



**THE VOICE OF FOOD RETAIL**

Feeding Families  Enriching Lives

**FMI President and CEO Leslie G. Sarasin Remarks  
at Midwinter Executive Conference**

10:45-11:15 a.m. – Monday, January 30, 2012  
Orlando, FL

Good morning. I'd like to echo the words of welcome that both John and Fred extended to you earlier, and add my own "I'm glad you're here." We are thrilled you are here in Orlando at FMI's Midwinter Executive Conference. As this gathering heats up and the energy begins bubbling I hope you find it as invigorating as I do. When the food retail community gathers the good vibes are truly contagious – something I'd like to bottle up and take to Washington, D.C. where they could use some positive –charged, forward thinking energy right now.

As I address you today - in the year that FMI celebrates its 35<sup>th</sup> birthday - I am very aware that I do not just stand on this podium, but I stand on the shoulders of all those who lead this organization in its various manifestations before me. Leaders like Clancy Adamy of the National Association of Food Chains and Super Market Institute's Mike O'Connor. And Bob Aders whose vision helped make sure the weld was strong when NAFC and SMI merged to form Food Marketing Institute. And the direction that Tim Hammond provided contributing to many of the traditions that FMI is proud to maintain. These leaders all confronted the challenges of their day and forged a well-respected association. They deserve our thanks.

**Today's Landscape**

But today, requires that we confront the demands of our day.

Every generation faces its unique challenges and could legitimately claim, things have never been like this before– but at the risk of sounding like my grandmother – the challenges confronting us are quite daunting and "things have never been like this before!" Daunting because there are so many conflicting currents out there, that it often feels like we are trying to navigate a sail boat in a hurricane. There are the cross-drafts of the troubled economic winds; where on one hand we hear that consumer holiday shopping is up and the next breeze blows in the warning that shoppers will be cutting back due to credit card shock. On the business front, you look one way and it appears big businesses are the only ones thriving, but then everyday sees another big name announce that it is closing its doors. And in our world there is the movement to buy local, think small. And granted it is a small bleep, but the number of people choosing farming – small farming – as a vocation is trending up for the first time after decades of decline. So is small the answer for the future – or is getting too big to fail the only way to secure a future? And when we look at the issue of leadership, the picture is equally puzzling. We clamor for leadership, but place so many conflicting demands upon our leaders it is almost

impossible for them to deliver. Somewhat like the customer who wants high quality food that is absolutely safe, produced in an ecologically sensitive fashion, is easy to prepare, is completely healthy, available 24/7 and of course they want all of that offered at half price.

### **The Landscape and Leadership**

A few weeks ago *Time* magazine named “the Protester” as the person of the year for 2011. Think of what that says about our world and what it means – especially in regard to leadership. Those charged with selecting the person who “for better or for worse, has done the most to influence the events of the year” did not choose a known individual leader who has inspired and made a difference, but an unnamed amorphous member of the rank and file who is fed up with the way things are and is raising their voice in protest. In movies made in the 60’s and 70’s we had the anti-hero hero, and now we are seeing something of the anti-leader leaders. It is exemplified in this country by the Occupy movement – and some would argue prefigured for a different demographic by the Tea Party – where there is a general frustration with the dysfunction of the system and a distrustful malcontent regarding traditional leaders in general. Because there are so many overlapping factors – tanked economy, financial institution recklessness and spiraling public debt – all contributing to the frustration, it is sometimes hard to zero in on exactly what the protesters are protesting. And loving to thwart those trying to canvas and characterize them, the Occupy group enjoys its ideological inconsistency – which they tout as a positive strength, not a negative. They – and I think we could add Tea partiers in this group – are an amalgamation of people with issues banded together by an overarching concern with the way things are. And when asked, the protester finds it far easier to say what they DON’T want more readily than they can define what it is they do want.

