

The Future of Foodservice – *Digital Collaboration to Help the Operator*

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Market*Intelligence*

Digital Foodservice

3 YEARS IN 5 MONTHS

Restaurants are notoriously slow to adopt new technology. But inside the pressure cooker that is the coronavirus pandemic, the industry has undergone years' worth of innovation in just a few months - *Restaurant Business*

Foodservice has changed...

A new **Model** is needed, one that creates value for all partners in the supply chain

Consumers will demand transparency, cleanliness & a frictionless digital experience

Operators must maximize each guest interaction their menu, and even their unit layout must change

Distributors can't count on Sheltered Income and high-margin Exclusive Brands

Agencies will need to develop new types of offerings

Manufacturers must better understand consumer behavior and what is driving their away from home dining

Digital is the new currency



...and our world will be substantially smaller

IFMA Projections

- Overall, the total restaurant category is projected to grow 7.4% in 2021 off an annual **decline of 28%** in 2020.
- Quick service restaurants (QSR), which have done significantly better overall, are expected to recover more than half of the spend the segment lost in 2020.
- Full-service restaurant segments, including **Midscale and Casual Dining, will not see the same rebound as QSR, growing only 3.7% and 4.7%, respectively.** This comes off **declines of over 35%** in 2020 for each segment, mostly due to limited delivery and off premise dining.
- The On-Site segment is projected to grow 9.7% in 2021, off of a **30%** decline in 2020.

Reinventing Foodservice

- **Pre-Corona foodservice was \$.54 of every dollar spent on food today we are probably \$.38. We need to work together to help the operator regain share!**
- **Consumers** have become accustomed to apps **Digital** will be the new way to reach the customer.
- **Operators** need to figure out how to exist in this new world of data-driven reality. They will expect more transparency in pricing and tailored promotional pricing to help attract the consumer.. They will **simplify their menus**, leading to less SKUs offered by distributors, manufacturers
- Distributors & manufacturer could be best positioned to help the operator maximize their guest interaction


There is an overlooked divergence in operators

Foodservice Manufacturers and Distributor tend to look at the foodservice industry holistically, yet the market is really divided between operators with the size and homogeneity of menu that can impose on both producers and distributor a **3PL** type model with brand labels and specs.

The second group comprising of independent restaurants, regional chains and certain non-commercial operators requires **a different approach**. Especially since the consumer will be more inclined to frequent local, neighborhood and authentic

SEGMENT		COMP SALES July 2020
LIMITED SERVICE 0.7%	Quick Service	+6.7%
	Fast Casual	-5.4%
FULL SERVICE -26.4%	Casual Dining	-21.2%
	Upscale Casual	-31.3%
	Fine Dining	-34.1%
	Family Dining	-36.7%

