

FOOD MARKETING INSTITUTE STRATEGIC PLAN

Adopted by The FMI Board of Directors
January 19, 2013

Executive Summary

Developed in collaboration with



FMI



™

THE VOICE OF FOOD RETAIL

Feeding Families  Enriching Lives

Introduction

Objective and content of the Strategic Plan

Objective

- The objective of the FMI Strategic Plan is to clarify FMI's **path forward for the next 5 years**
- As such, it seeks to provide **clear answers** to the following questions:
 - What are the areas of highest opportunity for the industry?
 - What do we want to achieve in these areas? And how?
 - What resources will be put against this work plan?
 - What does success look like? How can we measure it?

Content

- **Part 1** of the Strategic Plan focuses on **enhancements**:
 - The 5 **key priorities** needed to significantly enhance FMI's value to its members
- **Part 2** of the Strategic Plan focuses on **ongoing activities**:
 - The other activities that constitute the core of FMI's value to its members
 - These are not a comprehensive overview of everything FMI does but represent the priorities needed to better serve members
 - All other activities that are part of FMI daily operations will be maintained, even though they are not specified in the Strategic Plan

Introduction

Process followed to create the Strategic Plan

Process

- The Strategic Plan was developed through a **structured process** designed to encourage all Stakeholders to engage and provide direction:
 - The **Board of Directors** defined the overall direction and shaped the content of the 5 key priorities for enhancement
 - The **Strategic Thinking Committee** (STC) prioritized the enhancements over time, based on the perceived added value and estimated costs and resources required for implementation
 - **FMI Staff leads** in respective areas developed more detailed plans for each of these enhancements, as well as for all the ongoing activities
 - Dedicated **Reviewing Committees** provided input and validated these plans, focusing on the priorities and action plans, but also on the expected outcomes and measures of success
 - The **STC** reviewed the whole strategic plan and ensured consistency among all the initiatives as well as retained focus on the key priorities
- This **document** represents the outcome of the process and the recommended strategic plan for FMI, as approved by the FMI Board of Directors, January 13, 2013

