FOODSERVICE COLLABORATIVE INNOVATION

OPERATOR-SUPPLIER COLLABORATIVE OUTPUTS

FOODSERVICE COLLABORATIVE INNOVATION™

KINETIC 10

THE EVOLUTION OF COLLABORATION

How has COVID changed our innovation environment?

1. OFF-PREMISE OPTIMIZATION
- Increased need for digital innovation
- Heightened need for food that travels better
- Raised importance • Exposed inefficiencies
- Highlighted issues with at home experience
- Drove investment of better take-out packaging

2. SPEED-TO-MARKET & FLEXIBILITY
- Accelerated decision making & speed-to-market
- Made business models more flexible
- Forced stakeholders to be more flexible

3. TRANSPARENCY & COLLABORATION
- Forced greater transparency • Exposed poor-communication / need to improve
- Broke down some internal silos • Highlighted need to collaborate

4. SPEED OF TECHNOLOGY ADOPTION
- Advanced importance of certain technologies
- Made us nimbler & shortened development cycle
- Sped up adoption of certain technologies

5. RELIABILITY & RISK REDUCTION
- Created business uncertainty • Heightened need for reliability
- Exposed lack of supply chain transparency
- Elevated supply chain role • Forced greater diversity of suppliers

6. SIMPLIFICATION & PRODUCTIVITY
- Increased menu simplification and SKU rationalization • Innovation on current items and SKUs
- Improved digital connection with patrons • Increased productivity activity

7. INNOVATION PROCESS
- Increased need for process improvement • Shortened cycle time

8. LESS CUSTOMIZATION
- Increased off-the shelf innovation
- Decreased complexity of customization

9. SOLUTIONS ORIENTATION
- Focused supplier support on solutions
- Created clarity on top operator issues

10. LESS LABOR
- Created focus on labor reduction innovation • Increased need for better training tools

11. FOOD SAFETY
- Created need for safety & sanitization innovation
- Increased consumer desire for "safety"

12. VALUE
- Drove strong focus on the value proposition
- Heightened need for real differentiation

BUILDING STRONG STRATEGIC PARTNERSHIPS

OPERATOR'S EXPECTATIONS
FOR A GREAT RELATIONSHIP

1. COMMUNICATION
- Clear / consistent communication
- Accurate forecasting
- More effective follow-up
- Supply chain risk communication
- Top-to-top strategic connection

2. SPEED
- Need to move faster
- Real time information / data

3. PREPARATION
- More data / insight / market intelligence
- Know my brand & operation
- Knowledge of your own business
- Understanding cost parameters / constraints
- Spend time in my restaurants
- Listen, understand my pain points

4. TRANSPARANCY
- Honesty
- Be willing to share strategies and solutions
- Grace to say "no"

5. SOLUTIONS
- Solution focused vs product focused
- Culinary support
- Testing support
- Marketing funding
- Loaner equipment
- Facilitate cross-functional connections

6. PARTNERSHIP
- Respect / confidentiality
- Mutual understanding and trust
- Willingness to collaborate
- Respect for our process
- Confidentiality

7. FLEXIBILITY
- Be flexible

MANUFACTURER'S EXPECTATIONS
FOR A GREAT RELATIONSHIP

1. COMMUNICATION
Timely feedback •
Honest – open communication •
Better forecasting •
Transparency / openness •
Alignment •
Explain your needs •
Involve us more •
Budget / cost / volume expectations •
Clarity on your goals •
Defining what success looks like •
Greater dialogue •
Direct communication •
You to challenge me •
Flexibility •
Where I sit on the pyramid •
How I can improve
Commitment to communicate outcomes •

2. YOUR PROCESS
SOP forms •
Understanding of your process •
Clear lead times •
Your help to navigate •
through issues / process