Financial Intelligence™

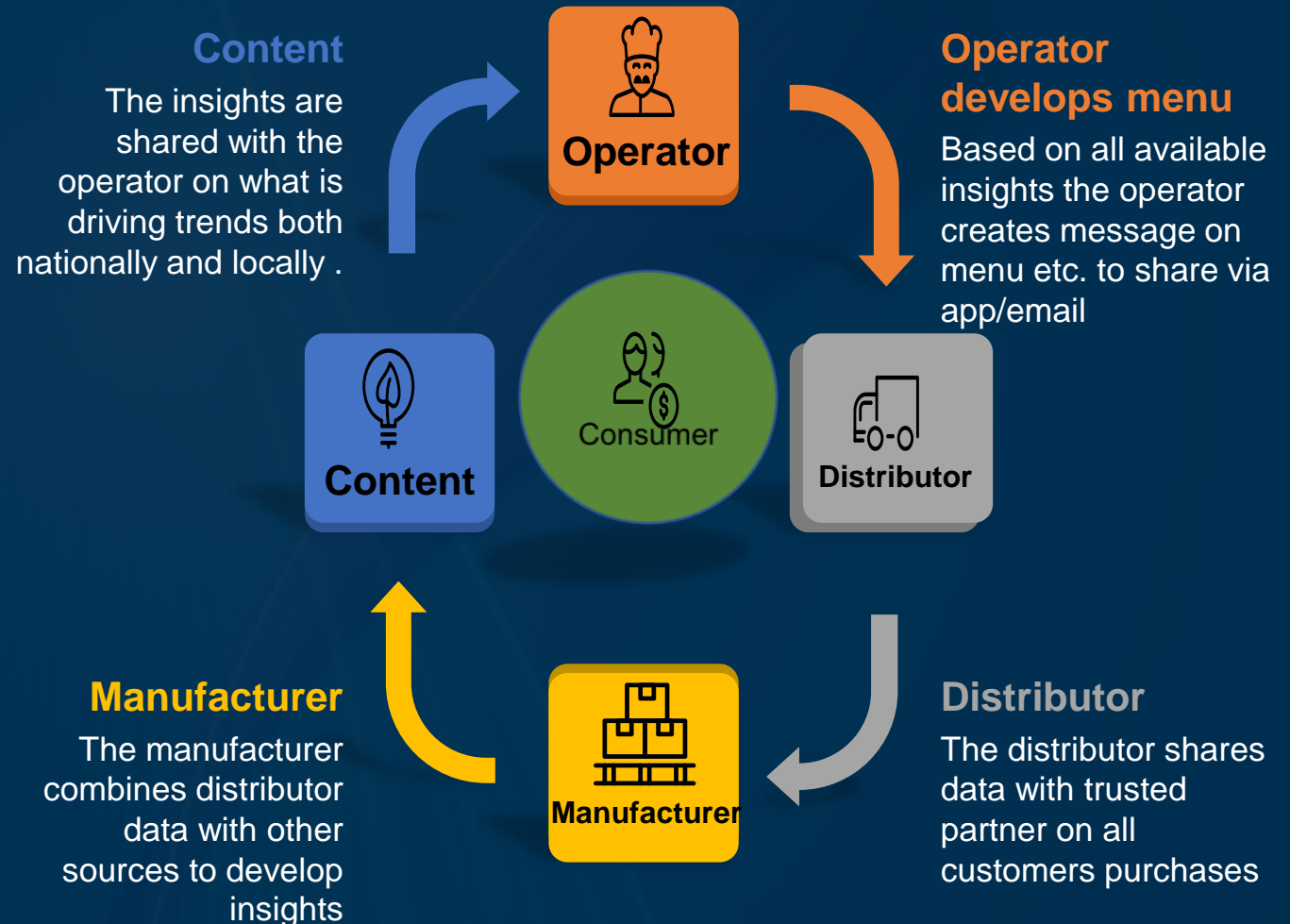
 BLACK BOX INTELLIGENCE

Why digital?

According to Paul Barron (The Barron report.com) operators need to double down on digital and reach consumers to drive visits. So where does the content come from?

Key Take Aways:

- **Foodservice** is in a paradigm shift, the old supply value chain approach must change to a new **collaborative** model
- **Operators** will need to attract consumers with Limited Time Offerings, & exciting menu options
- This can only happen with Manufacturers and Distributors working **together**
- **If not, a new player will emerge utilizing digital as a game changer**

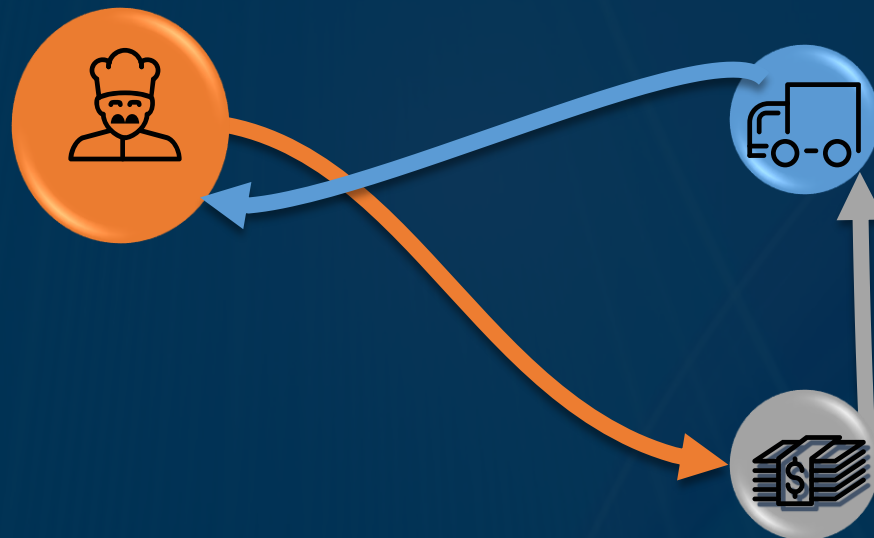


Current Process of Operator Support

Issue: Lack of Visibility
visibility

**Operators consumer
interaction**

Operator have a “butts in
seats challenge”