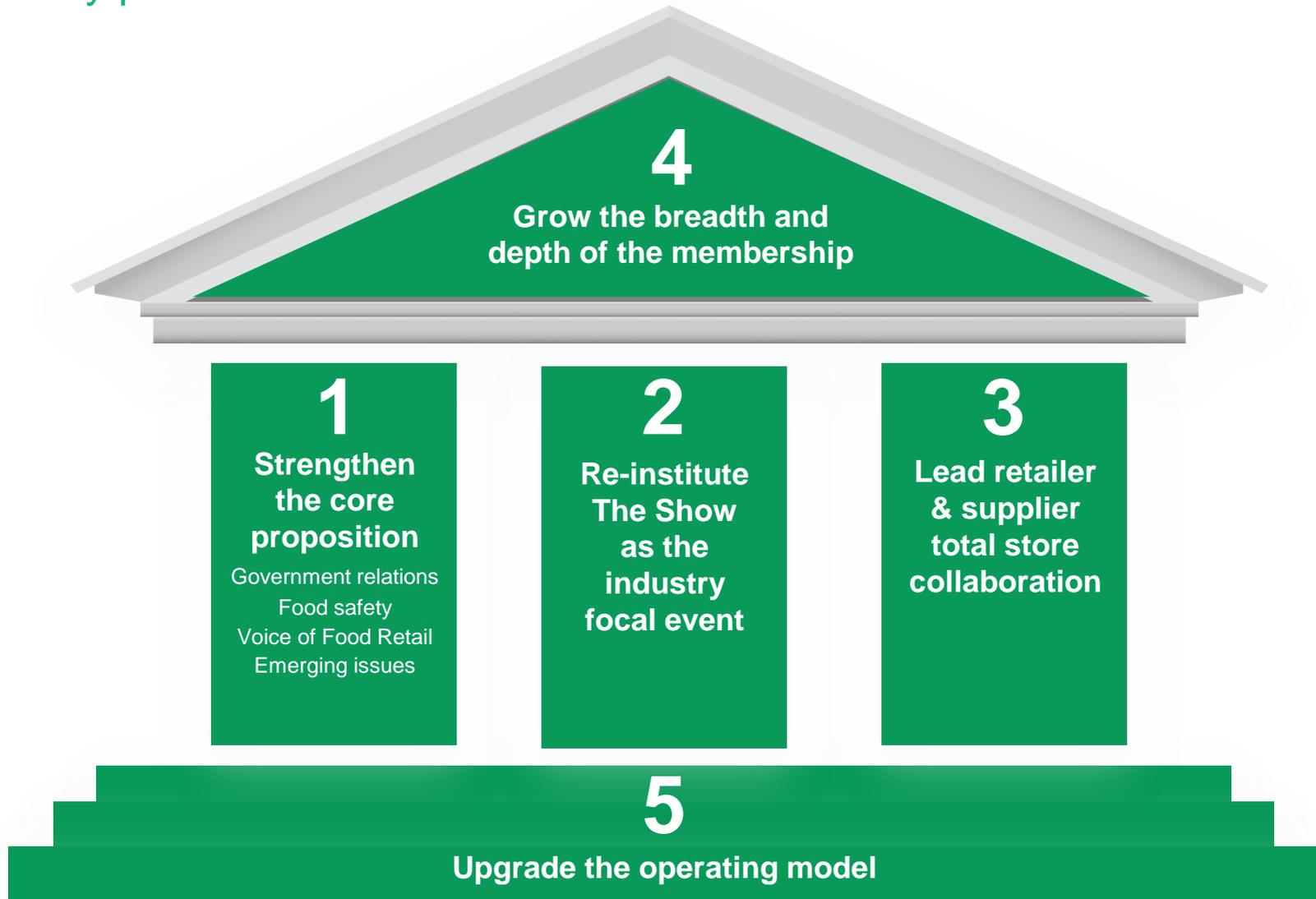
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The Strategic Plan has been **built upon the feedback and recommendations of its members and other key stakeholders** that were interviewed in 2012. It has also been guided by FMI's long-term vision, to ensure exceptional value is consistently delivered across the full business scope of FMI's food retailing membership

- This feedback shaped **5 strategic initiatives** to enhance FMI's value proposition:
 - **Strengthen FMI's core proposition**, through specific enhancements in the fields of **government relations, food safety, voice of food retail and emerging issues**
 - **Re-institute The Show as the focal event** by returning to an annual event, with internal and external co-locations to represent the "total store"
 - **Lead retailer & supplier total store collaboration** by creating an industry-wide and integrated Retailer & Supplier Total Store Collaboration Forum that can deliver tangible results
 - **Grow the breadth and depth of the membership** by improving or expanding FMI's capabilities to better serve all industry segments
 - **Upgrade the operating model**, through robust financials, improved governance principles, and effective member communication

- Maintaining and developing FMI's leadership will also require **re-focused efforts on core ongoing activities in 3 major areas**
 - **Leverage value enablers**, especially by clarifying Education and Research efforts and promoting the mission of the FMI Foundation
 - **Ensure topic ownership** in Fresh, Health & Wellness, Sustainability, Asset Protection & Supply Chain
 - **Support Industry integration** with transversal efforts in Private Brands, Technology and Consumer & Community Affairs