And social media has played a role. This may be Andy Warhol’s 15 minutes of fame gone mad – but social media has empowered the notion that every opinion matters by providing anyone with access to a computer a podium on the world stage. And it is a chicken and egg question whether social media fed the discontent or the discontent found social media to be the perfect format, but there is no doubt the two are now hand in hand. Again bringing this to the supermarket level, think of how social media has changed the nature of your call centers and consumer affairs services. How many more – and different kinds of - complaints, concerns, customer issues are you dealing with today than you were, say 20 years ago?

And the very odd thing is, in America, it is the groups so frustrated by traditional leaders that they refuse – or are incapable of - identifying a leader for themselves who will have a large say in who gets elected president! It appears that the successful candidate will be the one who can most closely adhere to baseball legend Casey Stengel’s axiom that the “secret of managing is to keep the folks who hate you away from the ones who haven’t made up their minds yet.”

### **Putting the Power Pyramid on its Head**

As always is the case, with the unique challenges of our times, come some unique opportunities. At least there are for those with the eyes to see that with all the shadows being

cast, there must be some light shining somewhere. What the times are telling us is that the old pyramid of power has changed. Power is not flowing from tip to base, but is now creeping from the bottom of pyramid. Or even more precisely, what I think is going on is that the old pyramid has been turned on its head and is now upside down, functioning more as a funnel. Effective leaders in this model are those best equipped to stay intimately connected to the base and see their role as filtering, distilling, refining the ideas and opinions coming from the empowered masses. This means leadership skills are more about notable networking, forming coalescing coalitions, forging partnerships and dynamic connections and learning how to better speak *for* the customer by talking *with* them, not to them.

### **The Need for an Adventure**

But I would like to suggest that there is another dynamic to leadership these times call for.

Rabbi Edwin Friedman – a pioneer in the psychology of family systems theory - used to advise that when a system– and here he was talking about any kind of system; government, family, business, economic – when any system is stymied by dysfunction, or thwarted by depression, recession, boredom – it is time for an adventure. Part of the problem he says is that the system is locked-in on itself -suffering the paralysis of analysis – too self-absorbed and obsessed with its own problems to see a solution. When this happens Friedman said, go on an adventure, it gets the system “out of itself “and opens up new possibilities and new ways of seeing things. Effective leaders for these times will be those who maintain a deep connection with the base, but can also recognize the need for and inspire followers to join in on doing something different, trying something new – going on an adventure. If you’re thinking that sounds a little crazy, remember that the irony is the more desperate we feel about needing to play it safe, not go anywhere, not do anything risky, actually prove to be the very times when we most need to change the shape of the playing field and nature of the game – or in the recent clichés of the business world - think outside of the box, change the paradigm, get out of the comfort zone, or move the cheese.

### **Strategically Posturing FMI’s Future**

In 2012, FMI celebrates 35 years of serving the industry. It also enters year three of the three-year strategic plan we set for ourselves when I first arrived. (I can’t believe it has already been three years!) We have made excellent head way on achieving the objectives we set, which included building on the foundations established by previous FMI leadership, but also included strategic adjustments to help get our house in order. We have spent time re-establishing our focus and getting clear about our mission, and quite honestly, some of that was getting our organizational structure oriented to the inverted pyramid. Making sure our team realized that FMI’s powerbase came from you .... our members. We had to relearn that we serve you best when listening carefully and letting our direction become a distillation of what we are learning from those conversations. I feel we have made great progress in that area and from what I am hearing from you, I sense you agree.

As we wrap up one strategic plan and work on laying out the vision for the next three years, know that we will strive to build on what FMI has excelled in for the past 35 years. We will also be listening intently to you, so that new ideas are forged in the fire of your experience and new directions are shaped by the reality-based needs of our industry. We will seek to deepen the channels of communication between the FMI team and your teams to amplify our collaborative strength. This includes listening to the issues deeply affecting your business – issues such as interchange fees and organized retail crime – and maximizing the FMI tradition of strong legislative and regulatory advocacy; so that lawmakers and decision makers are aware of how their actions will affect you, your business, your employees and your customers. With your help and expanding partnerships, we will continue growing the programs – such as SQF, SafeMark and Rapid Recall Exchange that strengthen America’s food safety web. And with your support we will continue seeking the benefits of collaborative efforts among the various elements in the food industry. I can think of no better example of what the industry can accomplish when we conspire, coordinate and collaborate together than what has taken place in a short amount of time with Fronts Up Front (aka. the Nutrition Keys program). Together, manufacturers and retailers devised a plan to make it easier for the consumer to find the nutrition information they wanted; we then coalesced advocacy efforts to get government support of the program and we are continuing to work together as we enter the public awareness phase of the effort. This may have felt like a slow boil to many of you, but I can tell you - as the government marks time on such projects - this program moved at a microwaved pace. You should be proud.

