

# Doing Business with the Retail Food Industry

FMI Supplier Diversity Program



# Welcome!

Thank you for your interest in our Supplier Diversity Program. The opportunities for suppliers in the exciting, complex and competitive retail food industry are endless. There's no better time than now to get involved. The industry generates more than \$900 billion in annual sales and serves millions of customers each day.

Read on to familiarize yourself with the retail food industry, its purchasing objectives and the benefits of participating in the FMI Supplier Diversity Program.

**We look forward to working with you.**

*FMI Supplier Diversity Committee*





# 4 Steps to Doing Business with the Retail Food Industry

We have put together these guidelines for doing business with the retail food industry to help you compete with other bidders. Remember, each retailer is different and will have different requirements for its suppliers. Here are four basic steps to help you get started:

## Get Certified

Many retailers require minority-business enterprise and women-business enterprise certification. The following organizations and many governmental agencies certify such businesses:

**National Minority Supplier Development Council** defines a minority-business enterprise (MBE) as a for-profit enterprise, regardless of size, physically located in the United States or its trust territories, which is owned, operated and controlled by minority group members. "Minority group members" are United States citizens who are Asian, Black, Hispanic and Native American. Ownership by minority individuals means the business is at least 51 percent owned by such individuals or, in the case of a publicly owned business, at least 51 percent of the stock is owned by one or more such individuals. Further, the management and daily operations are controlled by those minority group members. For more information, please contact:

National Minority Supplier Development Council  
1040 Avenue of the Americas  
Second Floor  
New York, NY 10018  
212.944.2430  
website: [www.nmsdc.org/](http://www.nmsdc.org/)

**Women's Business Enterprise National Council** certifies women-business enterprises (WBE) that are at least 51 percent owned and controlled by one or more women who are U.S. citizens or Legal Resident Aliens; whose business formation and principal place of business are in the U.S. or its territories; and whose management and daily operation is controlled by one or more of the women owners. For more information, please contact:

Women's Business Enterprise National Council  
1120 Connecticut Avenue, NW  
Suite 1000  
Washington, DC 20036  
202.872.5515  
website: [www.wbenc.org/](http://www.wbenc.org/)



## **2** Do Your Homework

Before you approach a retailer, learn as much as you can about their company. Find out who is in charge of their supplier diversity program and/or purchasing department and be prepared to answer the following questions:

### **Production/Distribution**

- What is your lead time?
- What is your production capacity?
- What is your order minimum and maximum?
- Who are your production/packaging/distribution partners and what are their qualifications?
- What are your distribution locations? Who are your distributors?

### **Product**

- Who is your competition?
- What is your product's shelf life?
- Who will purchase your product and why?
- Do you provide a single product or a full line of products?
- Where does your product reside in specific retailers stores?
- What are the results of the market/taste tests on your product?
- What product are you proposing to replace on the shelf and why?

### **Marketing**

- Which of our stores did you shop?
- What is your specific marketing plan?
- What is your food industry experience?
- What kind of promotional support will you provide?
- What is the most appropriate geographical region for your product?

### **Payment**

- What are your payment terms?
- Are you working with a food broker?
- What are your reclaim policy criteria?
- Do you offer prompt payment discounts?

Also, be aware of some of the more universal issues retailers face, such as:

- Strict deadlines
- Slim profit margins
- A flood of new products
- Limited storage capacity
- Electronic Data Interchange (EDI)
- Competition for store shelf space
- Costs of marketing, advertising and promotional programs



For a list of retailers in your area, check the Chain Store Guide's *Directory of Supermarket, Grocery, and Convenience Store Chains* and *Directory of Single Unit Supermarket Operators*; or Trade Dimension's *Market Scope*. For more information, please contact:

### **Chain Store Guide**

Information Services  
3922 Coconut Palm Drive  
Tampa, FL 33619  
800.778.9794  
website: [www.csgis.com/](http://www.csgis.com/)

### **Trade Dimensions**

55 Greens Farms Road  
Westport, CT 06880  
203.222.5750  
website: [www.tradedimensions.com/](http://www.tradedimensions.com/)

## **Sell Yourself**

### **Cultivate Your Market**

It is *your* responsibility to develop and implement a strategy for advertising and promoting your business, while monitoring costs. Know the selling points of your product or service so that you can appeal to the customers' curiosity enough to investigate it, and then raise their need or desire levels to motivate them to purchase your product. One of the easiest ways to do this is through marketing (advertising and promotions).