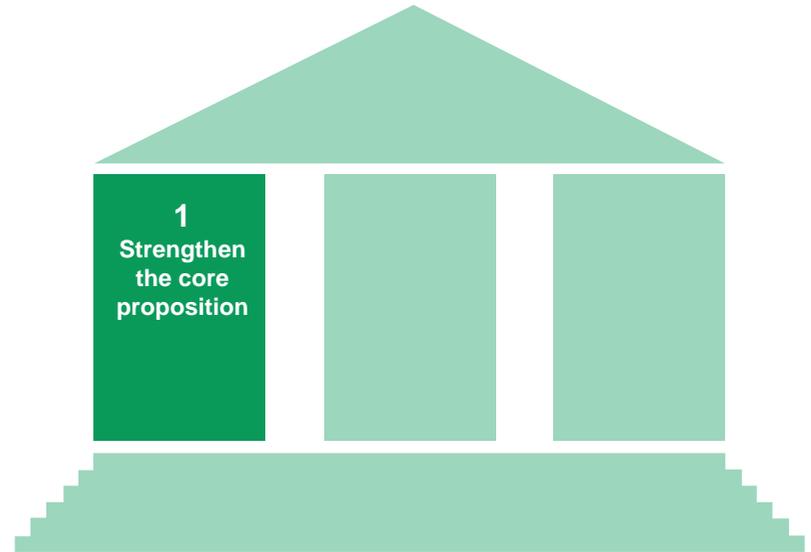
A graphic view of The 5 key priorities for enhancement



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1. Strengthen FMI's core proposition

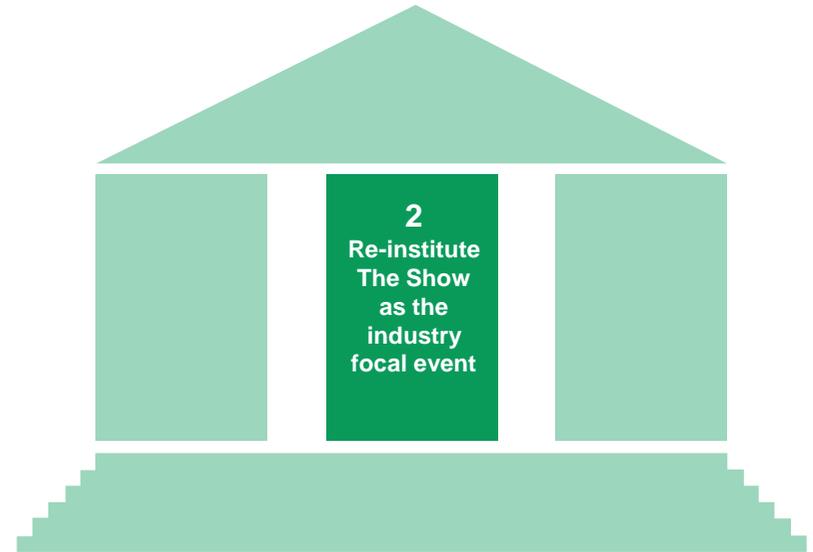
- The 4 areas where additional leadership would benefit the industry are in the aspects of **Government Relations**, **Food Safety**, increasing FMI's image as the **Voice of Food Retail**, and tracking and communicating **Emerging Issues**
- Feedback from members helped **prioritize the following main enhancements** for each of these four areas:
 - **Government relations:** develop and improve relationships and influence with elected officials through increased support to CEOs in speaking to representatives, professionalized materials, as well as brand building efforts on Capitol Hill
 - **Food safety:** develop stronger positions on food safety issues and better protect the industry in crisis situations via scientific/technical guidance and materials and also more personalized support with food code inspection and other issues
 - **Voice of food retail:** represent the retail food industry across a variety of audiences to proactively communicate issues and opportunities (e.g. food safety) and better influence key stakeholders, as well as enhance crisis management communications
 - **Emerging issues:** place FMI at the forefront of identifying industry risks and opportunities by actively scanning for emerging issues, conducting research for validation and preparing retailers to manage priority issues



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2. Re-institute The Show as the industry focal event

