. The key is to understand what are they really looking for. And then to just have hopefully a solution set available for them that they can work in and projects, you know. So having common objectives obviously always helps.

Matt Eastland [00:39:47] Yeah, absolutely. And I guess from a Start-Up point of view, it must be quite daunting maybe to actually get your foot in the door with those corporates. So to the point about connecting them together. What's the best way to do that? You know, getting those contacts, having those first discussions, how should we go about that Andy?

Andy Zynga [00:40:07] Well, so one of the things that I again circle back to what I mentioned earlier, some of the programmes we have, the Seedbed incubator programme, the Food Accelerator Network, our Rising Food Stars, you know, so those are all programmes that start out at a more immature stage of the development all the way to a mature stage, even to a scale up stage that includes making available access. And I mentioned that earlier, too, you know, up to a hundred or more contacts with potential buyers, you know. So we have those buyers in our network and many of the mentors that we have here, they do this. So they are the connectors and they are the ones that within those programmes can make that happen. So I think that's one of the key things is to get into one of those programmes and then watch the magic unfold. You know, it's it happens almost by default.

Matt Eastland [00:41:02] Amazing. Thanks, Andy. Great tips. So, everyone, we're nearly at the end of the show now. And I just wanted to ask a final question here. So what would be your advice to start-ups who are struggling at this time? How do we help each other be more resilient? Maybe François, can we start with you?

Francois de Valera [00:41:20] Well, I guess there's there's not really one solution for all the different potential scenarios out there. But maybe if you're really struggling and you're having cash flow issues, which I think is a pretty common issue, then maybe you need to consider really downscaling and going back to basics and then starting to rebuild from there. Step by step. So, you know, if if you have a team of ten, but you need, you can't actually do any business without two of them, then unfortunately, you might have to make some tough decisions there and start, you know, work with those two people and try and

build the business back up. I think the other thing that you can do is to, as Andy was saying, make sure you try to get into all the right programmes and look for accelerator programmes that can help you. And also think about, you know, if you don't have the money to do the projects a hundred percent on your own, then think about trying to go into business with an industrial partner or with even with another SME that's maybe a bit further down the line than you are. And that has complementary products and services. Maybe you can piece something together there so that you can not lose the momentum that you have in your project.

Matt Eastland [00:42:25] Okay, that's great. Yeah the power of partnerships maybe can help people through this. And Fanny, what do you think? How do we help each other stay resilient during this time?

Fanny Rolet [00:42:35] Yeah, I think that the best way is to find a partnership with a big industrial company. We need to offer you a solution. For example, we make a strong partnership in cosmetics, but also in agricultural with a big partner. And it's because we we make this product cheap four years ago that we have the credibility to develop our product. The story is good but if you work with a company, will need to put on the market your product. I think it's easier and it's stronger because it's as end consumer who wants your product on the market and it's what's, and they say if you have the same goal, I think it's a good way to develop.

Matt Eastland [00:43:20] Thanks, Fanny. So it feels like there's a running theme here about community and partnerships. And Andy, I'm assuming this is something you agree with?

Andy Zynga [00:43:29] Yes, I do agree with that. On the positive side, again, just as that sort of tip, yes, partnerships are great. And I think when you're struggling, that's key to find the right partners to work with. Be it strategic partners or even investment partners right? So that's one. There's also just as a kind of a thought. And I haven't actually personally tried that in any of the start-ups that I've done. But there's Kickstarter funding, right? So some of these external sources where you can, you know, try some new things. Right again, you got to be scrappy and not fear struggling. Maybe there is a Kickstarter campaign you can get on to with your product or service. And then just just as one said already, you know, scaling down ambitions a little bit, you know, so maybe you say, well, I was going to go international, maybe you just go national for now. Well, again, you postpone and you don't stop it. Or you say instead of three products, I'm going to roll out one product, you know? So, again, it's just to be smart and preserve cash because, again, cash is king, queen and everything else in between. So I think that is the long and the short of it. You got to watch your cash and if you have that under control, you're not going to, well you're going to still struggle. But but at least you can survive. Which I think is the noblest goal of a CEO to do for their business is to make sure the business survives and then thrives. That's the two steps. Survive, thrive.

Matt Eastland [00:44:45] Love it. Thank you, Andy. So scale back as needed. Watch your cash flow. Reach out to your community and partners are required to help you survive through what has been a challenging time. Seems to be the summary here. So thank you for that. So we're now at the end of the show. It's been an absolutely fascinating discussion. So thank you all. But just before we close. Where can everybody find a little bit more about your work? So Francois was where can people find out about you and what you do?

Francois de Valera [00:45:15] Well, we have a website, which is foodsourcingspecialists.com and there's a lot more information on the site right there.

Matt Eastland [00:45:21] Wonderful. Thank you. And Fanny?

Fanny Rolet [00:45:23] Let's say we have also a website antofenol.com and you can find all the information about our services and our products on our website.

Matt Eastland [00:45:31] Great stuff. Andy, if people wanted to reach out to you, where can people find out a bit more about you, where's best?

Andy Zynga [00:45:37] So there's our website that's called eitfood.eu I think we also have a consumer outreach website called Food Unfolded, which is also very good for interactive information about food systems and such. So I think those are the two main vehicles by which one can get a hold of us easily.

Matt Eastland [00:45:59] Superb. Ok thanks, Andy. So I just wanted to say a huge thanks to our special guests today. So Andy, Fanny and François. Thank you very much, everybody.

Andy Zynga [00:46:09] Thank you.

Francois de Valera [00:46:11] Thank you very much. And if I may, I'd just like to say how amazing the EIT Food team has been throughout the whole process. We've been very, very impressed by the efficiency and professionalism of the whole team. And we feel very lucky to be recipients of the funding. Thank you.

Andy Zynga [00:46:26] Thank you very much.

Matt Eastland [00:46:27] That's really kind of you to say. Thank you for that, François. So if you'd like to hear more about EIT Food Covid-19 Bridge Fund and read up about all the other recipients who've gone through it as well do check out our website at eitfood.eu or follow us on Twitter @EITFood. So we'll be back very soon. But until then, from me, Matt Eastland, thanks for listening and keep fighting for a better food future.