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Greetings! As we ride out the doldrums of a stagnant foodservice marketplace, I'll continue to offer my thoughts and observations for your consideration. You can decide whether these commentaries represent "fresh winds of change" or "more hot air!"

In the first, I call attention to an idea that our Retail friends have gotten right, and wonder if and when we'll ever follow suit in Foodservice. Then I reveal my plan to fine-tune my service offerings for foodservice manufacturers, and humbly ask your counsel. And finally, an Oprah-like plug for a really nice book from one of our foodservice colleagues.

Thanks for reading, and as always, let me know what you think. [Tell Dave](#)

Dave

"Why Can't Foodservice Be More Like Retail?"

It's often said that "Foodservice is just like Retail, only 10 years behind." And as much as it grinds on we foodservice people, we have to admit that this statement is often true.

Many initiatives that start in the retail grocery industry eventually find their way into foodservice, albeit in somewhat different form. Examples range from the conceptual (think ECR/EFR and Category Management), to the practical (like Bar Coding), to the diabolical (is there any doubt that sheltered income is the stepchild of slot fees?)

It's also true that some Retail concepts will just plain never work in foodservice.

But a recent article in Food Logistics magazine (www.foodlogistics.com) has me hoping that we in foodservice can learn faster, overcome our fears, and adopt Retail practices more quickly. The article is entitled "Managing Complexity While Reducing Costs," with the subhead *"Food manufacturers and distributors are coping with the proliferation of SKU's, lack of supply chain visibility and increasing customer demands with technology."*

So what else is new, right?

In addition to the expected commentary about "collaboration" and "mutual goals," one idea jumped out at me that could really make a difference in the foodservice world.

A manufacturer says "before, it was darn near impossible to get visibility into where our products were going. But in the last few years all of the major distributors, it seems, ***have developed portals that allow you to see where your products are moving every month.***" He goes on to describe how forecasting demand and managing promotions has become simplified now that "distributors are providing this data to us any time, via internet portals."

Hey, Foodservice Distributors!

Looking for a new source of revenue from your suppliers? Or maybe just a competitive edge against the guy down the street?

How about providing your suppliers online access to your sales data (of course on their products only), with the ability to download it in Excel or Access formats?

I'm betting most manufacturers would line up to use that feature, and would definitely look more favorably upon your business as a result.

I also suspect that many manufacturers would gladly pay a reasonable fee for that information, especially if it was in lieu of forced participation in "marketing programs" of dubious value.

But maybe you cling to traditional notions like "it's my customer, not the manufacturer's customer," or "if I show them where their products are going, they'll just switch the business to my competitor!"

That might have happened once or twice in the 1970's, but today's manufacturers are much more likely to steer business toward the distributor who helps them understand how their products fit in the operator marketplace.

So how about it? Is there in fact a compelling reason why distributors should hide this information from their suppliers? Or is it time to get our heads out of the sand and learn another lesson from our Retail brethren?

"Listen to advice and accept correction, then in the end you will be wise." -
Proverb

"Help Wanted"

In the coming weeks and months, I'm going to develop a new offering that will help food manufacturers reduce costs by better aligning their Supply Chain, Sales and Marketing decisions. Thirteen years of work in these areas have shown me that there are always opportunities to improve profits when these critical departments begin dealing with the same information, and working together to eliminate costly practices and implement sound policies.

And I've found that as we go through this sluggish sales period, savvy manufacturers are taking the opportunity to trim their product lines, optimize their distribution networks, tighten up order polices, and otherwise drive costs out of their supply chains.

So I'm working on a program that will very clearly pay for itself many times over, for manufacturers who commit to participate. And I'm looking for a few good people to act as my "advisory board" as I put it together. And what better place to look than among the smartest people in the foodservice business (Foodservice Marketing Insights Readers)?

I will reach out to some of you individually, but as a loyal FSMI reader, if you'd like to provide input I will certainly make use of it.

Specifically, I'd like to know:

1. Where do you feel you have disconnects among Supply Chain, Sales, and Marketing, but lack the time and expertise to address them?
2. What are the barriers that keep you from seriously trimming your product line (5-10% of your SKU's) on an annual basis?
3. Do your Supply Chain, Sales, Marketing, and Finance people have a shared understanding of the costs of serving various order sizes and types directly vs. through redistribution?

If you have thoughts to offer, or questions of your own, please let me know at dave@franklin-foodservice.com. I look forward to working with you!

"The art of life is to show your hand. There is no diplomacy like candor. You may lose by it now and then, but it will be a loss well gained if you do."

- E.V. Lucas

"The Truth About Candor"

Chris Chanski has been around the foodservice business since the 1980's. He has served several manufacturers in Foodservice Marketing and Sales positions, and has operated his own consulting firm. Chris is presently Vice President of Sales for Land O'Lakes Foodservice.

For as long as I've known Chris, he has been a straight shooter, a straight arrow, and a straight talker. Chris has a deep interest in business ethics, and has recently published his first book, [Principled Performance](#).

I just finished reading the book, and was especially impressed by Chris's thoughts on the subject of "candor."

Here are a few excerpts:

"Everyone says they want it. Management often claims that they desire candor throughout their entire organization, from the mailroom to the boardroom. It is coveted like gold, yet when found it is too often treated like a pariah."

Chris uses the analogy of teaching youngsters to play baseball: "I never believed it to be a good idea to teach them how to throw a baseball without simultaneously making certain that they knew how to catch the ball. Otherwise playing a game of catch could be a short exercise and might likely be painful. In the same way, if we are going to encourage people to play catch with the hard baseball called candor, we had better teach them how to safely receive a 70 mph verbal knuckleball."

"Think about it. Why do companies so desire candor, yet seldom receive it? Who doesn't like their opinion or voice to be heard? Who would hesitate to speak up if they saw someone acting in a manner that would be harmful to the company for which they worked?"

"People who are scared, that's who!"

"The quandary with candor is not primarily that people will not speak up. That is only the symptom. It's the receiver who creates ninety percent of the reason people don't speak up. Because they can't catch!"

"If you really desire candor in your organization stop talking to people and running seminars about the importance of candor and speaking their mind, and start insisting that the management team first learn how the game is supposed to be played."

And Chris makes a great point about the importance of presenting candid comments with the right amount of "verbal touch," writing that many people "somehow have come to believe that tact and candor are like oil and water and never the two should meet."

While you might not agree 100% with everything in the book, I think you'll find it to be an interesting read. As a bonus, many of the examples Chris uses come straight from his experience in foodservice sales and marketing, making Principled Performance especially interesting to Foodservice Marketing Insights readers.

If Business Ethics and Principles are a topic of interest in your organization, I suggest you check out Chris's book at amazon.com.