

MANAGEMENT • INVESTMENT • ECONOMICS • ENTREPRENEURSHIP • TECHNOLOGY

FIVE IMPORTANT TIPS TO HELP NOVICE  
ATHLETES IN SPORTS CONFIDENCE

## Turmeric & Coffee

The Suprising Ingredient Generating Short-Pulsed Laser

## EMAIL CARBON FOOTPRINT

A SOURCE FOR GREENHOUSE GASES EMISSIONS

## Creating Happiness

IN WORK AND LIFE IN SOCIETY: A RELIGIOS PERSPECTIVE

Teknik Pengucapan

# BARACK OBAMA

eISSN 2600-9811

9 772600 981003  
Publication Date  
7 November 2023

Lucas and Goh (2009) has attempted to explain Kodak's failure. They have proposed that middle managers' resistance to change, the company's culture, which was heavily influenced by the idea that "Kodak meant film", and the hierarchical structure at Kodak all contributed to the company's failure to adopt disruptive digital technology (Jonathan Ho & Hongyi Chen, 2018).

Nowadays, when a development is described as disruptive, the implication is that the entire sector has been upended and all technological knowledge has been rendered outdated. It is evident from the aforementioned studies that an innovation can disrupt several competencies in varying degrees. The failure of the Kodak firm has been attributed to a number of factors, such as:

1. Missed opportunities and strategic decisions;
2. Cultural challenges and organisational resistance;
3. Failure to anticipate and respond to market trends; and
4. Financial struggles and bankruptcy.

Kodak is still in business today although with a more constrained concentration on solutions for commercial imaging and printing. The company's history is a cautionary tale in the face of industry transformation because it exhibits both trailblazing breakthroughs and squandered opportunities in integrating digital technologies. These elements were combined to cause Kodak's collapse as it was unable to successfully pivot in the face of digital innovation and missed out new chances in the photography sector. Due to its financial difficulties, Kodak was unable to make enough investments in research and development to maintain its competitiveness.

#### References:

Jonathan C. Ho & Hongyi Chen, 2018. Managing the Disruptive and Sustaining the Disrupted: The Case of Kodak and Fujifilm in the Face of Digital Disruption. *Review of Policy Research*, Policy Studies Organization, vol. 35(3), pages 352-371, May.

Lucas, H. C., Jr., & Goh, J. M. (2009). Disruptive technology: How Kodak missed the digital photography revolution. *Journal of Strategic Information Systems*, 18(1), 46-55.



# A CASE STUDY ON INNOVATION STRATEGIES BY FARM FRESH BERHAD

By Suhaily Maizan Abdul Manaf

Faculty of Business and Management  
Universiti Teknologi MARA Cawangan Terengganu

**Given the rapid market changes and intense competition, prioritizing innovation is crucial for businesses to remain competitive.**

Over the years, Farm Fresh Berhad (FFB) has received feedback, particularly regarding the condition of its milk, for instances of curdling or turning sour. The quality and hygiene of our milk products have been critical concerns, as they can have adverse effects on customer health and perception. As a result, FFB has developed a range of healthy and nutritious products that are free from preservatives, artificial flavorings, coloring, and foreign substances.

Furthermore, we have implemented rigorous inspections and examinations at every stage of our processing

operations to ensure the hygiene and safety of our packaging and handling, preserving the taste and quality of our products.

To tap into a new potential market, FFB has introduced a new product line, Farm Fresh GROW. This decision was based on customer feedback and demand for children's milk that is both nutritious and safe for health. Many existing milk products contain maltodextrin, vegetable oil, and calcium carbonate, which are not suitable for long-term growth in children. The Farm Fresh GROW product line has seen tremendous demand from customers seeking high-quality, nutritious milk for kids at a reasonable price.

Additionally, FFB has experienced high demand from schools and canteen markets for

milk supply, leading to an expansion of its target market and distribution network.