**Distributor orders from
Manufacturer**

Due to lack of data
distributors don't know what
is trending

**Operator purchases
product**

Data is not shared

Digital Operator Support

Solution: Visibility & Accountability

Operators > Consumer interaction

Operator has all the information he needs to attract the consumer with trends and LTOS if necessary

Operator purchases product

Operator purchases the right products to incent the consumer

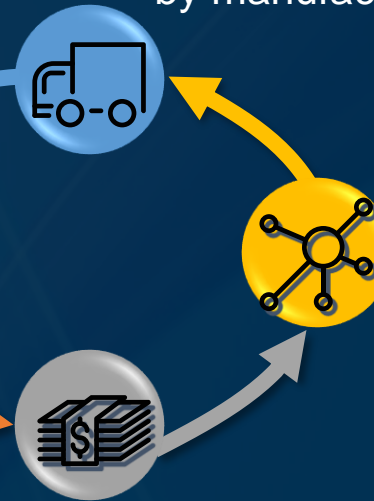


Insights shared

How consumers are reacting to LTOs and trends shared with the operator

Distributor orders from Manufacturer

Distributors are compensated for LTO information allowing trade fund analysis by manufacturers



Operator data shared

Distributors share operator purchases with trusted manufacturers and LTO results

Operator purchases product

Increase volume due to on trend offerings

Distributors your customers and suppliers are changing

- Many millennial foodservice operators don't want to see (or pay) for regular rep calls. They want, instead, a **digital buying journey**
- Old-School Buyers may still want your existing model. However:
 - Are they **generating enough margin** dollars to pay for a DSR?
 - How fast are they **retiring**?
 - And, won't they shop on price alone?
- Big customers are trending towards consolidating vendors. They want a lowest, total-cost, replenishment system. Can you provide the services they need?
- Key vendors need to engage the operator with digital content. Their distributors must then fit into a new, seamless, digital, channel model. Do you have the – shared vision and collaborative approach to be part of your vendor's (and customers') new needs?

Manufacturers & Distributors are facing a new paradigm...

- Chains will increasingly have a greater share of their volume with a net pricing model and store brands.
- The On-Site organizations' volume will be greatly diminished as work/study at home will continue to be a factor.
- Distributors are reducing their salesforce and sku to match a smaller foodservice world
- Increasingly, distributors will focus on the independent operator for sales creating a potential **race to the bottom on price**
- The future for foodservice is in utilizing **data** that has not been available to manufacturers today, **distributor sales data**.
- Use the capabilities of existing technology to convert the data from big data to **“small data”-actionable insights**
- **Data** that can be shared with both the distributor partner AND the operator to create a **virtuous cycle** to increase consumers choosing foodservice first
- The traditional value and supply chain will need to be replaced. If not a new entry with a **frictionless** supply chain will emerge.

..with an increase focus on Accountability

Issues

- **FS manufacturers**, like distributors, will reimagine/renegotiate how they Go-to-Market, including compensation and accountability.
- The distributor will need the manufacturers' help to satisfy the operators' demand and will find a way to **collaborate digitally to reach the operator** with a tailored offerings on food trends, Limited Time Offers (LTOs)
- The FS distributor has an untapped source of revenue, real time data at the operator location level.

