



Feeding the Future of Humanity



With nearly half a century of combined experience between them, Ilanit Kabessa-Cohen and Dr. Uri Weinheber share their unique views on the nouvelle cuisine that is investments, innovation, corporates & startups.

From the startup nation of Israel, and as new partners of Novozymes, in a special interview for HelloScience, they look at the different ingredients – of multinational corporates, science, innovative technologies and food – that can drive successful venturing in the food tech space.

‘Feeding the Future’ is a reference to the rising global trend within traditional and conservative food industry towards a healthier and environmental-aware future using advanced technology and science – foodtech.

Why Food Tech? What is so unique in this industry – that attracts both corporates and investors to this space?

Weinheber: I think that there are at least three trends driving the food tech industry and making it so attractive to investors and innovators and driving innovation in the agri-food segments: 1) The UN Sustainable Development Goals (SDGs), 2) Growth of information technology and 3) Public awareness.

First, the SDGs (Sustainable Development Goals) adopted by the UN back in 2015, represent a major change in the market, and food, wellbeing and nutrition are playing a key role in the SDGs.

The SDGs reflect changes in global priorities and more funds and efforts are directed to develop solutions for these challenges – especially as many players across sectors and governments focus on issues such as SDG 2 (Zero Hunger). There is also growing focus around these issues through their connection to climate via the UN Framework Convention on Climate Change and the UN Food Systems and Nutrition Summit that will happen later this year.

At the same time, we are seeing huge growth of information technologies in general and specifically data science, AI and ML (artificial intelligence, machine learning). These technological capabilities offer major advantages to the market segments where they are applied and open a wide range of opportunities in optimization and improvement of existing tools and processes.

I would also highlight the change of public awareness, the end customers and consumers, where healthy nutrition and wellbeing are more important than ever before – and where the Covid-19 pandemic has pushed this trend even further.

Kabessa-Cohen: The other side of the coin are the AgriFood industry players, who are driving the movement toward new technologies and investments from within.

It's worth remembering that the industrialized food sector as we know it today was born during World War II when there was a need to feed many people with very little resources, especially fighting troops.

This 1st wave of food technologies was focused on food preservation and the creation of shelf stable packaged food. The globalization of food multinationals in the 80's and 90's brought along the 2nd wave, linked with increasing efficiency of mass production, automation, and operational and marketing excellence. This industry "modus operandi" which was established over the years gave many populations worldwide access to affordable food. At the same time, we became aware of the side effects of the unhealthy ingredients and the rise food-related diseases, not just in terms of potential issues such as Salmonella but also diabetes as well as conditions and illnesses potentially triggered by poor diets. The very recent Covid-19 pandemic exposed the crucial and interlinked relations between people's health, planetary health and our food systems. The size and the gravity of the problem is now recognized by the wide agri-food industry and the whole world. That's why we are seeing an accelerated effort to develop and adopt new food & nutrition technologies. These includes plant-based foods, alternative proteins, healthy ingredients, waste-to-value technologies, computer vision solutions across the value chain, controlled environment systems (vertical farms), bio-foods (cell-based), and more. It's a moment of disruption in the agri-food industry and an opportunity to create healthy and sustainable solutions via new technologies – and new growth opportunities.

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About Uri & Ilanit

Dr. Uri Weinheber is an experienced investor and a venturing expert, with a long track record of VC investments and acceleration of technological startups.

Weinheber's investments include RedisLabs, a \$2 Billion software startup, TalkSpace, a \$1.4 Billion tele-therapy startup, Traffix, a telecom startup acquired by F5, Corrigan, a software startup acquired by eBay, ChameleonX, a media software startup acquired by Akamai, and many others.

Weinheber served as CEO and managing partner at the Time Group, one of the largest early-stage investment groups in Israel, as partner at Cathay Innovation, a global VC fund, as an investments advisor to Michelin (automotive), Dole (agri-food), Bazan (Energy) and many others. He is also a 3-time winner of "The Best Incubator in Israel" award from the Israeli Ministry of Economics.

Ilanit Kabessa-Cohen is an agri-foodtech expert, Venturing & Innovation leader with a proven track record earned over the past 20 years. Career positions include: Head of Dole Ventures, Head of Innovation and Digital Business unit, Nestle, and Head of Nestle Open Innovation Hub in Israel. All positions were founded and established by Ilanit, including building the unit, processes, team and end-to-end responsibilities.

