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DEPARTMENT COMMENTARY, 17 JUNE 2026

The Department of Environment, Food and Agriculture (the Department), as G Shareholder, received a draft report titled 'Current Situation Assessment', from the board of Isle of Man Meat Company Ltd (IOMMCL) in February 2025. It is understood that the report was supported by the Department's then Chief Officer, Scott Gallacher.

The Department reviewed the report and instructed the then Chief Officer (Scott Gallacher) to provide extensive feedback to IOMMCL from the Department.

From the work undertaken by the Department, the validity of the report, as a whole, was questioned. It was not clear who undertook the research work to inform the document or who was consulted and involved in the work, but the Department was aware that a number of key individuals were not involved and a number of significant documents and records were not taken into account.

In recent months the Department, via the new Chief Officer, Tim Cowsill, has liaised with IOMMCL via the new Chair of the Board, regarding the report (noting it has never been accepted by the Department, but that there remained a commitment to publication). During these discussions, the Department was provided an updated version of the report, dated June 2025, and this has now been reviewed.

It is concerning that the overriding view of the Department remains that the report still contains a number of inaccuracies and does not represent accurately the work undertaken by the previous board and management, with areas of detail still awaiting completion over a year since the report was first seen by the Department.

The Department has applied redactions to the report where necessary. These relate to commercially sensitive information, personally identifiable information, and to sections where the Department can evidence that the content is inaccurate or reflects personal opinion rather than verifiable fact.

It has been difficult to conclude the report given the then Chief Officer, the author(s) of the report, and the General Manager of the Company are no longer in post. To that end the Department and Chair of the Board of Directors for IOMMCL are focused on developing plans for the future of the plant, and driving performance improvement, rather than continuing to review the draft report.

The Department does not accept the report.

IOM Meats

Current Situation Assessment

June 2025

NED Chair - Executive Summary: The Next Chapter for Isle of Man Meats

June 2025

Introduction

Isle of Man Meats has been through many chapters in its history, each written by those who have worked tirelessly to secure its future. We recognise and appreciate the contributions of all those who have come before us. Now, as we move forward, it is time to turn the page and commit to a bold, structured plan for lasting improvement—one that will restore confidence, enhance commercial viability, and secure the plant's future for our farmers, butchers, and the wider Isle of Man economy.

The 5S Plan: A Strategic Roadmap for the Future

To address the challenges identified, the Board developed the **5S Plan**. This was (and remains) a focused, actionable framework designed to drive meaningful change. This plan commits Isle of Man Meats, alongside its key partner DEFA, to a structured **three-year transformation**, ensuring financial sustainability, operational excellence, and long-term industry credibility.

1. Sales: Strengthening Commercial Viability

- Immediate shift from reactive, low-margin / no-margin sales to a **dynamic pricing model** that reflects market realities.
- Clear **sales strategy** balancing **on-Island and off-Island sales** (targeting an increase from 20% to 40% local sales).
- Investment in **product quality improvements** to regain market confidence.
- **Elimination of distress selling** and introduction of a structured **customer segmentation strategy**.

2. Staff: Building a Skilled & Motivated Workforce

- Implementation of **standardised employment contracts and transparent pay structures**.
- **Cultural reset initiatives** to improve workplace morale, accountability, and professionalism.
- Leadership transformation—appointing a **General Manager focused solely on operations**, rather than automatically serving as a Non-Executive Director (NED).
- Introduction of **ongoing skills development programmes** for staff at all levels.

3. Stats: Enhancing Data & Decision-Making

- Appointment of a **practical, factory-focused management accountant** to provide real-time financial visibility.
- **Full utilisation of HCS and Sage systems** to improve cost tracking and operational insights.
- Development of **clear product costing methodologies** to ensure pricing decisions are based on accurate data.
- Structured **management reporting framework** to enhance accountability.

4. Safety & Security: Ensuring Compliance & Confidence

- Immediate action on **regulatory breaches**, ensuring compliance with UK and industry standards.
- Appointment of a **7th NED** with a dedicated focus on **Health, Safety, and Technical Compliance**.
- Enhanced **training and investment in workplace safety**, ensuring site-wide risk mitigation.
- Introduction of **clear cybersecurity protocols** to protect sensitive business information.