Proposed Solutions

- There will be a **shift from buy-side incentives to sell-side incentives** with complete visibility where trade funds will be scrutinized, and distributors held accountable
- Real time distributor data combined with manufacturer research, AI and 3 party research (Datassential as example) can **provide the operator on trend offering to entice the consumer**
- Additionally a **Promotional Pool** can be established to provide LTOs to further assist the operator (see next slide)
- The focus for all should be : **Value Creation, Value Capture, Value Innovation**

Trusted Supplier Promotional Pool



Advantages to data sharing

There has to be value for all participants; allowing manufacturers access to data will drive value throughout the supply chain:


- Distributor Buying Groups could transform into Sell-side Data Aggregators for their members and vendor partners
- Real time depletion data can automate the reorder process and eliminate non-value-added purchasing roles, increasing in-stock and turns
- Armed with true operator data, distributors and their trusted manufacturer partners can provide operators with alternatives to Group Purchasing Organizations (GPOs), perhaps a version of *Amazon Prime*, incentives can flow directly to the operator without the GPO “admin fees”.
- An added benefit is quicker repayment of deviated prices as data is provided daily, thereby reducing the lag time and increasing accuracy and cash flow
- Compensation for agencies could be bifurcated a rate for existing business and new sales at the operator level

Technology has advanced

No longer do we need to endure excel or pdf reports that are months behind

We can use technology to not only inform the operator but also improve cashflow and remove friction in the supply chain

Some Examples

METRO a very large Cash & Carry Distributor in the EU has developed several digital offering under the DISH name, through their  (H.d.) arm to help the **Operator**

The **DISH App** include:

- Website creation using AI
- **Order** with Google
- **Teamplan** to optimize staffing
- **Cockpit** break even analysis
- **MenuKit** food cost optimization

All service offered in a single app

✓ Unique Performance Improvement Tools

DISH APP

- ✓ all key DISH tools "in your pocket"
- ✓ enables ad-hoc anywhere, anytime ops analysis



DISH MENUKIT

- ✓ menu calculation and optimization
- ✓ checks best performing ingredients
- ✓ automated selling price recommendations



DISH COCKPIT

- ✓ DYI sales forecasts and break-even analysis
- ✓ sets up annual revenue goal forecast
- ✓ identifies top vs. flop menu profit margin



DISH LIQUIKIT

- ✓ DIY liquidity planning
- ✓ simple 3-step set-up
- ✓ helps prepare loan applications



DISH CASHCULATOR

- ✓ DIY free cash flow calculator
- ✓ makes smart P&L recommendations
- ✓ Add-on to Liquikit & Cockpit



DISH TEAMPLAN

- ✓ optimizes staffing , helps save time
- ✓ ad-hoc shift planning, absence management right on the app
- ✓ employees time tracking , automatic reminders, payroll report prep



✓ Enhances Operators' Guest Marketing

DISH WEBSITE

- ✓ free restaurant website builder
- ✓ connects into table reservation tool
- ✓ templates fit any device



DISH WEBLISTING

- ✓ optimizes operator's online presence
- ✓ automated business listings on 40+ platforms, incl. Google and TripAdvisor
- ✓ more guests due to better www visibility



DISH ORDER

- ✓ full-service online ordering solution
- ✓ boosts operator business & profitmargin
- ✓ no commissions – fair monthly fee full ownership of guest interaction



DISH RESERVATION

- ✓ couples table reservation system with website builder
- ✓ eliminates costly fees charged by leading platform providers
- ✓ all reservations at a glance plus practical reminders



DISH CHECK-IN

- ✓ captures guest data easily & fully contactless
- ✓ no app installation needed,
- ✓ preserves full guest privacy & GDPR compliant



DISH PHOTOSHOOT

- ✓ professional on-site restaurant photo service
- ✓ top-quality pictures help boost image and location marketing
- ✓ fully bespoke catering to specific needs



Tools:

- **Menu Engineering-** repurpose the role of the DSR from sales to a true consultant using data and a certified course and AI to optimize an restaurants menu to drive **margin contribution**
-
- **Customized Operator Offerings-** analyzes operators purchases and provides customized offerings & prices to **improve** a distributor's **wallet share** and **reduce churn**

✓ Comprehensive Operator/Distributor Data Insights to Help Drive Sales

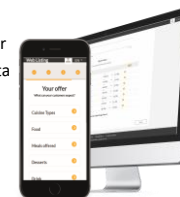
DISH MENU ENGINEERING

- ✓ DSR-driven consultative menu optimization
- ✓ connects into DISH MenuKit, triggers optimal purchasing decisions
- ✓ backed by DSR certification course in menu optimization



DISH CUSTOMIZED OFFERINGS

- ✓ DSR bespoke purchasing recommendations
- ✓ via automated gap analysis based on customer purchasing pattern, food graph, and menu data
- ✓ data-driven sales approach to customer retention and market basket boost



