

Understand Your Supply Chain Costs Tune Up Your Prices and Programs Build Your Bottom Line

239-395-2787

Foodservice Marketing Insights

Sent Monthly to Over 1,000 Subscribers Worldwide September, 2013

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"Dude, Where's My Broker?"

Last month, I had the pleasure of presenting "Responding to the New World of Foodservice Broker Agencies" at the IFMA Marketing and Sales Leaders Forum.

In four separate workshops (mostly manufacturers with a few agency and distributor people sprinkled in), we had some pretty lively discussion about how the Foodservice Agency business has changed, and its impact on manufacturers. It was refreshing to see that most of the emotion and resentment has blown over, with the focus shifting to "what should I do now?"

My thanks to those who contributed to my presentation, and I invite all of you to chime in as we continue into this new world.

Thanks for reading, and as always, let me know what you think. <u>Tell</u> Dave

Dave

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Subheadi ng

When we add the turmoil of consolidatio n and the increased size and power of many agencies, it's easy to forgive manufacture rs for being a little edgy about brokers these days!

"From chaos comes opportunity." - Unknown

Dude, Where's My Broker?

"I'm confident that I have the best broker network possible, and that I'm getting my money's worth from them."

Early in my talk, I flashed this statement on the screen and asked for a show of hands from those who agreed with it. In four sessions, I got one half-hearted response!

This is NOT an indictment of foodservice broker agencies, but a reflection of the uncertainty manufacturers are feeling as a result of the restructuring of the agency industry. In fact, as I prepared this talk I was somewhat suprised by the consistency of manufacturer attitudes and experiences, regardless of the size of their business.

For instance, whenever I talk with manufacturers about broker agencies, I hear the same themes (either spoken or implied):

- "We want the best broker in each market"
- "We need to be in the top 5 principals at each broker"
- "We need to get <u>more than our fair share</u> of the broker's attention and effort"
- "We want to control our brokers"
- "Our brokers spend too much time with distributors"
- "If we could afford it, we'd prefer to go direct"

These mindsets, combined with the fact that EVERYONE can't be "above average," help explain the frustration many manufacturers feel with regard to their agency networks.

When we add the turmoil of consolidation and the increased size and power of many agencies, it's easy to forgive manufacturers for being a little edgy about brokers these days!

The fact is, only a handful of manufacturers made the decision to commit to a national agency model, and nudged their agencies to roll up to fewer points of contact. But EVERY manufacturer has had to invest time, energy, and resources scrambling to react to agency changes – resources that were NOT going against building their business, but just trying to hang on.

While we'll continue to feel aftershocks for quite a while as manufacturers and agencies get realigned, the good news is that the choices have come into focus. And the new world of foodservice broker agencies presents a new world of opportunities for manufacturers to re-think not only their agency networks, but the way they work with their brokers.

At the conference, we suggested an approach for responding to this new world. If you'd like a copy of the entire presentation, including speaker notes, <u>click here</u> and we'll send it to you.

And as always, I welcome your comments and questions as we continue on this journey!