The two experts work together for more than a decade and combine their expertise: Kabessa-Cohen brings foodtech, corporate innovation and trend analysis skills, and Weinheber adds his investments expertise, working with startups and venturing experience. Together they team up to provide a multi-dimensional growth engine

Looking back, what is the difference between the current state of investment and innovation as compared to the previous decades?

Kabessa-Cohen: My own innovation journey over the past 20 years and my collaboration with Uri along the last decade, is somehow a reflection of the evolution of corporate innovation models next to change in investment models. From internal innovation at Nestle and the rise of open innovation models, to corporate venturing at Dole and at NovoProteins by Novozymes.

Around a decade ago the prevalent model was one of internal innovation. Then the industry realized that growth, typically in low single digits, was not sufficient. The Open innovation wave that followed drove companies to experiment with outside-in technologies, recognizing – over time – the gap and complexities between corporates and startups and long lead time to business value. The corporate venturing model is an

advanced hybrid approach and response to that. We're working to connect corporates' strategic business targets with external collaborators to build win-win partnerships, while applying funding and support mechanisms which are more typical in the Venture Capital world. This requires a new type of inter-disciplinary knowledge at the interface between corporates, startups and the ecosystem around them, as well as a new set of tools to deliver results.

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Weinheber: The most important recent shift in the innovation & investment landscape is the new position of the global corporates, the role they're taking and the risks they are willing to take. Large companies now understand, more than ever before, that growth and growth engines are driven by their ability to be innovative, to invest in young promising startups, to find synergistic technologies in their ecosystem. We live in an increasingly open and innovative world and global corporates understand that, and they are increasingly acting upon this opportunity.

The corporate venturing model has more than one single form of activity. These include direct investments in innovative startups; investments in VC funds- mainly ones that work in a specific and/or synergistic market segments ; Open innovation labs, supporting collaboration methodologies with technological startups ; MNC collaborations, where several corporates work together in a consortium to support innovative startups in a specific field ; Partnerships between public and private (corporate) organizations to fund and back innovative research and development ; Joint Ventures, CVC's and more.

The bottom line is that when you apply the right tools, for a Multi-National Corporate, the results can come much more quickly and effectively.

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Uri, we see in your background that you are very much involved in Impact Investments and Ventures. Can you share your views on these?

Weinheber: For many years impact investments were seen as a philanthropic act, as most of those impact investments showed low rates of return and limited success. But this has changed in the last few years. We all now understand that doing good, supporting important values, enabling environmental technologies and climate positive innovations can generate not only a better world for us all, but can also generate positive business models and profitable activities. I'm involved in impact investments in agriculture, renewable energy, environmental safety technologies and many others, and I see many corporates and VC funds following these models whilst still aiming for a strong Return on Investment (ROI).

How do you identify a good investment in young startups? What's the secret?

Weinheber: It is true that young startups are often harder to analyze, and much more than mature startups where results – revenues, profitability, experience from previous investment rounds, market acceptance, growth rates – are keys in the assessment processes. But from the dozens of investments I've led over the years, you learn what to look for and what questions need to be asked. There are many factors at play but the first thing is always the team, and then trends in the market, the uniqueness of the technology, the competitive advantage over existing and future competition, strength of the IP (intellectual property) – and when you get the full picture, investment processes are made easier. It is never a walk in the park, but by building out a professional assessment analysis, the process is easier and more effective.

Kabessa-Cohen: Based on Uri's many years of successful investments and on my expertise in analyzing trends and consumers behaviour, together we built an analytical toolbox to analyze business and technology opportunities. We're using multiple AI tools covering multiple angles to create an holistic view and provides rigorous, systemic process to guide and inform scenario planning. In short, we're enabling digitized decision making, enabling us to enhance the quality of our work.

About Uri & Ilanit

Ilanit has developed innovation and collaboration portfolios for over 20 brands, bringing hundreds of products to market. She has been working in the Agri-Food startup scene since its nascent days and is an instrumental member as co-founder of the Israeli Agri-FoodTech ecosystem as well as an active player in the Global Agri-FoodTech VC scene.

Uri's academic background is rooted in STS studies (Science, Technology & Society) and his PhD research investigated the influence and inter-correlations between digital technologies development and social & regulation changes.