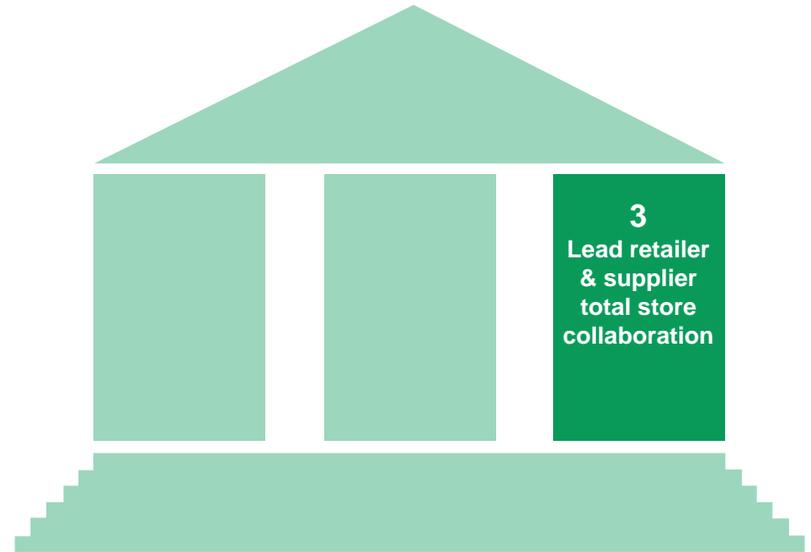
- **Re-engineering The Show** is critical to evolving it into the industry focal point for doing business and networking
 - Members clearly stated that the Show has not kept pace with the industry’s evolution and is no longer providing sufficient value
 - The objective is to turn The Show into an event with expanded reach over the “total store” to provide increased business and networking opportunities at a “one stop” location
 - This will be achieved by turning The Show into an annual event, co-located with other FMI events to also include suppliers and fresh and private brands players



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3. Lead retailer & supplier total store collaboration

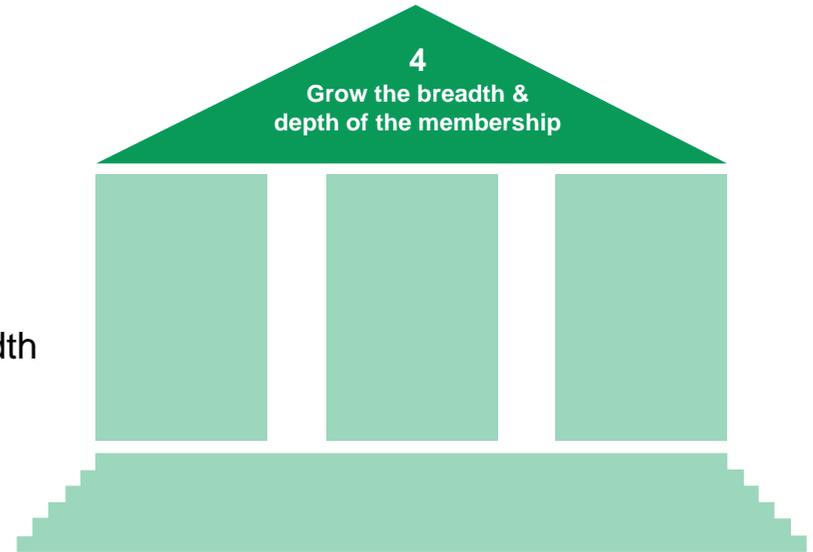
- **Creating a broad based Retailer & Supplier Total Store Collaboration Forum** is another required step to create tighter industry connections and combine efforts on topics of common interest
 - There are multiple forums for fostering collaboration today but members have expressed dissatisfaction with their performance (lack of inclusiveness, traction, impact, etc.), as well as a strong desire for FMI to assume a greater leadership role in this field
 - The objective is to create a **single parity-based CEO forum** that covers all verticals in the industry (F&B, GM, HBC, Fresh and Private Brands) and all topic cross sections
 - This will be achieved by better identifying and prioritizing topics of impact, as well as **dedicating resources over time** to push initiatives forward