5. Structure & Systems: Strengthening Governance & Operations

- Review of the NED Board in **September 2025** to assess progress and address skill gaps.
- Future NED appointments to include a **Branding & Marketing expert** and a **Finance professional**.
- Implementation of a **procurement plan** to align livestock supply with commercial strategy.
- Establishment of **clear maintenance planning**, including critical spare parts inventory and preventative maintenance schedules.
- Refinement of **HR structure**, including a **People & Culture Business Partner** to drive workforce transformation.
- Introduce a temporary **Project Management Resource** to **drive the change program of works** whilst we hire and integrate the new Senior Leadership Team.

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Delivery Foci and Actions

The following briefing details the previous situation that existed at IOM Meats as a baseline against which improvements have been made, and shows what steps have already been taken, as well as further steps which are planned.

General approach

A clear approach to development has been identified and implemented. This is as follows:

1. Improve operational reliability – improving service to farmers and customers
2. Improve operational efficiency – improving cost of operation of the plant
3. Ensure that the plant has high technical performance
4. Improve sales performance

Overall improvement can only be made if several of the underperforming components are addressed concurrently.

Factors required to deliver the general approach

Operational reliability

The operational reliability of the plant is a function of a number of factors;

- 1) An understanding of the ongoing needs of the plant
- 2) An understanding of the maintenance which is required: Urgent, important, and ongoing
- 3) The creation and delivery of a maintenance manifest
- 4) The gathering of the appropriate spare parts which can be used to quickly address breakdowns
- 5) Establishment of effective senior management in the plant, including appointment of new staff and, if necessary redeploying of existing staff
- 6) Assessment of plant requirements for operatives
- 7) Identification of high and low performing staff, including attendance, training levels and skills
- 8) Mapping of the key competencies of each staff member, and identification of training needs
- 9) Sourcing and appointment of additional operating staff from overseas
- 10) Delivery of effective ongoing management of operational staff
- 11) Delivery of effective ongoing management of senior staff
- 12) Delivery of a two stage review of staffing to ensure that the factory team are appropriate for the required tasks;
 - a. Identification of existing staff which are delivering their roles effectively and those which are not
 - b. Identification of external recruitment necessary to ensure that the staff team is fully resourced and effective.
 - c. Removal and, if necessary, replacement of staff who are not fulfilling their roles
 - d. Appointment of external operatives to facilitate the optimisation of staff within the plant (complete)

Operational efficiency

The operational efficiency of the plant is a factor of multiple different components. These are broadly as follows:

- 1) The range of products and the simplicity/ease with which these can be delivered
- 2) The ability of the plant to plan to most effectively delivery against intake and orders
- 3) The ability to fully staff the plant with a full complement of skilled individuals
- 4) The ability to have training staff on the line to continuously monitor quality of delivery and provide training where necessary.
- 5) The overall training level and competency of staff in the plant
- 6) The level of effective management that is in place
- 7) The ability to have good feedback from the sales team and from customers to allow effective production planning and quality development.
- 8) The ability to fully maintain the plant and to deliver preventative maintenance to avoid breakdown. The ability to maintain an appropriate inventory of spare parts to allow rapid repair if common breakdowns occur.
- 9) The ability to gradually increase the speed of the plant, and redeploy staff to cleaning, maintenance, packing and other duties, enabling the plant to gradually reduce the number of staff necessary to operate the plant, reducing the overhead costs associated with operating the plant.
- 10) Data collection is a critical component of improving factory performance
- 11) Data collection in IOM Meats is still sub-standard but is being addressed
- 12) The HCS system is not delivering the information which is needed. The system is out of date and has not been updated as HCS would recommend. The plant is currently assessing what is required and will specify the outcomes which are required.
- 13) 
 - a. 
 - b. 
 - c. Product costings were not available
 - d. Pricing and pricing control was completely inadequate, undermining the ability to sell 
- 14) A practical financial manager was recruited: . She was given a remit to address the key challenges in a sequential manner, according to the urgency of the task
 - a. Finances first – ensuring that cashflows, profit and loss, accounts are brought up to date
 - b. Product flow and stock control – ensuring that product can be followed through the factory and that stock holding and sales can be properly managed. Part of this role is to ensure that SOPs for data entry are correct, that individuals are trained and that the procedures are followed.

- c. Product costings – ensuring that, over time, all products sold by the factory are fully costed, allowing appropriate pricing
 - d. KPI monitoring – ensuring that, over time, factory KPIs are collected and monitored in real-time, allowing early warning of emerging challenges.
- 15) Financial data flow in the factory has been substantially improved, but considerable further work is required, with KPI data, stock holdings and sales data all requiring further improvement.
- a. The HCS system in particular needs updating. This is currently being defined
 - b. IT, data storage, and broadband access needs urgent improvement. This is currently out to tender.