Moreover, FFB has received positive feedback regarding the demand for an increased production of its Yarra Farm product range, which offers milk powder at a lower price point. The company has also achieved success with its best-selling products, including dairy-based Ready To Drink (RTD) chilled yogurt products and plant-based alternatives such as soy, almond, and oat milk.

As recorded, the year 2022 marked FFB's first year as a publicly-listed company on Bursa Malaysia. FFB has provided a comprehensive and detailed account of its operating activities in its inaugural Integrated Annual Report. This report highlights the company's significant achievements, including impressive sales and profits. In 2022, FFB achieved RM501.9 million in sales (compared to RM490.5 million in 2021) and RM78.5 million in profits (compared to RM32.8 million in 2021).





### EXPANSION PLAN

Additionally, FFB plans to expand its production capacity in Kyabram, Australia, to meet the growing demand for exports across the Asia-Pacific region. At the same time, the company aims to enter consumer dairy markets in Indonesia, the Philippines, and Hong Kong. Lastly, in 2021, FFB received the ASEAN Inclusive Business Award, and in January 2022, the company won two awards at the Putra Brand Awards: the Platinum Award in the Beverage (Dairy category) and the Putra Most Enterprising Brand of the Year.



eISSN 2600-9811

### PUBLICLY-LISTED 2022

FFB also secured its assets, expanding its landbank to a total of 5,416 acres in 2022 (from 4,916 acres in 2021) and maintaining a total of 10,309 dairy cows and bulls in 2022 (compared to 9,066 dairy cows and bulls in 2021).

Meanwhile, FFB has successfully increased its product visibility nationwide by leveraging e-commerce platforms, Fresh Farm Mart, home dealers, and regional stockists. The vertical integration strategy adopted by FFB has provided traceability throughout the value chain, optimized cost-efficiency through reduced import and third-party costs, and enhanced competitiveness in the markets.



### INNOVATION STRATEGIES

- 1 Product Innovation
- 2 Process Innovation
- 3 Organizational Innovation
- 4 Marketing Innovation
- 5 Eco-Innovation



### 2 PROCESS INNOVATION

FFB has implemented automated milking stations and an automated palletising system to create an effective manufacturing process. In addition, FFB has also invested in state-of-the-art equipment and progressively upgraded its facilities by equipping its central manufacturing hub. To secure the animal health and welfare practices catered to the tropical climate, FFB has collaborated progressively with tertiary institutions and research firms. This collaboration might create future long-term networking between both parties.



### 1 PRODUCT INNOVATION

FFB has developed healthy and nutritious products, which are free of preservatives, artificial flavorings and coloring, and foreign substances. Besides, FFB has also introduced a new growing milk for children, containing DHA, inulin, zinc, iron, Vitamins A and D, and reducing sugar. In addition, to ensure food safety and quality principles, the production facilities must be in accordance with Good Manufacturing Practice (GMP) and Hazard Analysis and Critical Control Points (HACCP). FFB has also planned to invest in expanding more healthy products that meet the nutritional needs of consumers.



### 3 ORGANIZATIONAL INNOVATION

FFB has applied clear and open communication on products, resale prices, and distributor regulations. Furthermore, they have also penetrated rural schools and canteen markets and provided new sales opportunities by introducing a home-dealer programme.

FFB has intensively implemented certain strategies to cope with its employees, such as handling employees' complaints through clear and open communication, training courses to deliver role-specific knowledge and professional development, providing rewards for employee performance and promoting staff retention, and maintaining high standards in occupational health and safety.

## 4 MARKETING INNOVATION

FFB has introduced digital sales and marketing channels, minimised distribution costs, and engaged a new generation of consumers.

FFB has continuously monitored prices and stock levels of raw materials to pre-emptively manage against volatility in supply and demand. To reduce the rising costs, FFB has increased the use of consumed grain to combat the rising costs from the Russia-Ukraine conflict, while to enhance the cost base and efficiency, the raw materials have been centrally procured to the fullest utilization.



