



Future Skills Requirements of the Food and Beverage Sector

20 November 2009

Study Objectives – Food & Beverage Sector



- Conduct economic profile
- Describe current & future drivers-of-change
- Profile composition of those employed
- Review 3rd level & agency provision - education & training courses
- Identify the current & future skill gaps
- Assess relevance of education/training initiatives in other countries
- Make recommendations to address the identified gaps

Profile - Food and Beverage Sector



- Gross Value Add €6.9 b (2007), 4% national GVA
- Exports
 - €8.2 b (2008)
 - Increase of €1.2 b since 2003
 - Predicted to grow to €9.5 b by 2011 (Bord Bia)
- Employment
 - 50,000 people employed directly in 2008
 - further 60,000 indirect
 - plus 120,000 farmers
- 586 enterprises (2006) - 93% Irish owned
 - The 7% foreign owned. - 25% of employment

Profile -Food & Beverage Sub-Sectors



Sub-sector – GVA & number of employees

	Meat	Fish	Fruit & veg	Dairy	Grain / animal feeds	Drinks	Other foods	Total
GVA	€745m	€93m	€81m	€854m	€160m	€1,512m	€3,516m	€6,961m
Employees	14,300	2,000	1,500	4,500	2,500	4,300	13,000	42,100
Sector prospects	↑↓	↑	↓	↑	↑	↑	↔	



Of 50,000 employees in sector in 2008:

- Higher proportion of men than women – 70% vs 30%
- 39% (20,000) employed at ‘Plant/Machine Operative’ level
- **62% (30,000) - low or no level of formal 2nd level education – 11% higher than national average**
- **Proportion of employees with low–level education in decline**
- **Those with 3rd or 4th level qualification increasing**
- Significant reliance of non-Irish nationals – 24% vs 11% nationally



- Consumer trends
- Health & wellbeing
- Sustainability & ethical concerns
- Consolidation of retailers
- Policy
- Technology



- Education & Training provision improved considerably since 2003 & is responsive to enterprise needs
- Significant number of new or enhanced courses since 2003
 - ❑ 121 programmes at 3rd level
 - ❑ 67 undergraduate
 - ❑ 25 executive education
 - ❑ 29 post-graduate
- Majority concentrated in one area – ‘Food Science & Technology’
- Approx. 1,000 graduates pa in food-related skills – almost double since 2003
- Overlap in volume of provision in Food Science & Technology area
- Evidence of greater collaboration with industry
- Greater flexibility of delivery at postgraduate & executive education level
- Room for improvement re mix in programmes content & gaps in thematic areas
- Industry – graduates with general sense of needs of business in addition to specialist expertise

Training Programmes & Interventions by State



Development Agency	Area of Focus	Programmes /Interventions
EI	<ul style="list-style-type: none"> ▶ Management/capability development ▶ Innovation ▶ Internationalisation / Exports ▶ Technology 	29 (2)
Bord Bia	<ul style="list-style-type: none"> ▶ Market entry / development ▶ Thought leadership ▶ Networking 	22 (1)
Teagasc	<ul style="list-style-type: none"> ▶ Food safety ▶ Innovation ▶ Quality management ▶ Dairy ▶ Specialist training 	36 (3)
BIM	<ul style="list-style-type: none"> ▶ Entrepreneurship ▶ Management training 	2
FÁS	<ul style="list-style-type: none"> ▶ Meat / seafood Processing ▶ Food safety 	22
Irish Exporters Assoc.	<ul style="list-style-type: none"> ▶ Export advice ▶ International channel management 	2 (1)
	Total	113



- R&D, New Product Dev/ existing product renovation in SMEs
- Up-skilling of operatives in basic skills
- Commercial awareness
- Business skills for owners and managers in SMEs
- Dealing with multiples
- Brand management
- Financial, commercial & business acumen across all functional areas
- Succession & second tier management development