DISH DATA MARKETING

- ✓ structured approach to aggregating and monetizing first & second-party data
- ✓ encapsulates all relevant data, including customer purchase volume, typical sales and consumption of the product
- ✓ designed to organize and execute customized marketing and sales campaigns

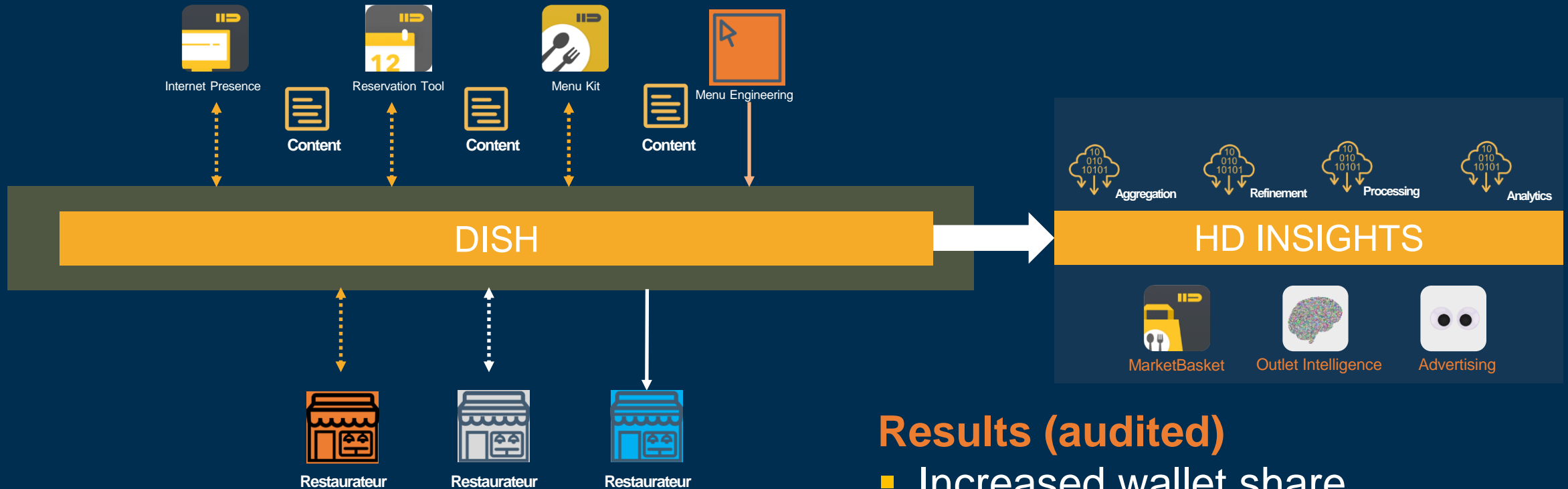


DISH POS MIDDLEWARE

- ✓ open-API restaurant POS integration
- ✓ connects top restaurant POS systems with DISH offerings
- ✓ converts POS data into monetizable B2B2/C opportunity
- ✓ distributor and operator share in upside



- Utilizing data gathered through the Dish-platform, **METRO** developed additional insight tools to create a win-win-win for all participants (Operator-Distributor-Manufacturer)



Results (audited)

- Increased wallet share
- Reduced customer churn
- Acquired new customers

Enterprise Café is a distributor focused tech company utilizing data to link manufacturers to operators *through the distributor* to drive *distributor* sales and profit