## 5 ECO-INNOVATION

FFB has launched its first biogas plant in the Muadzam Shah and Taiping farms. Furthermore, solar PV projects have been opened in the Muadzam Shah and Larkin processing facilities. Adopting regenerative agriculture practices has reduced reliance on chemical fertilizers and methane emissions from animal waste. The other strategies have been reducing carbon footprint, increasing the proportion of products sold in sustainable and recyclable packaging, and setting specific sustainability-linked criteria for supplier evaluation.

FFB has anchored three key focus areas of Better Dairy, Stronger Communities, and Healthier Planet (Figure 2). For Better Dairy that suits SDG2 (Zero Hunger), SDG3 (Good Health and Well-being), and SDG15 (Life on Land), FFB has focused on producing healthy products, food safety and quality, and animal health and welfare.

For Stronger Communities that lie on SDG3 (Good Health and Well-being), SDG8 (Decent Work and Economic Growth), SDG9 (Industry, Innovation, and Infrastructure), and SDG10 (Reduce Inequality), FFB has created the local economic contribution, employee welfare, and youth outreach.

For a Healthier Planet, the strategies of regenerative agriculture, responsible water stewardship, climate action, and sustainable packaging have been targeted to achieve the SDG7 (Affordable and Clean Energy), SD12 (Responsible Consumption and Production), SDG13 (Climate Action), and SDG15 (Life on Land).



Figure 2. Farm Fresh Berhad Sustainable Focus Areas

## CONCLUSION

Innovation plays a pivotal role in a company's expansion and market dominance. To thrive in today's fiercely competitive global economy, businesses must make efficient and productive use of their resources (Mohd Sam, Subramanian, & Mustafa, 2017). Effective performance measurement supports a competitive environment. As Dagan et al. (2021) suggest, the business landscape, with an increasing number of competitors and stakeholders, necessitates the continuous development of products and services to align with evolving consumer preferences. Given the rapid market changes and intense competition, prioritizing innovation is crucial for

businesses to remain competitive. Moreover, another primary objective for companies is to maximize shareholder value. Dagan et al. (2021) mention that innovation enhances a business's profitability and cost-effectiveness. Concurrently, as highlighted by Mohd Sam et al. (2017), this objective can be achieved by implementing efficient methods that boost a firm's performance and through continuous monitoring of the firm's quality management implementation. The market performance of a company, as reflected in the share price on the stock exchange, serves as an indicator for assessing the firm's growth. In general, analysts consider a company financially secure if it holds a high-value market share, signifying its success in the market.

## REFERENCES

- Dagan, J. G., Rafi, M. R., Sia, Y. B., & Dilla, S. (2021). How business innovation affects a company to improve the organization, entrepreneurship, and business model. *Advances in Economics, Business and Management Research*, 198, 98–102.
- Farm Fresh Berhad. (2022). Annual Report: Fresh From Us To You (Vol. 2010010102). <https://www.farmfresh.com.my/investor-relations/>
- Mohd Sam, M. F., Subramanian, N., & Mustafa, R. (2017). Financial effects of open innovation in the manufacturing companies in Malacca, Malaysia. *Academic Journal of Business and Social Sciences*, 1(1), 1–18. <https://doi.org/10.1108/MD-12-2014-0681>
- Stoknes, P. E. (2022). *Tomorrow's Economy: A Guide to Creating Healthy Green Growth*. MIT Press.
- Trott, P. (2017). *Innovation Management and New Product Development*. In *Innovation Management and New Product Development* (6th ed.). Pearson.



BizNewz 2023  
Faculty of Business and Management  
Universiti Teknologi MARA Cawangan Terengganu, Kampus Dungun  
Sura Hujung, 23000 Dungun, Terengganu, MALAYSIA  
Tel: +609-8400400  
Fax: +609-8403777  
Email: [biznewzuitm@gmail.com](mailto:biznewzuitm@gmail.com)