

MAIN CASE

Prioritising Cooperative Profits

ACC
ASPIRE


Danish Crown

PRIORITISING COOPERATIVE PROFITS

Introducing the case

Living a healthy life has never been easier, but it is still a challenge for many, as the perception of what a healthy life is constantly shifts. Being active alone is not sufficient for individuals to reach their full potential and improve themselves. What we consume and digest is very important for our body to work, which has put a significant focus on the food we buy and the quality of it. On top of this consumers are becoming increasingly more aware of the meat's properties and impact on the environment.

The consumers have, for many years, been offered a wide range of different meat including pork, beef, and poultry. Many consumers are aware that the carbon footprint coming from beef is higher than both pork and poultry. However, many consumers are unaware that pork and poultry are similar in protein, calories, and fats, but also have a similar carbon emission.¹

Consumer trends are constantly changing, and Danish Crown's current focus is on four specific consumer trends. These trends are conscious consumption, ease & convenience, healthy & clean, and new food experience. These new trends are expected to drive consumer growth. Therefore, players in the market must find new ways of offering a healthy and customer relevant portfolio of pork to retain customers rather than lowering prices and increasing marketing efforts.

To stay relevant for consumers, Danish Crown has already begun the transformation from being a meat company to a food company, having pork as the main focus in their business. They are currently working to expand their position by adding value to the unprocessed pork meat throughout the business. This includes all steps in the pig ladder, e.g., from deboning and processing meat to developing concepts and luxury brands. Danish Crown has a strategic target of paying their cooperative owners DKK 0.60 more per kg pork than the EU index.

¹Mogensen, L., Trydeman Knudsen, M. and E. Hermansen, J. (2016) Tabel over fødevarers klimaaftryk. rep. Aarhus: DCA - Danish Centre For Food And Agriculture, page 2.



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Case Questions

Consumer preferences and behaviours are changing rapidly, why predicting future trends is crucial to succeed in attracting new customers and retaining current. The Danish Crown business unit needs your help to ensure pork remains the preferred choice of animal-based protein.

Danish Crown wants you to outline a strategic initiative that can contribute as much as possible to the DKK 0.60 target by 2030. The solution must include the following:

- An analysis of which megatrends will have the most impact on the future consumer and clarify characteristics of the future consumer and their behaviour.
- A thorough analysis of how the initiative reaches and retains the growth in EBIT that is needed to achieve the DKK 0.60 target, and how the initiative will affect sales channels and products.
- Give a description of the strategic initiative and underlying strategic choices.
- Provide a prioritised implementation plan and include an overview of what top 3 risks and mitigations exist within your implementation plan. The implementation plan must include a description of the follow-up process of the initiative.
- Your answer should contain a statement regarding the effect on sustainability.



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Judging Criteria

Solution - 50%	Problem Analysis - 50%
Is the problem statement answered?	Identifying the underlying problems
Feasibility and implementation	Extracting relevant information
Creativity	Proper structure of arguments
Reflect upon risk	identifying future perspective

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