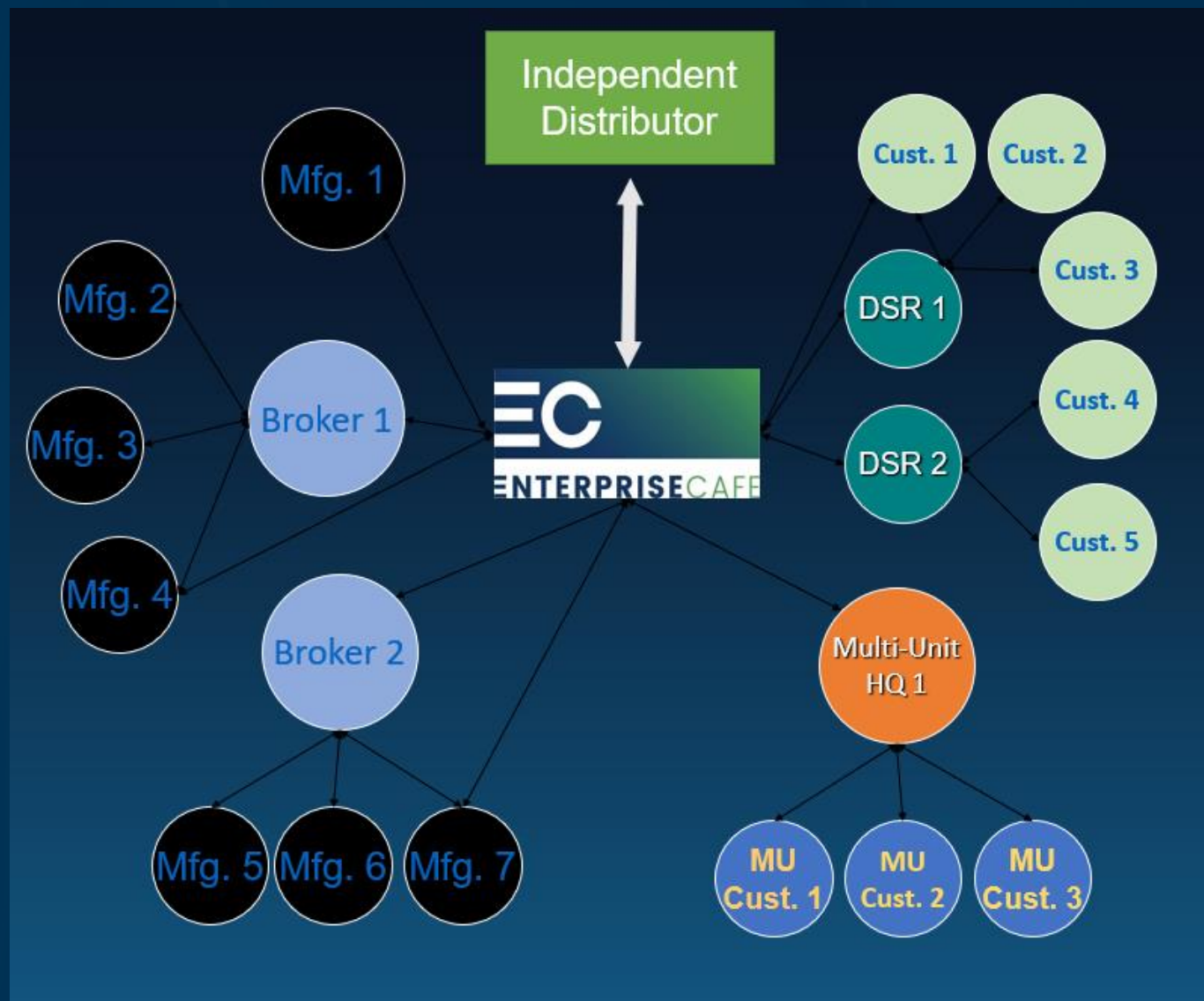
For the *Distributor*:

See distributor's own business, own data...in real time, at any level

Focus on where the business needs attention or where there is an opportunity

Share this data with manufacturers and brokers in an appropriate and controlled manner to build business together.

All in near real time!



Drill Down Reporting

Date Range >=7/26/20

Summaries :

BusSeg DC DSM DSR OrderType Chains Fran
Brokers ProdGroups Products Product/Brand Brands Bra

See all your business by channel/segment

BusSeg
Sum of All BusSeg Activity
Food Service-3927
C-STORE-3928
Street Sales-199
Retail-10

Vendors =MCCAIN FOODS USA \$, >

BusSeg DC DSM DSR OrderType Chains Fran Customer MajorCC MinorCC CustGroups MajorPC MinorPC Buyer
ProdGroups Products Product/Brand Brands BrandGroup State City Zip Trends Invoice List Invoice Details Export