Marketing keeps your product or service in the public eye by creating a sense of awareness. Yet this awareness alone will not ensure the success of your business. Thus, your marketing campaign not only has to be effective, but it also has to be a continuous process. Included here are some ideas for marketing your business. Select the methods that will provide the greatest amount of exposure and be the most cost-effective for your business.

### **Corporate Identity**

- Website
- Letterhead
- Business cards
- Company collateral
- Attend appropriate trade shows

### **Advertising**

- Yellow Pages advertising
- Newspaper, radio or television ads
- Online or banner advertising on websites
- Classified ads in newspapers or websites
- Advertising in community-based magazines or newspapers



### **Public Relations (PR)**

- Press reception
- Op-ed in industry publication
- Press releases about newsworthy information
- Fact sheets about your company or frequently asked questions (FAQs)

### **Direct Marketing**

- Direct mail via mail and electronic mail (email)
- Sampling – mailing or distributing free samples of your product or a flyer about your service to the public

You can also win retailers' confidence by having a:

### **Strong Track Record**

- Provide market share data
- Bring customer lists and references
- Provide an MBE or WBE certification letter
- Provide financial statements of the past four years
- Provide a copy of your product liability certificate of insurance

### **Marketing Strategy**

- Discuss category contribution
- Project potential sales volume
- Create demand/awareness for your product
- Discuss seasonality of product (if appropriate)

### **Quality Product**

- Provide on-time delivery information
- Use the Universal Product Codes (UPC)
- Show labeling law compliance information
- Emphasize quality products and packaging
- Demonstrate direct store delivery (DSD) capability (if appropriate)



## Sign Up to Get Direct Exposure to Food Retailers

There has never been a better time to join the food retail industry. We purchase more than food items and are expanding into new areas to respond to consumers' changing lifestyles and increasing demand for new products and services. The following is a small sampling of the goods and services food retailers purchase:

### Products

- Display Units and Stands
- Electrical Supplies
- Fixtures/Equipment
- Floor Coverings
- Food Products
- Health and Beauty Care
- House wares
- Magazines
- Office Supplies
- Paper
- Plastic and Paper Bags
- Printing Supplies
- Transportation/distribution

### Services

- Advertising
- Agricultural
- Architecture
- Construction
- Consulting
- Financial Services
- Information Technology
- Insurance
- Janitorial
- Legal
- Maintenance
- Marketing
- Pest Control
- Printing
- Property Management
- Public Relations
- Relocation
- Staffing
- Transportation/distribution

---

Doing  
Business  
with the  
Retail Food  
Industry

---



## Supplier Diversity Database

Register in FMI's Supplier Diversity Database and you will have direct exposure to our retail and wholesale members. The database is visited by hundreds of retailers of all sizes looking for diverse products and services.

Suppliers are listed by **name**, **product category**, and **region** in an easy-to-read format that maximizes exposure.

Visit [www.fmi.org/diversity/](http://www.fmi.org/diversity/) to sign up today!



## About the FMI Supplier Diversity Program

The supplier diversity program was created to expand opportunities for minority business enterprises (MBEs) and women business enterprises (WBEs) that supply the retail food industry. The program provides our member companies with a larger pool of qualified suppliers – to whom they may not otherwise be exposed.

A leader in the retail food industry for more than 75 years, FMI is a corporate member of the National Minority Supplier Development Council (NMSDC) and is committed to developing and strengthening minority- and women-owned businesses.

## About the Food Marketing Institute

Food Marketing Institute (FMI) is the premier association serving supermarkets and grocery wholesalers across the United States and around the world. FMI's 1,500 members include grocery wholesalers, large multi-store chains, small regional firms and independent supermarkets. Our U.S. members operate approximately 26,000 retail food stores with a combined annual sales volume of more than \$680 billion – three quarters of all retail food sales in the United States.

---

FMI helps food retailers improve service to their customers while operating efficiently and profitably. FMI is a nonprofit organization committed to the continuous improvement of grocery distribution systems that are responsive to changing customer needs and sensitive to social, economic and governmental issues.



### HEADQUARTERS:

2345 Crystal Drive, Suite 800, Arlington, VA 22202

202.452.8444 • [www.fmi.org](http://www.fmi.org)



Printed on  
recycled paper.