Weinheber's book (Techno.Human, Resling Books Publishing, 2020) sheds new light on the blurring lines between humans and information technologies, and the one-way process of shifting responsibilities from humans to digital technology.





What do you both bring from the Israeli ecosystem to global activities of venturing and investments?

Weinheber: The Israeli innovation environment is very present in our day-to-day life – and has been for decades. In fact, it is part of our culture. Startups in Israel are everywhere – around 7000 startups for a population of 9 million people is amazing. People are open minded and are willing to take risks, to learn from their mistakes, to try, fail and try again, to challenge conventions.

This is a very innovation-friendly mindset and entrepreneur-supportive mentality. Innovation is often seen as a must-have ingredient in all types of companies, and this counter-conservative approach generates interesting business and technological opportunities. We try to bring this open-minded notion to the global venturing and investment activities, and we find that the crossroad of innovation openness and traditional corporates can generate smart, fast moving, efficient growth engines. Corporate venture capital – CVCs – are an efficient vehicle that align financial and strategic upsides for multinational corporates and are becoming ever more involved in startups ecosystem, mainly in their growth phases.

You have worked for many years to foster collaborations between the global corporate world and the innovative young startups. What makes this space so attractive and desirable in your view?

Weinheber: Yes, you are pointing out a very important aspect of what we do. I think that young technology startups, even if they are very innovative, talented and experienced, very often fall short and miss their targets when approaching the market. They often lack the resources, the experience, they lack the global positioning, and the network. On the other hand, multinational corporates, MNCs, have all this, but they lack the entrepreneurial spirit, they lack the spark, the innovative products and technology, they usually move too slow and they fail in delivering on time to market needs.

When you connect these two different types of companies, the fast speedboat startup and the heavy solid corporate ship, good things happen. If you do it in a smart way, if you combine their advantages and help them work together, it's a win-win collaboration, it's a profitable alliance, it's what we call the 'one plus one is ten' model. It's not an easy task to assess opportunities, make the right connections and provide a supportive infrastructure, but we have been doing this for years now and when it's done right and done well the end results are amazing.

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Where is this all heading? How will the technology investment world look like in the coming years? What will the next trends look like?

Weinheber: Niels Bohr – the Danish physicist – I think said that it's difficult to make predictions, especially about the future! But I think that several aspects of emerging trends can already be seen and that will impact the coming years.

I believe that we'll see more and more corporate funds involved in innovative technology investments and building future growth engines. I think that we'll see more investments in AI and machine learning technologies in low-tech segments: AI and ML will change the food industry, the agriculture, the industrial market, building

and infrastructure, energy and supply chains.

The hierarchy of global values is also changing and hence supportive technologies are being developed – so we'll see more corporate and governmental investment in environmentally friendly technologies, health and nutrition technologies will boom and as I said before – impact investments will become a central segment in the investments world and triple bottom lines (financial, environmental and social) will be seen as a “must have” rather than a side benefit.

Furthermore, changes in investment priorities will not only generate better companies and better return on those investments, but will also help us shape a better world, and I think that's great news.

Kabessa-Cohen: There is a global need to feed growing populations, and provide a healthy diet within our planet boundaries. The World Economic Forum has predicted that we will need to double our protein production to meet the needs of 10 Billion people in 2050.

One of the greatest growth opportunities in the foodtech sector is the fermentation derived alternative protein space. This is the sometime referred to as the rise of bio-foods, harnessing the power of biology to create new and sustainable food sources. With key capabilities in place today, and with long heritage in fermentation, companies like Novozymes are well positioned in the fermentation-derived advanced protein space.

Another interesting trend is waste-to value, utilizing agri waste, food waste or by-products of agri-food production to create new applications. Dairy by-products can become sustainable packaging, fruits peels become nutritious ingredients, vegetables leftovers becomes spray to extend the shelf life of fresh produce and much more. What McDonough & Braungart envisioned as “Cradle to cradle” 20 years ago is becoming a reality – this is the real dawn of the circular economy.

We will see also more multinationals accelerating their efforts in developing healthier and sustainable solutions in the agrifood sector. However, one company alone cannot make the change needed in this massive 8 Trillion dollar industry. The size of the problem and the size of the opportunity are so massive that it requires interdisciplinary knowledge, innovation-investment expertise, multi-stakeholder collaborations and multi-funding approaches.

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