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4. Grow the breadth & depth of FMI membership

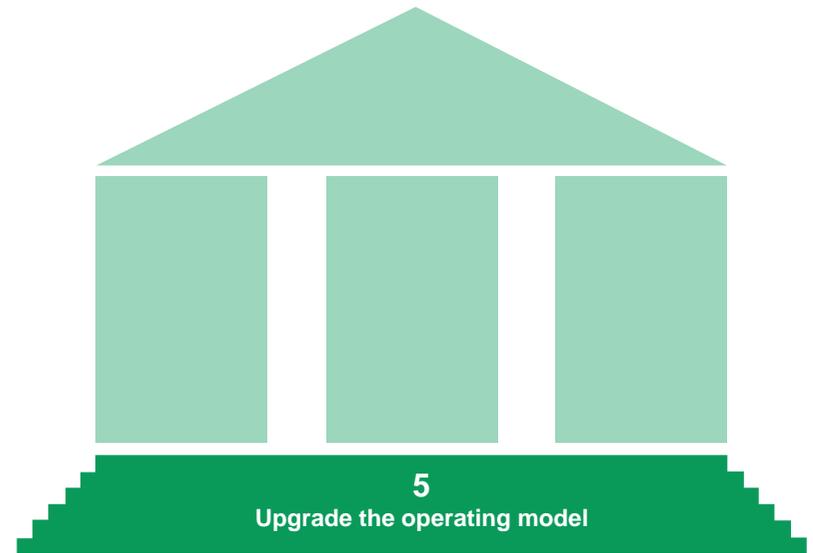
- **Growing the membership** is crucial to continue upgrading FMI’s capabilities to better serve the industry; both the breadth and depth of the membership need to be tackled
 - This priority can be considered as an outcome to the success of the Strategic Plan
 - Growing the membership should still remain a priority of its own, with a focus on associate members and non-traditional retailers to ensure “total store” representation (*breadth*)
 - Eventually, success in this field will also require improved engagement with members on a regular basis (*depth*), to ensure satisfaction and focus on the right set of priorities



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5. Upgrade the operating model

- **Upgrading the operating model** will aim at securing the right set of enablers to allow FMI to successfully implement the Strategic Plan
 - First, this requires **financial growth** to provide FMI with the resources to invest in each new area and expanded offerings
 - **Governance principles** will also ensure a close monitoring of the delivery of this Plan
 - Clear and frequent **member communication** will be required to manage and refine this new and expanding network



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Re-focus and upgrade core FMI Ongoing Initiatives

- To adequately expand current value offerings it is critical for FMI to focus on its **core ongoing activities** and **upgrade** them to deliver tangible value to its members. This will be achieved by concentrating on three major areas: leverage **value enablers**, ensure **topic ownership** and support **industry integration**
 - Value enablers will be leveraged by continuing to emphasize **Research & Education** as well as build a robust **FMI Foundation**
 - **Education & Research** will provide state of the art learning techniques to all education conferences and continue offering actionable insights via forward-looking research
 - The **FMI Foundation** will provide FMI with the financial ability to invest resources on research & education in the areas of food safety, nutrition and health
 - **Topic ownership** will be achieved by providing thought leadership and knowledge creation above and beyond what is expected by the industry
 - **Fresh foods** will be the primary area of focus to command industry leadership while identifying areas of collaboration to enhance total industry understanding and cooperation
 - Other areas of focus will include **Sustainability, Health & Wellness and Asset Protection**
 - **Industry integration** will be further supported by improving the existing **Consumer & Community Affairs** platform and by becoming a leader in **Private Brands** and **Technology**

A graphic view of Ongoing Initiatives

1 Value Enablers

Education



Research



FMI Foundation



2 Topic Ownership

Fresh Foods



Health & Wellness



Sustainability



Asset Protection & Supply Chain



3 Industry Integration

Private Brands



Consumer & Community Affairs



Technology





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