Product/Brand	Pack	Dist Item #	Mfg.Product Code	Brand	Sales Revenue2020	Sales Revenue2019	\$Change = (2020 - 2019)	%Change = (\$Change / 2019)
Sum of All Product/Brand Activity					\$44,695.22	\$141,677.18	(\$96,981.96)	-68.45%
▲ CHS CURD BREADED WISCONSIN	2.5 LB	51265	669250	ANCHOR	\$57.80	\$0.00	\$57.80	100%
▲ ZUCCHINI STICKS ITAL BREADED	4:3.5 LB	34212	409512	ANCHOR	\$1,325.48	\$923.95	\$401.53	43.46%
▼ APP PICKLE BREADED DILL SPEAR	4:4 LB	25333	287	ANCHOR MCCAIN	\$3,321.80	\$7,250.95	(\$3,929.15)	-54.19%
▼ APP BITES BRD CHD CHS JALAPENO	6 LE							

Focus on where you need help

Vendors =MCCAIN FOODS USA \$, > Product/Brand =APP PICKLE BREADED DILL SPEAR-25333, >

BusSeg DC DSM DSR OrderType Chains Fran Customer MajorCC MinorCC CustGr
Brokers ProdGroups Products Product/Brand Brands BrandGroup State City Zip Trends

Customer	Customer Number	DSR	Sales Revenue2020	Sales Revenue2019	\$Change = (2020 - 2019)	%C
Sum of All Customer Activity			\$3,321.80	\$7,250.95	(\$3,929.15)	-
▼ NOLAN'S ON CANANDAIGUA LK	5649	CORSARO-146	\$58.18	\$869.23	(\$811.05)	-
▼ ANCHOR BAR	8095	TERRY LOPEZ-113	\$0.00	\$604.33	(\$604.33)	-
▼ THREE BROTHERS WINERIES & ESTATES	9181	GREEN-165	\$0.00	\$434.12	(\$434.12)	-

Share with your manufacturer and sales agencies to solve

Distributor can better understand what is happening at the operator level and rapidly react



For the *Manufacturer*:

Enterprise Café has at the core the ability to connect operators to manufacturers through a distributor partner in real time providing:

- **Visibility** to unit level information
- **Accountability** since the distributor invoice can only have one price
- **Flexibility** promote to only the operators you want for the duration agreed upon
- **Connectability** reach the operator directly no need for a GPO
- **Predictability** ability to measure impact of trade spend

EC ENTERPRISECAFÉ

Home Sell Side Buy Side Showcase All Programs My Profile EC User Support Admin

Void Matrix Report

Customers Who Are Buying MinorPC: **POTATO PRODUCTS - FROZEN-78** And Not Buying Manuf: **MCCAIN FOODS USA S- 1110**

Revenue and Qty/Units Delivered are for MinorPC: POTATO PRODUCTS - FROZEN-78 Within Date Range >=7/26/2020 AND <=8/22/2020

Identify opportunities with distributor

Return

BusSeg DC DSM DSR Chains Fran Cus Incentive Type =Paid on all units, > Programs =MCCAIN New Business Only Incentive 2020!, >

ProdGroups Div Brands BrandGroup State

Customer	Customer Number	DSR	Revenue	GPA	%	Qty/Units Delivered	Max Threshold	Incentive \$
Sum of All Customer Activity			\$41,632.17	\$6,757.37	16.23%	955.00	NONE	\$1,910.00
DOGTOWN	3182							
BLU WOLF BISTRO	6270							
FLAHERTY'S - HONEOYE FALL	5569							
DIRECT TO YOU MARKET	3326							
RUDY'S OF LAKE ONTARIO	14515	VALENTINE-STREET-85	\$12,096.90	\$2,391.28	19.77%	217.00	NONE	\$434.00
JUICY	7509	MORRISON-62	\$4,571.36	\$996.79	21.81%	112.00	NONE	\$224.00
VILLAGE TAVERN (THE)	7500	KALTENBACH-178	\$2,689.83	\$191.37	7.11%	63.00	NONE	\$126.00
TC HOOLIGANS	5416	PAISLEY-105	\$2,133.61	\$370.37	17.36%	29.00	NONE	\$58.00
SNC-CASINO WAREHOUSE	1713	SPRINGSTEEN-160	\$2,053.23	\$79.34	3.86%	83.00	NONE	\$166.00
THE DOME	6924	Calabrese-205	\$1,814.45	\$362.69	19.99%	36.00	NONE	\$72.00

Specifically target accounts with incentive

Do what you can't do today-measure the results in real time

Show More Values

Enterprise Cafe

Creating a new value chain for foodservice in the Digital world.



