

# FOODSERVICE MARKETING INSIGHTS

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From Franklin Foodservice Solutions and Dave DeWalt

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### **REDISTRIBUTION UPDATE:**

**“It’s Not Easy to Make Things Easier”**

We’re on record as saying that Sysco’s RDC initiative will make life easier for manufacturers. This morning we’re adding the word “eventually.”

Like just about anything worth doing, this one is requiring hard work, patience, perseverance, and some pain on the part of Sysco’s suppliers.

First, there is the pain of responding to Sysco’s compliance requirements. They are using their size and power to force manufacturers to change just about everything in the order management, operations, and financial areas, to align with Sysco’s supply chain vision.

Then there is the pain of riding through the inevitable rough spots as each RDC ramps up. While there is every reason to believe that Sysco and their suppliers will “be smarter” after each RDC comes on line, there is no getting around the fact that these are huge, revolutionary projects that will always generate challenges.

And it’s going to take time and effort for manufacturers to adjust to radically new order patterns. While the notion of aggregating demand and smoothing orders holds a lot of promise for manufacturers, right now some are struggling. While everyone likes full truckload orders, they’re starting to come in with only 1 or 2 SKU’s, and 3 days lead time. It’s going to take a lot of effort to understand these changes and how they impact forecasting, production scheduling, safety stock levels, and everything else that is affected.

But there's no sense in fighting it, debating it, or even in delaying your implementation. It's time to get on with it, because the payoff is there.

The good news is that a lot of the right-minded theories that are embodied in EFR and Foodservice Category Management concepts are going to become realities as a result of the RDC initiative. Once again, when a major customer speaks, people stop theorizing and begin implementing. And "eventually," that's going to be good for everyone.

So eat your Wheaties and get busy bringing about the change. Because in a few years when the dust settles, you'll be glad you did.

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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#### **THIS MONTH'S FEATURE ARTICLE:** **"How Super is Your Service?"**

Last Sunday, they played the Super Bowl at Ford Field in Detroit. We'd been talking about the game for over 5 years, since it was awarded to Detroit in November, 2000. The national hype heated up around last November, lasting over 3 months.

ABC began its Super Sunday programming at 2:30, and signed off at 11:00, providing 8 1/2 hours of coverage.

From the opening kickoff to the final gun, the game took 3 hours and 44 minutes to complete.

The game clock ran for only 60 minutes.

Now here's the kicker: the ball was actually in play for a grand total of 13 minutes and 8 seconds. By my stopwatch, that was the total time between snap and whistle for all of the plays run in the game. Of all the hours we spent anticipating, talking about, and watching the Super Bowl, the players were actually exerting themselves and trying to move the ball for only a tiny fraction of that time.

What was going on during the rest of the time? Huddles, replay reviews, players walking to and from huddles, end zone celebrations, halftime entertainment, trash-talking and of course commercials.

And what is really going on during all of your business processes which require lead time?

-“we require 10 days lead time on LTL orders”

-“we’ll have prototype products for your review in 6-8 weeks”

-“we’ll have a response to your bid pricing request in 10-14 working days”

A thorough analysis would show that the actual time and effort expended on the objective is, as in football, a surprisingly small portion of the overall timetable. Yet foodservice manufacturers show time and again that they can compress time whenever necessary to get out a rush order or crash an R&D project. So why not all the time?

Well for one, everybody’s got a lot of other things to do. And some processes require time, like accumulating orders to build truckloads. And we all need a little downtime, although most foodservice businesses are not quite as physically demanding as NFL football.

But many business processes can be shortened considerably by mapping them out, exposing and eliminating all of the unnecessary slack time that creeps in. And there is considerable advantage to be gained from beating your competition on the most time-sensitive processes, such as delivering orders and developing custom products and prices for major accounts. Sometimes its as simple as getting everyone in a room for an hour, rather than passing emails around for a week.

If the service you offer to your customers and prospective customers is less than super, compressing time may be a hidden opportunity to turn things around.

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“Nobody made a greater mistake than he who did nothing because he could do only a little.” - Edmund Burke

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**AND FINALLY, A WORD ABOUT “MOVIN’ BOXES”**

Many years ago Bill, a Regional Manager from my first company, was regaling us with the speech he always gave to newly hired brokers. The gist of it was, “I’m not going to pester you for details, I don’t want a bunch of reports, I’m not into paperwork, I just want to move freakin’ boxes!”

These days, when I consider all of the sales and marketing effort expended on distributors and operators, I suspect that there is a kernel of wisdom in Bill’s words. “Movin’ boxes,” after all, is at the heart of the foodservice distribution business. And it makes me wonder if a lot of manufacturer marketing effort at the distributor level is misguided.

As an example, let’s look at the distributor product cutting. The manufacturer hand-picks his samples, describes the ingredients and manufacturing processes in loving detail, and serves his product to a committee. The committee members chew thoughtfully, then issue deep statements like “that’s pretty good,” “seems a little salty,” or “I like our brand better.” And for what? Are they going to be eating the products they buy? It all smacks of a charade.

Maybe everyone would be better off with a lot less focus on what’s in the box, and a lot more focus on what really matters to a distributor. If a manufacturer got really great at filling orders completely and on time, shortening lead time, billing with 100% accuracy, and providing attractive pickup vs. delivery options, wouldn’t that count for a lot?

Couldn’t these become the focus of distributor marketing and sales efforts?

Wouldn’t distributors be eager to take on new products from such a supplier?

And wouldn’t this manufacturer be better insulated from the vagaries of personal taste and the demand for sheltered income?

I’m not suggesting that you can pack garbage in a box, or that distributors could sell it as long as you served them well. But the reality of foodservice is that:

-everyone’s product is pretty good

-the operator will decide what gets served, and

-consumers will eat what the operator puts in front of them, without the choices they get from the grocery-shopping experience

So when marketing to distributors, a little less emphasis on food, and a little more on service, should help everyone move more boxes.

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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)

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