While others may be stymied by the current situation, FMI is ready to start an adventure. FMI has a new poise and as we serve as the voice of food retail, there is a new confidence in our voice. We stand ready to turn our gaze in more outward directions and begin taking the story of food retailers to the places where the voice of food retailers needs to be heard and should be shared.

### **The Voice to tell the Food Retail Story**

We believe you have a powerful story to tell and it is an adventure story:

- A story of feeding families and enriching the lives of all who enter your doors.
- A story of helping customers help themselves through consumer information, nutrition guidance programs.
- A story of longstanding neighborhood involvement and making a difference in the communities across America.

And FMI is ready for the adventure of helping you tell it.

*++++ (2 minute video demonstrating FMI as the Voice of Food Retail – showing visuals of the various programmatic elements – GR, Food Safety, Health and Wellness. Ends with all those elements flowing into the pillars of the bar code, building our new logo.)*

Like most American families, many of the key moments in the Sarasin family take place around the dinner table. In fact, as the Mother of a 13 year old, I am convinced the times I am most crucial in my son's life are when he needs a ride somewhere or needs something to eat ... both of which happen frequently. I have found that the occasions providing me the best opportunity to discover what is truly going on in my son's life is when he is seated at the table with me and Ron. I treasure our table talk. We are not headed anywhere, we are not going different directions ... we are there together sharing a meal AND as we do I find that we share our lives. In my heart and in my head, the dinner table is where family happens most readily, most easily and most effectively. That is backed up by data from Columbia University's Center on Alcohol and Substance Abuse, which notes that kids from families who dine together more frequently are less likely to participate in harmful social behaviors. Family meals are absolutely crucial to America's social health and a key underexposed truth is that the Supermarket is the silent participant in the family meal shared at home. Your stores are the strategic starting places of every family feast. You provide the ingredients, the components and sometimes the very recipes for the family meal, offering the substance that allows family connections to form.

It is no surprise then that the bond between people and "their" grocery store is unlike any other retailer - customer relationship. You are in homes and at the table like a regular family member. It explains why we talk about grocery stores in the possessive, as in **my** grocery store (like **my** kids, **my** family). The supermarket is the silent member of the family, providing the materials that call us together, establish a point of commonality - enabling us to nurture the connections that give our lives meaning. It doesn't matter how the demographic of family changes or varies from house to house, one factor remains consistent; it all starts at the grocery store. So, when we talk about Health and Wellness in the grocery store, we need to expand the vocabulary beyond the realms of nutrition and diet, so that it includes the total health of that building block of America, the family. And that is a heartwarming adventure story worth telling.

The plot will vary dramatically -but whether the story is:

- The disciplined steps grocery stores maintain to keep food safe.
- The length supermarkets go to in providing customers the information they want and need - nutritional data, ingredient information – equipping them to make the best dietary decisions for their families.
- How private brands can help consumers stretch their grocery budget dollars further.
- Detailing how legislative proposals and regulatory measures are affecting the total at the checkout line.
- Or how food retailers are working on sustainability issues to protect the environment for future generations,

... FMI will be busy telling your story, being your voice, sharing your message.

### **FMI's New Game Face**

The adventure of telling your story more boldly is beginning and we want you to know we are excited about it. So excited, in fact, that as you saw in the earlier video, FMI is putting on a new game face... introducing a new logo.

