



The Partnering Group

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# FULL PLATE™

## Applying Collaborative Category Planning Best Practice in Foodservice

### Full Plate: Category Management Business Process

In 2013-14, The Partnering Group (TPG) and The International Foodservice Manufacturer's Association (IFMA) championed an industry-wide, all-inclusive initiative to develop Best Practices Category Management for Foodservice. The initiative engaged a Board of 33 leading Foodservice manufacturers, distributors, and brokers along with the leading industry associations IFDA, FSMA, and the NRA. The Category Management Best Practices work was supported by the research/insight companies Datassential and The NPD Group.

- *This new Foodservice Industry-specific Category Management Go-to-Market Process enables the collaborative development of Manufacturer-Distributor Category Business plans to reach and support the operator.*
- *Plans will drive enhanced consumer satisfaction and breakthrough business results for the entire Foodservice Industry.*



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## The Need for Category Management

*Full Plate™ represents the best practices in Foodservice Category Management that enables partners to collaboratively plan by translating insights into tangible business actions.*

At the front end of the Foodservice Category Management Best Practices Initiative, we sought to understand the challenges facing the industry today. Illustrated below are two of the most widely held challenges:

- *The systemic lack of collaboration and long-standing opportunity for better collaboration and communication between manufacturers and distributors in Foodservice.*
- *A clear need and desire for improved application of data and insights development.*

At the outset of the project, each Category Management Board member organization was asked what they hoped to gain from this Best Practices initiative. Two Board members replied:

*“To establish a more cohesive approach to manufacturer-distributor collaborative planning”*

*“To develop a clear path to working with distributors and a recommended process for doing Category Management together”*

### Category Management: Definition of The Future

Before developing a process, the Board created the following definition for Foodservice Category Management, to guide the collaborative work of distributors, operators, manufacturers and brokers in the future:

#### Foodservice Category Management Definition:

- A collaborative consumer and category-based planning and execution process among foodservice industry stakeholders leveraging mutually agreed to goals, insights and strategic & tactical plans to drive improved business results.
- The primary outputs of this process included:
  - *A strategic category business plan customized by segment as appropriate*
  - *An execution action plan*
  - *Tools/measures to capture results*

## The Foodservice Category Management Process: Full Plate™

The creation of a best practice planning process marked an important step forward for the industry and represents a collaborative approach to utilizing new data points, strategic thinking, consumer-orientation and a passion for fact-based business plans. This work also resulted in clear inputs and outputs for each process step and a set of category planning worksheets to enable the industry to 'do the work'.



### Activating Full Plate™

After the Full Plate process was built, TPG and IFMA kicked off four pilot programs to test the new approach. The purpose of these programs was to utilize the newly created process in a real business environment. Teams were created to develop and activate category plans using the Full Plate process with TPG serving as the process facilitator. Those distributor-supplier teams created plans on four categories:

- *Shelf-Stable Potatoes*
- *Soup*

- *Tissue, Towel and Napkin*
- *Pizza Cheese*

The specific make-up of the Full Plate teams included representation from multiple functions from both partners. Distributor teams typically included procurement, category management, marketing and sales. For manufacturers, the teams usually included sales, customer marketing, category marketing and research & insight.

The teams met in person and by phone over a 3-month period and completed each step of the Full Plate process from aligning on goals through developing insight summaries, strategies and tactics, to finally building activation timelines and scorecards.



## Full Plate™ Pilot Results & Learning

The pilots were highly successful and validated important drivers of the Full Plate process. Overall, **category sales growth over prior year averaged 22% in divisions and operating companies** where pilot plans were executed.

*The Full Plate process proved successful in promoting collaboration, a higher level of data sharing and ultimately stronger in-field execution.*

The Full Plate eight-step planning process represents a change from the way most Foodservice organizations historically conduct business. It generates a higher level of commitment, energy and resources that can lead to a better relationship between stakeholders and profitable business growth.

### Specific learning included:

#### 1) Discovery & Alignment Work Enables the Entire Planning Process

The Board identified Step 1: Discovery & Alignment as critical to the successful implementation of category management in Foodservice and this was validated in the pilots. Alignment of goals, resources and focus areas at the beginning of the process provided downstream benefits throughout all the plan development steps.

Some key areas of alignment that must be addressed prior to moving forward include:

- **Plan Goals** – Agreement on goals is arguably the most important area of alignment. Not agreeing to goals upfront can create conflict in subsequent steps as it can lead to partners developing strategies and tactics that drive different end-results. Examples of plan goals include: “Grow consumption from current category customers” and “Become the brand leader for independent operators”.

