

# FOODSERVICE MARKETING INSIGHTS

The Online Newsletter for Foodservice Marketing Professionals  
From Franklin Foodservice Solutions and Dave DeWalt

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### **REDISTRIBUTION UPDATE:**

"Clean Up Your Act!"

Last week, I was interviewing a Sysco Supply Chain guy about the Redistribution Initiative and their expectations of suppliers. Once again I was completely impressed by the scope of Sysco's vision, their command of supply chain issues from a distributor's AND manufacturer's perspective, and how "right" their approach is going to be. It's going to be right for Sysco and their customers, as well as for their suppliers who get fully on board and figure out how to benefit from the efficiency that Sysco will make possible. It's not going to be good for Sysco's competitors.

Toward the end of the conversation, he said, "one of the really crucial things to address is data integrity. There is a ton of work needed to clean up, validate, and maintain basic information about product codes, descriptions, packaging specs, etc." Then he added, "we're usually dealing with the VP's of Foodservice, and often THEY are surprised when we point out errors and discrepancies!"

My own work with suppliers certainly bears this out. Whether it's all of the different "naming conventions" used for product descriptions, or all of the different names and numbers assigned to a single distributor location, there are a lot of companies who have built a Tower of Babel into their Item and Customer Masters, as well as the materials they provide to customers.

Don't believe it? Look up your most popular item and see what it's called in your Item Master. Then compare this to what you call it on your price list, your sales materials, your labels, your invoices, and in your plant. Then do the same for a Sysco, USFS, or FSA location; chances are, you've got more than a few names for each (and that's just the names you publish!)

The point is, it's easy to confuse your redistributors and customers with inaccurate and inconsistent information. And none of them have time to sift through a lot of confusing and contradictory names to try to make sense of what and who they are supposed to be selling. They're more likely to bag it and move on to an easier task.

Usually, this situation is the result of years of "accumulation" without any guiding principles for nomenclature. Whenever a product or customer is added, somebody keys it into the system, fitting the name into a limited field without regard to previous practices. Over time, you've created a lot of information that MAY be clear internally, but may also be mystifying to your customers.

So who has time to clean up a mess that took years to create? We do. Franklin Foodservice Solutions has helped manufacturers standardize both product names and distributor names to provide a new level of clarity and simplicity which can be carried forward. There are benefits for the manufacturer as well as customers, brokers, and anyone else who deals with product and customer information. If you're going to be involved in Sysco or any other redistribution program, now is a good time to clean up your act.

Franklin Foodservice Solutions has been helping manufacturers get more from their redistribution programs since 1996. E-Mail us ([dave@franklin-foodservice.com](mailto:dave@franklin-foodservice.com)) to receive a copy of our article "Does Your Redistribution Program Address These Realities?"

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"The time to repair the roof is when the sun is shining."  
- John F. Kennedy.

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### **THIS MONTH'S FEATURE ARTICLE:** **"Change the Channel"**

Back in the 90's, Glen Terbeek published a somewhat obscure book titled "The Agency Agenda - Selling Food in a Frictionless Marketplace." Despite its cumbersome name and its Retail focus, the book provides a razor-sharp commentary on the state of channel relationships in the food business, and a compelling vision for how things could be.

Below is a small sampling of Terbeek's concepts, paraphrased to fit the Foodservice channel:

- "Distributors SAY customer loyalty is #1, but they DO focus on getting trade dollars"
- "Trade promotions bring dollars into a market of pennies; distributors have built infrastructures and systems to capture them"
- "Operators need distributors to provide access to both core items and innovative products, and to put the 'moment of value' close to the 'moment of desire'"
- "Distributors need manufacturers to create 'moments of desire' for their products"
- "Manufacturers need distributors to CAPTURE these 'moments of desire'"
- "Distributors should compete on the 'shopping experience,' and manufacturers should compete on the value of their products"

The notion of "changing the channel" has fascinated me since I first read this book, and I'm often drawn to articles about manufacturer/distributor relationships in other industries to see what we can learn in foodservice. Recently, I've been trading information with two gentlemen from Pembroke Consulting ([www.pembrokeconsulting.com](http://www.pembrokeconsulting.com)), a leading company that works with manufacturers and wholesale distributors in many industries to change and improve how the channel operates. Their website contains dozens of articles which are not drawn directly from foodservice, but that certainly pertain to our industry.

Next week, I'll be meeting with one of Pembroke's principles to explore opportunities to bring change to the foodservice channel. During the NRA show, I'll also be meeting one-on-one with several smart foodservice executives (insert your own joke here), to gain their perspectives on what's wrong and what it will take to make it right.

If you are interested in joining the discussion, either at the NRA or in the future, please let me know and I'll bring you into the loop.

It's not clear right now whether I'm tilting at windmills, or laying the foundation for bringing overdue change to the foodservice industry, but we'll never know if we don't try!

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"When you need some clear thinking on a multifaceted foodservice problem, Dave's your man. He works up winning solutions by crystallizing the real issues based on his 'in-the-trenches' understanding of how it all works."

-CEO, mid-sized foodservice manufacturer/distributor

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### AND FINALLY, A WORD ABOUT "EXPECTATIONS"

Have you noticed that it's no longer very rewarding to consistently do a great job at something? Somewhere in the past 20 years or so, we have adopted the belief that one must "exceed expectations" in order to get recognition, rewards, and remuneration.

Certainly stock analysts give lukewarm ratings at best to companies who merely meet the expected earnings levels, regardless of how high those earnings might be. A company must exceed those expectations in order to earn a "buy" recommendation from the analysts, and woe to the company that falls short of expectations, despite what would otherwise be a very successful Quarter.

Many a college football coach has resigned or been fired due to the pressure to exceed expectations. For the elite programs, it's no longer enough to score more points than the other guy, you've only succeeded if you've "beat the spread." And if the pre-season polls have you in the Top Ten, any finish from #11 on down will have enraged alumni calling for your hide.

It's no different for foodservice manufacturers. If you're fortunate enough to work for a company with a great reputation for quality, it's not enough to continue putting those great products out - your customers will always be raising the bar. If you've historically done a great job on customer service, innovation, or salesmanship, you've got to figure out how to do even better tomorrow.

Is it fair? Probably not. But it certainly fuels the competitive drive, and weeds out those who cannot stomach the constant pressure to improve.

That's enough for now - I've got to get back to work!

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Foodservice Marketing Insights is intended to share ideas and stimulate your thinking about current topics affecting your business. Your comments, criticisms, ideas and questions are all welcome, addressed to [dave@franklin-foodservice.com](mailto:dave@franklin-foodservice.com)