High technical performance

The technical performance of the plant has an impact on the type of customers which can be served, as well as the number of customers.

- 1) [REDACTED] Significant steps have been taken in order to raise performance levels.
- 2) A new Head of Technical [REDACTED] has been appointed, and a technical development plan is being developed and implemented.
- 3) [REDACTED]
- 4) [REDACTED]
- 5) Training and supervision was implemented in order to reduce carcass contamination levels, with [REDACTED]
- 6) [REDACTED]
- 7) Shelf-life trials have been completed and the findings are currently awaiting approval from government which will allow product to be marketed more effectively.
- 8) Two detailed health and safety reviews were delivered, with key risks being identified and addressed.

Sales improvement

- 1) Sales prices have been reviewed and altered (if necessary) on a bi-weekly basis, enabling the gap between buying price and sales price to be closed. The aim is to get to a positive buy-sell so that the more animals are processed by the plant, the more contribution there is to overhead costs.
- 2) This is currently very close for cattle, and if the very rapid price inflation for cattle had not occurred this year, it is likely that a consistently positive buy-sell would have already been achieved.

- 3) A consistently positive buy-sell for lamb is more difficult to achieve, and there is a need to identify and consistently supply higher value sales outlets. The more 'downmarket' sales outfits are being gradually avoided.
- 4)

[REDACTED]

[REDACTED] Sales have been divided into on-island and off-island. An on-island sales officer is being appointed, and an off island agent has been appointed who is being closely monitored by the General Manager. A range of new sales outlets have already been developed.
- 5) The IOM Meats reputation is being slowly rebuilt through the following actions;
 - a. Production of appropriate quality of product
 - b. Rebuilding of relationships with on-island butchers
 - c. Ensuring that orders are promptly taken and correctly delivered and that communication is good
 - d. Development of new sales relationships off island
 - e. Ensuring that orders are promptly taken and correctly delivered and that communication is good.

Planning

A key finding from the Birnie report was that there were very limited levels of planning in the factory.

Three plans are required, and these are now in the process of being developed. These plans take a short, medium and longer term view.

- 1) **Sales plan.** Ultimately the factory activity must be sales led. There needs to be a balance between on-island and off-island sales. Sales actions need to be planned.
- 2) **Operational plan.** An operational plan needs to be created which schedules the necessary production, the departmental actions and targets, training which is needed to match customer demand, investment in machinery to maintain high levels of reliability, the staff needed to deliver against requirements, the management system and monitoring which is necessary.
- 3) **Procurement plan.** Finally, a livestock procurement plan is necessary to address the supply needs of the factory.

Sales Plan Structure

1. Predict the volume and type of product which IOM Meats will be able to sell over the next 12 months.
2. Determine the peaks and troughs of supply which will occur
3. Identify the customers which are likely to take product and predict the volume
 - a. Certain
 - b. Likely
 - c. Possible
4. Break down customers into
 - a. on-island and off-island
 - b. Premium market
 - c. Standard market
 - d. Bottom end market
5. Determine the product specifications which the different customers may require
6. Deliver product costings to facilitate sales decisions
7. Build yield models to facilitate pricing
8. Regularly review pricing
9. Predict the volume of supply which the customers are likely to take
10. Identify the additional volume requirements which are necessary to sell all of the product from the island
11. Identify target customers for additional product sales
 - a. On-island
 - b. Off-island
12. Visit all on-island customers, existing and potential
13. Deliver exceptional on-island service to customers
 - a. GM to keep regular contact with customers
 - b. Account Manager to be appointed on island
 - c. Receive feedback from customers
 - d. Build a database of feedback about ideal product type and specifications to guide long term direction of procurement
14. Identify appropriate sales representative in mainland GB.
 - a. Identify potential off-island customers in conjunction with the sales representative
 - b. Prioritise customers and deliver visits
 - c. Agree supply and obtain customer feedback
 - d. Build a database of feedback about ideal product type and specifications to guide long term direction of procurement
15. Understand product specifications which are required
 - a. Breed
 - b. Weight
 - c. Age
 - d. Fat class
 - e. Conformation
 - f. Supply period
 - g. Maturation
 - h. Cut specifications
 - i. Life
16. Set sales targets
 - a. On-island

- b. Off-island
- 17. Monitor progress against sales targets
 - a. Overachievement (and why)
 - b. Underachievement (and why)
 - c. Response to underperformance
 - d. Actions planned/Actions taken