- **Segment Focus** – Alignment on which Foodservice segments will be included in the plan drives overall focus. Fewer is better. Partners often focus on segments that drive the highest category revenue but neglect under penetrated segments where the category has a compelling insight-driven story.
- **Partner Selection** – Choosing the right distributor or manufacturer with which to develop a collaborative category plan is extremely important. Partners must be willing to share appropriate data and provide access to the functions needed to effectively develop and execute the plan. In evaluating potential partners, manufacturers should consider organizations that have complimentary capabilities to their own and are recognized within the industry for their category leadership. Additionally, manufacturers should be one the top suppliers of that category to the distributor. If they are not one of the top 3 categories, suppliers may have a difficult time gaining execution resources with a distributor.

■ *“The Full Plate process is a complete category management tool that will help both distributors and their manufacturer partners drive real change in their business.”*



■ *“In my 11 years at this distributor I have never seen a plan as complete and full of actionable items and insights as this one.”*

## 2) Insights are the Foundation to Demonstrating Category Leadership

Insights are the engine to business planning. Most of the pilot teams were able to take full advantage of the depth of data and research available and create rich and compelling insights. Those insights led seamlessly to powerful strategies and tactics, which rallied the sales team, leading to great execution. Manufacturers that had substantial data, research and category insights were able to easily demonstrate their category expertise and leadership and develop breakthrough strategies and tactics.

Data also played a key role in account targeting. Distributor category relevant data was shared as part of all pilots and analyzing that data was critical to identifying under-developed customer segments and creating target lists.

Some specific observations on insights from the pilots include:

- ***New Tools Proved Effective*** - *The NPD Group and Datassential played key roles in providing category data and helping build insights. New industry tools such as SupplyTrack® and Firefly™ were effectively used in pilots to understand category trends, create more detailed operator target lists and refine category specific selling messages.*
- ***The “Why” behind the “What”*** – *Each pilot team did an effective job of analyzing both internal and syndicated data to determine key category findings such as overall category growth trends. Some manufacturers had invested in additional research to understand why the trends are occurring, such as segment specific primary operator research. This research proved useful in the development rich insights on their categories.*
- ***Consolidating Multiple Observations to Create a Single Insight*** – *One of the most popular techniques used by the pilot teams was to consolidate a list of observations into a few insights. For example, three observations, such as what product format is preferred, by what demographic group, in which Foodservice segment, can be combined into one compelling insight that describes an important market opportunity.*



### 3) Insight-based Strategies Lead to Great Category Plans

Insight-based category strategies provide focus to collaborative planning, allowing partners to define “What” they will do before getting into the “How” (the tactics) they will do it. Strategies must be based in insight. Without learning and insight to inform the strategies, organizations tend to simply “run the same play” over and over again. Through insights, manufacturers can determine opportunities to approach the business in a different and compelling way.

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All of the pilot teams dedicated considerable time to developing strategies. In building strategies, partners must resist the temptation to “run to action” and build tactics. Well-defined strategies improve the efficiency and effectiveness of tactics and subsequent execution. Below are examples of common strategies found in several of the pilot category plans.

- **Operator Targeting** – Targeting defines and narrows the focus for sales and marketing efforts. In some instances, this was done by Foodservice segment and in other cases by category usage (e.g. all operators who are buying ketchup but not buying hamburger patties). Operator targeting parameters must be written in a way that allows distributors to search their customer database to help develop a target customer list. Ultimately, the target customer list should be clear and simple to enable effective DSR execution.

- **Category Product Assortment** – Category product assortment starts with the operator. Teams created an understanding of the right products for the targeted operator by either region or Foodservice segment. Innovative assortment tools were developed to ensure that the product recommendation was able to be effectively communicated to the operator. After operator-based assortment recommendations were built, the current assortment in local distribution was evaluated to determine any needed changes.
- **Operator Segment Selling Solutions** – Teams created operator-selling toolkits that aligned to each of the category’s focus segments. This was a collaborative effort where manufacturer’s provided category stories and tools and distributors provided important insight into what approach has been most effective with their DSRs in the past.



- *“I was impressed with the division execution. They embraced the opportunity and really supported the effort by working with both the manufacturer and their broker.”*

#### 4) Execution Must be a Priority

Collaborative category planning is a waste of time and resources unless plans are executed. As expected, pilots that invested more time in execution planning, engagement, training and tracking had more effective results.

Below are lessons from the pilots that can assist Foodservice organizations in driving great execution.

