



EU INNOVATE

**SUSTAINABLE INNOVATION IN ACTION:
THE CASE STUDY “SNAPSHOT” SERIES**

LIFEFOOD

Organic Products Meeting Consumer Demand For Healthy Food



This project has received funding from the European Union's Seventh Framework Programme for research, technological development and demonstration under grant agreement no 613194

www.eu-innovate.com

July 2017

About EU-InnovatE

Between 2014 and 2016, the EU-InnovatE project investigated the potential of citizen innovation and sustainable entrepreneurship to achieve sustainable lifestyles in Europe by 2050. The following is one of a series of case study “snapshots” illustrating how new enterprises are being created by passionate, visionary individuals to benefit society at large.

The Case of Lifefood: Organic Products Meeting the Demand for Healthy Food

Czech company Lifefood produces raw plant-based products that are not heated excessively to preserve their nutrients. Products are handmade from ingredients in their most natural form and contain no additives. They appeal to consumers seeking a healthy vegetarian diet.

Lifefood was founded by Tereza Havrlandova in 2006, following visits to USA and Australia that raised her interest in the nutritional, health and environmental benefits of eating food made from raw plant ingredients. On her return to Prague, she realised that raw food or ‘live-food’ products were not readily available in the Czech Republic. Being unable to buy similar food products at home to those she had enjoyed on her travels, she resolved to take matters into her own hands.

Although Havrlandova had originally intended to pursue a diplomatic career, she began importing raw products from abroad to make her own food preparations and recipes. Her efforts were appreciated by friends and family and she quickly perceived that, in addition to meeting her own dietary requirements, there was a business opportunity that could provide her with an income.

As raw food diets were little known in the Czech Republic, she carried out no market research before starting the business. However, growing public interest in eating healthily and the increased availability of ‘free-from’ foods convinced Havrlandova that a local market could be created for her products. She continued to create recipes and experimented with ways of turning her ingredients into energy-bar snacks, and made further plans to develop Lifefood.

Collaborative Innovation in Practice

During a brief period of outsourcing production of her recipes, she became dissatisfied with the quality of the end results and decided to use her own knowledge and experience to prepare raw food meals and snacks. In 2008, she moved with a group of friends into a former bakery in Prague and began producing raw-food products.

Havrlandova and her team converted the bakery's existing ovens to operate at the low temperatures needed in preparing her products. At this stage, a small range of foods were handmade and sold at a Lifefood raw-food bar in central Prague, to health food shops and more widely through the company's website.

During the early stages of the business, banks were reluctant to fund Lifefood. To kick-start her enterprise, Havrlandova borrowed money from friends, family and interested parties, but in 2009 – while promoting her products at a food fair – she met Klemens Reif, a fellow entrepreneur from Germany. He was immediately struck by the potential for raw food products and successfully sought German investment to help grow the business. Reif took a non-controlling stake, opened up a Lifefood operation in Germany, and used his marketing experience to extend operations internationally. The investment enabled Havrlandova to buy new equipment, expand handmade production and visit food fairs, such as 'RawFest', to promote her products.

With enhanced promotions and consumer education, public knowledge of and willingness to purchase and consume raw food increased. This development worked strongly in Lifefood's interest and fueled the growth of the business. By 2011, three-quarters of the company's products were sold outside of the Czech Republic, especially online from the website. Operations were opened in the Netherlands and France and sales increased at over 60 percent annually. To meet ever-increasing demand, 130 people were employed in Prague and the production site was tripled in size.

Summary of User-Driven Innovation

Whilst travelling abroad, the founder of Lifefood became a consumer of raw foods. Unable to purchase similar foods back home, she recognised a niche business opportunity which she filled by setting up her own enterprise. A fellow enthusiast for raw food from Germany, who had business experience and contacts, enabled Lifefood to expand and transform the enterprise internationally. Consumer demand for convenient snack bars influenced Havrlandova to experiment with, and develop, an innovative range of raw food products that proved to be popular with customers.

Influence on Core Business

Lifefood was initially influenced by the founder meeting people abroad who enjoyed raw food diets and visiting outlets that supplied the necessary ingredients and products. On returning to the Czech Republic, an inability to purchase the same ingredients and products inspired Havrlandova to set up her own business and create a new market at home and shortly afterwards in other European countries. Expansion of the business was driven by growing awareness of the benefits of a raw food diet and, with this, increasing consumer demand for the Lifefood products.

Cross-Sector Relevance: Top Three Insights

- A gap in an existing specialist market can be an opportunity for a new business.

- Replicating successful products and services found elsewhere in the world can be the basis of a new business.
- When launching an unknown product or service, direct market research is not always a viable option. 'Gut instinct' of the potential for success has to be followed, backed up by promotional campaigns and consumer education.

To Learn More About the Case...

Please contact the lead investigator from the EU-InnovatE research team:

Marta Struminska-Kutra, Kozminski University – martastr@kozminski.edu.pl

Further Information

Lifefood: www.lifefood.eu

Kozminski University: www.kozminski.edu.pl