Our new logo reflects FMI's new energy as a professional, passionate and committed organization that is approachable and open to its members. It instantly defines who we are with the distinguishable tag line "THE VOICE OF FOOD RETAIL" - while visually conveying we are aggressive at keeping up with trends and information that will support our members, helping prepare them for the new changes and opportunities coming their way as they feed families and enrich lives.

And, like FMI itself, there is more to this logo than meets the eye. . . . The bar code that contributes graphically is more than an industry symbol; it is a scanable bar code that can be read by a smart phone, connecting the user to the FMI website. Which – by the way – is also being completely retooled.

Our website – our face to the public – is being completely renovated so that it is easier to navigate, is friendlier to the eye and finger and is more inviting and interesting. But it is not just about making it look better, it will feature a vastly improved search function so that in the rainbow of resources housed there, you can readily find the color you are searching for. We are excited about the possibilities our new site opens up to us in terms of integrating social media efforts and improving member communication efforts. You will be hearing much more from us on this as plans move forward and especially at the not-to-be-missed FMI2012 – The Food Retail Show in Dallas in May.

You sit at FMI's table, you are our family. As proud family members, we want to tell your story and help others see you as we see you – the thread holding the tapestry of the American family together. So, scoot your chair up to the table, fill your plate, share your story and join us on this adventure.

*Pause, breathe and swift gears* \_\_\_\_\_

And speaking of adventures .... it is my pleasure to announce to you the start of an exciting new program that will premiere at FMI2012 in Dallas. You will definitely want to be there when the grocery industry's top cooks square off in a culinary showdown and cook-off –with the winner earning the title "**The** Supermarket Chef." There will be swashbuckling spatulas and sauce bowls flying as our supermarket chefs go apron to apron competing across four categories: Ethnic, Indulgent, Family Meals and Healthy. Each chef can enter up to four recipes; one per category and there is no limit to the number of chefs per company entered. So, if you are proud of your company's cuisine, tell your Chefs to fire up their ovens, get their dicing knives sharp and their recipes legible because FM's **Supermarket Chef Showdown** is in their future.

Showdown finalists will be vying for prizes and top chef recognition as determined by a taste testing panel of celebrity judges. Phil Lempert, the Supermarket Guru® will emcee the event. Great food, competitive fun and industry-wide bragging rights to the best Chef around; could you ask for anything more?

This promises to be one spicy event – especially because our title sponsor is McCormick and Company. We could not ask for a better partner on this adventure than McCormick & Company, Inc. and we thank them for their sponsorship. Please join me in welcoming Ken Stickevers - President, US Consumer Products, McCormick & Company, Inc., to the platform to tell you more.

- *Ken will speak for approximately 3 minutes covering the following points.*
  - *Share his, and McCormick's excitement about the Supermarket Chef Showdown*
  - *Highlight the role of food and "great taste" within our Industry and*
  - *Mention the McCormick "Passion for Flavor" program.*

Thank you, Ken. And as you know a drama of this magnitude could not come off without a cast of colorful characters helping to make it happen. Please allow me to introduce the key executives present from the other sponsoring companies:

- Mike Potthoff - VP Large Format , National Retail Sales, Anheuser Busch
- Denise Morrison - President and CEO, Campbell Soup Company
- Gary Rodkin - CEO, ConAgra Foods, Inc.
- Tom Joyce - VP Customer and Industry Affairs, The Hershey Company
- Regenia Stein - Vice President Industry Affairs & Communications, Kraft Foods
- Richard Smucker - CEO, The J.M. Smucker Company
- Wesley Eubanks - Senior VP of Sales and Marketing, The Pictsweet Co.

Thank you, all, for the singular contribution your company made to this program and for the difference your collaborative efforts have made in helping FMI's Supermarket Chef Showdown become a reality. We appreciate your support.

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*Pause -*

And now, it is time for us to turn our attention to the presentation of awards. I'd like to invite Fred Morgenthall, FMI's Board Chairman to join me on the platform and assist with the awarding of these FMI recognitions.