Manufacturer

Can “see” unit level transactions in near real time. Working with their distributor partner they can, through the distributor, target operators with specific marketing information and trade fund and know the results

Distributor

Will be able to recover earned income lost to GPOs as well as target, in cooperation with manufacturers, the right offer for the operator at the right margin

Sales | Marketing (both)

Connecting with the operator to provide actionable insights using small data. And measure performance

Operator

Fully connected with vendors true partnership to drive local consumption and respond to consumer trends & needs

*A new business model Manufacturers & Distributors will be able to grow sales and margin.
Promote and inform to drive growth and satisfy consumer demands*

Analytics as a Service (AaaS)



Value Proposition

- Serve as an **outsourced partner** in the Foodservice industry to transform client, customer and industry data into actionable insights to accelerate profitable growth
- Focus on deep understanding of the **operator** for insights into opportunities
- Deploy customized user-friendly BI tools in the cloud or locally
- Direct “line of sight” into product usage [purchases from manufacturers *and* sales to operators]
- Leveraging analytics and insights will enable faster and more enduring growth (recovery) because the insights will allow you to plan and execute more effectively
- Aggregating, normalizing, enriching and analyzing value chain data for deep insights will make you a preferred partner to operators based on their specific
- Insights through analysis are tailored and delivered based on your specific user needs and capabilities; no need for a new system or tool that requires implementation, training, or IT investment

Eclipse's Collaboration Roadmap

[crawl, walk, run]



Three stages of Collaboration (example)

More
Collaboration



More
Opportunity
for Growth

Insights at the individual distributor | manufacturer level

- Identify trends in each distributor's data
- Track effectiveness of LTO programs
- Find potential targets by analyzing individual distributor or cross-distributional market baskets

Benefits compound with additional distributor's data

- What are top operators in your area that you aren't currently reaching?
- What are key SKUs that are on trend in one region that a distributor might want to feature to their operators?

The partnering of manufacturers and distributors data will provide greater visibility and richness and mutual business growth through enhanced value to operators and more guests in restaurants

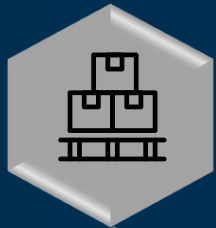
Digital Foodservice Model

New Service -Value may be created through a Confederation of Data to develop a 360° View of the Operator and the Local Market



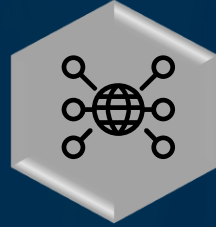
Distributor Data

Operator Order Data
Pricing Data



Manufacturer Data

Shipment Data
S&OP



3rd Party Data

Datassential, CHD
SupplyTrack



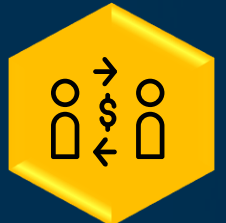
Digital Data

CRM | Call Center
Operator POS Data
Website



DSRs | Manufacturer Sales Reps

Increased Efficiency
Improved Relationships with Customers
Increased Sales



Marketing

Understanding the operator at a more granular level to allow for a more connected message



Independent Operator

Create a new “stickiness” with operator as they rely on FS Mfg. for local market knowledge and trend analytics



Chains

Provide chains with visibility to their locations at a granular level.
Help them design offering tailored to individual markets to drive “butts in seats”



Foodservice Distributors & Manufacturers must develop their “abilities”

focus on these **5** areas to drive performance and fuel growth

Accountability



Pay for performance
Measure trade investments
Validate operator sales by reps
Move trade funds from the “buy side” to the sell side

Visibility



Understand what’s happening at the operator
Know the impact of trade dollars and contracted compliance
Spot emerging trends

Predictability



Provide Field sales with next best opportunity
Sense and inform supply chain for demand drive forecasting

Connectability



Utilize the “cloud” to connect with supply chain, customers and consumers to drive demand and being relevant
Available to customers 24/7

Flexibility | Agility



Uberize or create on-demand functionality
Sales as a Service (SalesaaS)
Execute on changes in consumer demand
Create scenario planning

Thank you!

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