Skill Requirement & Gaps – CEO interviews



Thematic Area	Skills Gaps
<p><i>Internationalisation</i></p> <ul style="list-style-type: none"> ▶ Dealing with the multiples ▶ Doing business overseas 	<ul style="list-style-type: none"> ▶ Commercial & negotiation skills ▶ Key account management ▶ Economic & regulatory aspects ▶ Brand management
<p><i>Innovation</i></p> <ul style="list-style-type: none"> ▶ Commercial assessment of innovation projects ▶ Understanding the retailers needs ▶ Identification & interpretation consumer insights ▶ Transfer of knowledge 	<ul style="list-style-type: none"> ▶ Portfolio management ▶ Ability to understand non-runners ▶ Awareness & understanding regulatory environment ▶ Industrial design ▶ Commercial / business case assessment ▶ Identification of deep consumer / market insights ▶ Incremental / existing product development
<p><i>Lean manufacturing</i></p> <ul style="list-style-type: none"> ▶ Productivity gains & operational efficiency ▶ Cultural shift within an organisation 	<ul style="list-style-type: none"> ▶ Lean / WCM / Six Sigma with food sector experience ▶ Process diagnostics and control, “super-skilled” technicians, crafts
<p><i>Supply chain management</i></p> <ul style="list-style-type: none"> ▶ Central distribution ▶ Efficiencies in supply chain ▶ Managing working capital levels 	<ul style="list-style-type: none"> ▶ Bespoke SCM in-service programmes -tailored & specialist delivery ▶ General lack of awareness of SCM at graduate level
<p><i>Financial and commercial acumen</i></p> <ul style="list-style-type: none"> ▶ Functional linkages ▶ Awareness of return on investment of activities 	<ul style="list-style-type: none"> ▶ Financial/commercial/IT expertise -deliver financial info. across ops ▶ Finance modules at third level
<p><i>Leadership</i></p> <ul style="list-style-type: none"> ▶ Developing leadership skills ▶ Succession planning 	<ul style="list-style-type: none"> ▶ Significant gaps at CEO, senior & middle management, Tier 2 ▶ Leadership & entrepreneurship not adequately covered on graduate programmes ▶ Communication skills



- 62% employees- no formal qualification or only secondary education
- Approx. 121 courses offered by HEIs - some significant overlaps
- A further 113 initiatives on offer by development agencies
- Cos. need to engage more with colleges/development agencies
- 3rd level institutions/dev. agencies need to communicate & promote their service offerings with students & industry
- Some new interventions are required

Overview



	Operative	Graduate	Middle Management	Senior Management
Internationalisation		6		
Innovation			7	
Lean Operations	2		4	
Supply Chain Management		5		
Leadership			8	
Financial/ Commercial acumen		9		
Upskilling Operative / Supervisory Cohort	3			
Special Initiatives	1			

Recommendations



- **Forum** -address ongoing skills, training & development needs of the industry (**DAFF**)
- **Operatives & Supervisors (FÁS)**
 - Operative and supervisor accredited upskilling programme (transferable skills)
 - Operative Technician Accreditation Programme (recognise on the job skills, competencies & experience)
 - 'Craft Accreditations' for operatives (eg deboning, chocolatiers, cheese-making)
- **SCM initiative** - tailored & promoted to food sector to improve competitiveness (**EI**)
- Develop '**Supply Partner Networks**' comprising retailers (with Irish operations), FMCG, Logistics & warehousing companies (**Bord Bia**)
- **Management**
 - Fast-track the dev. of graduates to take on 'head of function' roles (**FÁS**)
 - 'Leadership 4 Growth' programme to be tailored & marketed to CEOs/MDs in food cos. (**EI**)
 - Widespread promotion & roll-out of programmes like EI's 'Transform Programme' to middle management in Food & Beverage sector (**EI**)
 - Develop bespoke modularised interventions to improve commercial acumen of line managers, functional heads (**EI, Bord Bia, Teagasc**)