- **Engagement of Distributor Division Leadership** - *The pilots that delivered the largest sales growth had the involvement of the distributor’s division leadership throughout the process. This allowed them to not only see the development of insights, strategies and tactics but also have a voice in planning the execution.*
- **Innovative Tactics** - *The development of effective tools to enable DSR selling were key tactical elements of all the pilots plans. Examples of breakthrough tools developed during the pilots included new DSR training videos and category-based apps. Innovation in tools proved an effective way to gain DSR share of mind.*
- **Quick Wins versus Long Term Gains** - *The pilots also demonstrated the need for balance between innovative tactics, which often take longer to develop, and quick wins. Demonstrating success is often the best way to build execution momentum and allows on-going support for longer-term tactics. Pilots that had a good balance of short and longer-term tactics had better on-going support throughout the execution process. One approach to address this is to separate shorter-term execution elements from longer term ones. If there are too many longer-term elements, look at scaling them back.*

#### What’s in the Tactical Toolkit?

- Category Consumer & Operator Insight-based Selling Stories
- Category Consumer Decision Trees
- Category Operator Assortment Recommendations by Segment
- Category Profitability Calculator
- Category Online DSR Training Videos
- Category Sampling Kits
- Category Merchandising Kits

- **Customized System for Scorecarding and Feedback** - *Pilot teams took different approaches to Full Plate Step 8: Review & Refine. Some teams created specific bi-weekly or monthly team calls to review progress while other integrated it into their ongoing business dialogue. All teams took the Full Plate scorecard template and customized it based on the metrics they wanted to measure. Teams that had regular check-in calls and utilized the customized scorecards were better able to identify issues quickly and address them. This is best practice and an efficient and effective approach to Step 8.*



## 5) Winning Organizations are 'Working from a Platform'

Working from a standardized process when engaging in any form of collaborative business planning is a key facilitator for success. A process helps both organizations clearly understand the approach, the thought process, the timing and the requirements of each team member. Additionally, having the right tools, models and templates set out at the beginning streamlines the work, makes it easier for all involved and, ultimately, leads to better output. In the absence of a standard process, partners often struggle and “make it up” as they go leading to poor results and frustration on both sides.

*The Full Plate™ process has become the basis for insight-driven manufacturer-distributor category planning in Foodservice.*

Many Foodservice organizations are seeking to develop better strategic business relationships with key partners and one of the key enablers of this is insight-driven collaborative planning. As an industry best practice, Full Plate has become the basis for collaborative category planning between manufacturers and distributors throughout the industry.

Many of the top manufacturers are developing a set of insights, strategies and initiatives that they can ‘take to market’ and utilize with their distributor base. This platform serves to provide an efficient way to develop category plans at the manufacturer-distributor interface as it provides a starting point from which distributors can react.

Whether organizations utilize all eight steps of Full Plate or a customized version based on its principles, having a standard approach with specific meetings, inputs, and outputs will enable both parties to improve the effectiveness of any collaborative planning initiative.



## Where does Foodservice go from here?

Foodservice is still fighting to grow its share of consumer spending as competition from prepared food offered in convenience stores and traditional grocery continues to improve and expand. The need to focus increasingly scarce resources on the best opportunities will lead to the continued development of strategic relationships, collaborative planning, and focused execution in the industry.

Full Plate represents a critical framework to enable insight-driven category planning between manufacturers and distributors. The Full Plate pilots have demonstrated the power of effective collaboration between channel partners.

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The future opportunity is to embed the core principles of Full Plate into the way business is conducted in Foodservice. In doing so, the industry can raise the bar on how it collaborates and collectively drive value-creation throughout the channel.



■ *“The opportunity for us is to make this a daily part of our business and not a ‘project.’ The work should be ongoing and routine.”*



## Preparing for Category Planning



Prior to engaging in collaborative planning, there is some foundational work that a manufacturer can do. Pilot participants that had done foundational work were more effective throughout the process and quickly demonstrated their category leadership and expertise. While this upfront work may not explicitly be found in the Full Plate process, it supports the overall success of collaboratively planning.

### Potential foundational work to consider includes:

- a) **Building your Category Planning Team** – Identify who will be involved and ensure they have the skills required. Functions should include Data/Research and Insights, Marketing/Customer Marketing and Distribution Sales.
- b) **Training on Category Management** – Build an understanding of the fundamentals of collaborative category planning, including the value and approach you want to use for planning.
- c) **Building an Insight Library** – Review your current research and data and create general category insights prior to working with a specific partner. If there are gaps, look at the value of investing in additional data and research. Then organize the data, research, and insights into a library, allowing for a more effective use with your channel partners, as well as within your own organization.
- d) **Evaluating your Current Sales Tool Kit** - Conduct an audit of your recent sales executions and be honest about what has worked and what has not. Your tactical components will ultimately be based on your strategies and insights but it is important to come with a perspective of what works and what you can provide.

### TPG and IFMA

TPG and IFMA are committed to driving the utilization of Full Plate™ throughout the Foodservice industry and have developed a comprehensive Training and Certification Program for Foodservice practitioners. More than 400 manufacturer, distributor, broker and agency managers have been trained to date.

For more information on the Full Plate™ process and tools please contact TPG or visit [www.ifmaworld.com](http://www.ifmaworld.com).



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