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This is a slightly abbreviated issue; I hope you'll agree that its depth more than makes up for its brevity. Lately I've been blessed by a lot of work, as well as seeing my daughter graduate from college and move into an apartment in New York City. I even missed(?) the NRA show for the first time since 1975, but made time to provide some thoughts for your consideration.

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

*Dave*

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*"Be careful what you ask for; you just might get it." - Unknown*

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### **"Be Careful What You Ask For"**

Last month, I suggested that it was time for foodservice distributors to begin sharing operator sales data with their suppliers. This was in response to an article wherein a Retail supplier expressed appreciation for the distributors who provided portals for their suppliers. Apparently, these portals allow a manufacturer to see where the distributor has shipped all of his products, in a real-time basis.

I was pleased to receive a few responses, although none were from distributors. But I'd like to highlight a few which reflect the traditional thinking, as well as some differing points of view.

**A major manufacturer** wrote, *"We've certainly asked and provided some compelling cases, but alas to no avail. Maybe one day."*

**Dave's Take:** These requests have been made at least since the 1970's, and until something changes, they'll continue to be denied.

**Tom Rector** is President of Foodservice University and a self-proclaimed "industry maven." His pointed foodservice commentaries can be found at [TP Musings](#).

Tom wrote: *"Data visibility is interpreted as a loss of control for distributors; and in their minds a loss of control pushes them toward a drayage business model."*

*Supply chain data transparency is a channel RIGHT, not a privilege for the few.*

*Distributors have control because there is no standardized platform...and there is no standardized platform because the distributors have control. We need to get the elements of the supply chain in a room and lock the door until its done."*

**Dave's Take:** There is no question that distributors want (need?) to "control the operator," the same way manufacturers and broker agencies want to control the operator. And showing your suppliers where their products are and are not being sold would certainly help them to gain some influence, possibly to the detriment of the distributor's goals. So I love Tom's spirit, but am not sure access to this data is a "right..."

Tom also points out that until foodservice products are bar coded and scanned throughout the supply chain, we'll never have the kind of data that retail manufacturers enjoy.

Personally, I don't think I'll live long enough to see that day.

**Brian Finn** is President of The Shamrock Group, a foodservice consulting firm. He wrote, *"Distributors will never give up that information. There's too much risk of a manufacturer using it to launch efforts that go counter to the distributor's objectives. The bigger question is, are manufacturers really prepared to use it?"*

**Dave's Take:** This one really got me thinking. What would a manufacturer do if he suddenly had perfect visibility into where every case goes? It sounds like a good idea, but would he really be like the dog who finally catches the car and doesn't know what to do with it?

Theoretically, a manufacturer could gain a great understanding of which operator segments are using which products, and modify his marketing and sales efforts accordingly. But who would classify all of the operators into consistent segments? And what about the sheer volume of data that would overwhelm the manufacturers? Does anyone have a system to receive, classify, organize, and turn the data into usable information?

Brian went on to wonder whether a better opportunity would be "category management" data, where the manufacturers would see all of their competitor's volume by SKU, but with no operator detail. What could he do with THAT information?

Thanks to those who responded - I welcome further thoughts and comments, especially from you distributors out there!

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*"Before a diamond shows its brilliancy and prismatic colors it has to stand a good deal of cutting and smoothing" - Unknown*

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## **"The Science of Muddling Through the Great Recession"**

By Bruce Merrifield ([Merrifield.com](http://Merrifield.com))

*Bruce Merrifield works with manufacturers, wholesalers, and distributors in a wide range of industries. His points of view on Supply Chain strategies and economic issues have always impressed me. The following commentary provides a sobering look at our prospects for recovery, but provides solid advice about taking the opportunity to prune underperforming customers, products, and people to help the winners shine - DD*

All of the economic forecasters that work for Washington, Wall Street or the media (which is beholden to financial service industry advertisers) must spin their stories to keep consumers feeling good, being happy, borrowing and spending. How do we cut through this bias to better forecast our firm's sales and debt-service needs? Now the same experts who never forecasted our unfolding "great recession" are generally saying: "the bottom in the markets are in; recovery will be here by fall; the banks are stressed-tested and good to go (assuming illiquid, impaired assets can be valued, once again, at whatever management thinks that they will be worth someday).

Don't you wonder how we can have a normal recovery (like all since WW2) with the consumers and financial service companies still sitting under the biggest debt mountains in the history of mankind while their collateral continues to drop in value along with job income. The problem isn't "getting the banks lending again". The problem is finding a borrower who: has a steady, secure job; an old-school, down payment; and a desire to borrow at 4-5% to buy something that is forecasted to drop in value for awhile longer. Any interest rate in a deflating world is expensive money. How can houses stop dropping in value in every city in the US when we have 11-12 months official supply and more supply in the foreclosure pipeline? What potential commercial borrowers are currently looking at buying or building commercial real estate or plant capacity with so much slack in the system and deflating prices?

I think that our economic marathon will be with us – more or less, depending upon the industry – for some time. The firms that cut costs the fastest and the most often have done less badly than the rest at least on financial comparisons: SO FAR. But, cutting costs past the bone is only a third of the marathon story. How many firms have been able to address the second third which is to simultaneously – upgrade; prune to grow; weed to feed – the strategic, high-leverage, 1 to 3% of the employees, SKUs and customers that are hidden in the blended financial numbers? And, the last third of the race will be to do inter-business, supply-chain innovation with the other top 1-5% channel players who are also determined to get through all three legs of this marathon.

Clearly , it is tough to innovate when we are up to our kiesters in alligators and our crew is demoralized, which is why the middle piece of weeding to feed is so vital. It will free up the resource energy and re-light the spirit of the crew members to “Carpe Channel!”

My Website: [Franklin FS Solutions](http://FranklinFS.com)