Operational Plan Structure

1. Define operational KPIs which will be used to manage the plant
2. Determine how the KPI data will be collected
3. Implement KPI collection procedures
4. Report KPIs at each SLT meeting
5. Create feedback loop to operational staff to allow buy-in to programme
6. Predict the volume and type of product which IOM Meats will be able to sell over the next 12 months.
7. Determine the peaks and troughs of supply which will occur
8. Identify industry standard processing times for different species
 - a. Cattle
 - b. Sheep
 - c. Pigs
9. Identify the maximum likely speed at which each of the three species can realistically be processed in IOM Meats.
10. Identify the staffing numbers required to deliver slaughter and processing of each species
11. Identify staffing contingency required
12. Identify training and skill levels of each member of staff
13. Deliver training to ensure cover for each role for holidays and absences
14. Review high, medium and low performers
15. Review attendance of each member of staff
16. Identify staff which may need to be replaced, augmented, or trained
17. Identify staffing requirements for each factory function
18. Implement new staffing contracts prioritise performance and attendance
19. Place staff in required department
20. Set operational targets
 - a. Slaughter speed
 - b. Carcass contamination
 - c. Start and finish times
 - d. Yielding
 - e. Waste
 - f. Personnel Attendance
21. Identify high performing staff for further development and advancement
22. Implement advancement programme

Procurement Plan Structure

1. Predict the volume and type of product which IOM Meats receive over the next 12 months.
2. Determine the peaks and troughs of supply which will occur
3. Receive feedback from sales about the product specifications and supply numbers which are required
 - a. Cattle numbers, weights, grades, breeds and other attributes
4. Identify supply type and profile from each farm for each species
5. Identify key farms for engagement
 - a. Identify those farms where improvements can be made
 - b. Identify those farms which could potentially produce product at a specific time
 - c. Identify those farms which could potentially produce product of a specific type
6. Design a farmer engagement process
 - a. Timetable engagement
 - b. Appoint one/two people to deliver producer engagement
 - c. Record agreements at each engagement
 - d. Record likely supply type, volume and timings from each farm
 - e. Make agreements with selected farms for supply
7. Deliver ongoing farmer engagement (four-six visits per week).
8. Research a medium to long-term development programme to focus farm production on customer need
9. Design a programme to focus farm production on customer need
 - a. Breed
 - b. Weight
 - c. Age
 - d. Fat class
 - e. Conformation
 - f. Supply period
10. Engage with farmer groups in designing a method of changing on-farm output
 - a. Advice provision
 - b. Feedback to farmers
 - c. Financial reward
11. Implement change programme

KPIs

The following table outlines KPIs which the factory is currently monitoring

Component	Previously	Now
Sales	Sales were being monitored, [redacted] [redacted] [redacted]	Sales are now being much more closely monitored and the accuracy of ordering is now almost 100% correct. [redacted] to enter figure here
Stock control	Stock control was exceptionally poor [redacted] to describe	Stock control substantially improved [redacted] to describe
Carcass contamination	Sheep: 40%? Cattle: 30%? [redacted] to enter figure here	Sheep: X% Cattle: X% [redacted] to enter figure here
Staff attendance	February [redacted] to enter figure here	June [redacted] to enter figure here
Slaughter line speed	February Sheep: [redacted] to enter figure Cattle: [redacted] to enter figure	June Sheep: [redacted] to enter figure Cattle: [redacted] to enter figure
Breakdowns	Number: October-January [redacted] to enter figure	Number: February-July [redacted] to enter figure
Packed product life	Sheep: 9 days? Cattle: 11 days?	Sheep: [redacted] to enter figure Cattle: 42 days?
Data collection (cashflow)	February Ability to obtain cashflow [redacted] to describe	June Ability to obtain cashflow [redacted] to describe
Data collection (factory KPIs)	February KPIs accurately measured [redacted] to describe	June KPIs accurately measured [redacted] to describe
Average sales price	February Sheep: [redacted] to enter figure Cattle: [redacted] to enter figure	June Sheep: [redacted] to enter figure Cattle: [redacted] to enter figure
Average buy sell	February Sheep: [redacted] to enter figure Cattle: [redacted] to enter figure	July Sheep: [redacted] to enter figure Cattle: [redacted] to enter figure
Health and safety	Number of recorded non-conformances [redacted] [redacted]	Number of remaining recorded non-conformances [redacted] [redacted]

Summary of people challenges

Summary of Key Issues

1. People and Culture Challenges

People and Culture Challenges	

2. Leadership

Leadership	

3. Skills and Operational Inefficiencies

Skills and Operational Inefficiencies	
	Engage external trainers for certifications such as and

4. HR Support

HR Support	

Staff Appointments

Senior Leadership Team

Team member	Role	Commencement Date
	General Manager	
	Head of Production	
	Head of Finance	
	Head of Technical and Procurement	
	Head of People	

Operatives

 to enter details here

Production area	Number of starters	Commencement Date

Appendix: Business Summary

Challenges to address

1. Commercial Assessment

Pricing Strategy:

Achieved prices for boxed beef, lamb, and pork consistently fall below budgeted prices, leading to significant revenue losses:

Boxed beef: £ [REDACTED] k below budget in six months.

Lamb and pork: £ [REDACTED] k below budget.



Reputation and Market Position:



Commercial Strategy:

No clear strategy for managing beef sides and lamb carcass sales.

Persistent buy/sell losses for lamb (£ [REDACTED] k) and beef (£ [REDACTED] k) since July.

Missed market opportunities, such as increasing prices during UK beef shortages.

Accountability:



2. Systems Assessment

Underutilization of Systems:

The HCS system is capable of tracking meat movements and generating useful reports but is not fully utilized by the plant's management.



Continuous Improvement:

The Sage accounting system is not optimized for plant needs

3. Leadership and Strategy

Vision and Leadership:

approach has been reactive, focused on crisis management, and reliant on external financial support.

4. Commercial:

Proposed Solutions

1. Commercial Overhaul

Pricing Strategy:

Develop and implement a dynamic pricing model based on market trends and primal pricing data.

Train the sales team to balance the carcass to maximize value across all cuts.

Set clear pricing policies that prioritize profitability, including a policy to export frozen meats to the UK and restrict local sales to fresh products.

Customer Segmentation:

Reassess and diversify the customer base, targeting higher-value clients in the UK.

Engage in quality improvement initiatives to rebuild the plant's reputation and attract premium customers.

Market Intelligence:

Regularly monitor market trends for beef, lamb, and pork to adjust pricing strategies.

Invest in training staff to understand and respond to market dynamics effectively.

Accountability:

Implement a robust system of accountability with clear KPIs for the commercial function.

Tie employee performance reviews and incentives to financial and operational outcomes.

2. Systems Optimization

HCS System:

Conduct training sessions for all staff to ensure full utilization of the HCS system.

Establish mandatory reporting protocols using HCS to monitor performance and ensure accountability.

Sage System:

Conduct a system audit to identify areas for optimization.

Train users on advanced Sage functionalities to improve reporting and decision-making.

Continuous Improvement Culture:

Appoint a systems improvement lead to oversee technology optimization and adoption.

Introduce regular reviews of system performance and implement iterative improvements.

3. Leadership Revamp

Vision and Strategy:

Define a clear vision and mission for the plant, with measurable strategic goals.

Develop and communicate a commercial strategy focused on profitability and quality.

Leadership Development:

██████ upskill current leadership to instil accountability, strategic thinking, and proactive management.

Bring in external experts or consultants with proven experience in the meat processing industry to guide leadership transformation.

Crisis Management to Strategic Planning:

Shift from reactive crisis management to proactive, strategic planning.

Use regular reforecasting and variance analysis to stay aligned with budgetary goals.

4. Quality and Reputation

Product Quality:

Implement quality control measures at every stage of production.

Standardize processes to ensure consistent quality, particularly for exports.

Reputation Repair:

Launch a targeted marketing campaign to rebuild trust in the plant's products.

Highlight quality improvements and new customer-focused initiatives.

5. Cultural Transformation

Accountability Framework:

Foster a culture of accountability across all levels, starting with leadership.

Set clear expectations for staff and enforce consequences for underperformance.

Employee Engagement:

Involve staff in the strategic direction of the plant to build ownership and commitment.

Recognize and reward contributions that align with business objectives.

Training and Development:

Introduce ongoing training programs to improve skills, knowledge, and engagement.

Encourage curiosity and initiative in leveraging systems and market knowledge.

Proposed Implementation Sequence

1.  :



2. **Commercial Overhaul:**

Establish a pricing strategy, customer segmentation, and accountability framework.

3. **Systems Optimization:**

Train staff on HCS and Sage, and introduce a continuous improvement culture.

4. **Quality and Reputation:**

Implement quality control measures and launch a reputation repair campaign.

5. **Cultural Transformation:**

Embed accountability and engagement practices across the organization.