3. FAIRNESS
Trust •
Equitable relationship •
Partnership vs transactional mindset •
Loyalty •

4. ACCESS
Access to key stakeholders •
decision makers

OFF-PREMISE INNOVATION DIG SITES

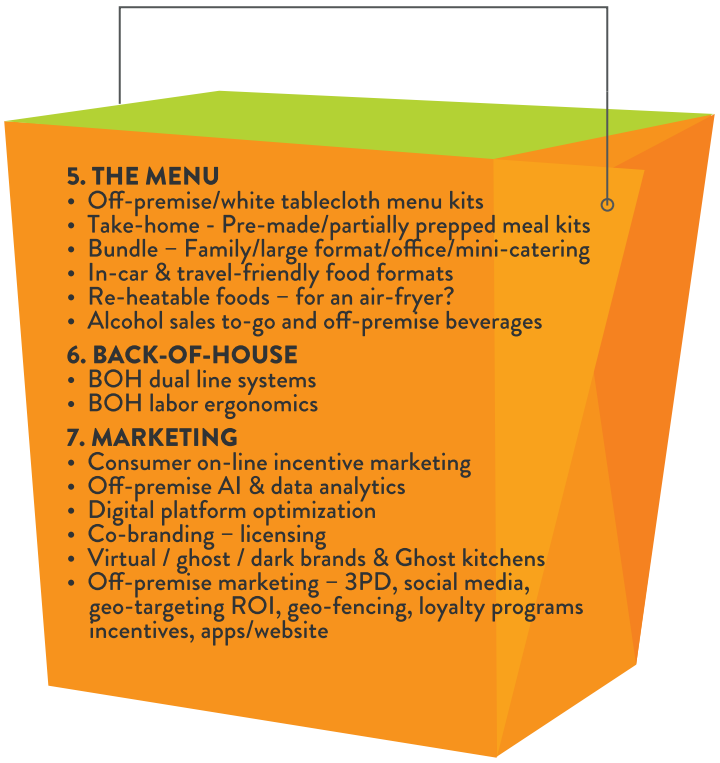


1. ORDERING
- Location-based on-demand delivery services
- Ordering integration technologies
- Order / delivery speed & accuracy improvement

2. DELIVERY / PICK-UP SERVICE SYSTEM
- Self-delivery & 3rd party delivery time reduction
- Drive-through re-invention
- C-store drive-through windows
- Curbside tech & infrastructure
- Neighborhood experience, tailgate, food drop-off
- On-demand food truck
- Off-premise menu re-engineering
- Arrival drop-box / Pick-up lockers

3. THE EXPERIENCE
- Fix experience-gap-recreating experience at-home
- Meal planning service and home meal replacement
- Long-hold travel technology

4. PACKAGING
- Better Packaging – hot/cold, tamper-evident
- Re-usable containers picked-up and re-used



5. THE MENU
- Off-premise/white tablecloth menu kits
- Take-home - Pre-made/partially prepped meal kits
- Bundle – Family/large format/office/mini-catering
- In-car & travel-friendly food formats
- Re-heatable foods – for an air-fryer?
- Alcohol sales to-go and off-premise beverages

6. BACK-OF-HOUSE
- BOH dual line systems
- BOH labor ergonomics

7. MARKETING
- Consumer on-line incentive marketing
- Off-premise AI & data analytics
- Digital platform optimization
- Co-branding – licensing
- Virtual / ghost / dark brands & Ghost kitchens
- Off-premise marketing – 3PD, social media, geo-targeting ROI, geo-fencing, loyalty programs incentives, apps/website

MULTI-SUPPLIER COLLABORATION

BENEFITS

- Bigger, better ideas & solutions
- Broader sourcing
- Additional strategic partners
- Areas of expertise / capabilities / perspectives
- Shared investment
- Suppliers collaborating to optimize solutions
- New relationships
- Improved supply chain solution
- Forced transparency
- Access to a broader network
- Holistic solutions
- Hyper specialization
- Greater satisfaction with successful launch

CHALLENGES

- Confidentiality concerns
- Resources costs
- Broader ROI expectations
- Balancing input and decision making amongst all
- Reluctance to share, protecting proprietary information
- Execution given added complexity
- Communication / egos / conflicts / fear of change
- Different agendas, priorities & goals
- Agreeing on goals / desire to control
- Difficulty maintaining specs
- Matching supply / demand between vendors
- Timing agreement
- Managing expectations by multiple parties
- Defining roles / responsibilities / ensuring a win-win
- Consistency across the whole chain
- Understanding pain points

THE INNOVATION MINDSET

What does it mean to have an Innovation Mindset?



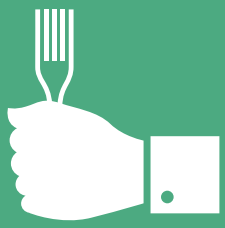
WHAT IS GREAT COLLABORATIVE INNOVATION

What's needed for better, faster CI?



What Suppliers Can Provide

Best-in-class R&D
Unique production capabilities
Alternative solutions
Category leader expertise & insight
Supply chain visibility & expertise
Marketing opportunities
Data analytics
Culinary creativity
Plant trial facilities
Network of potential partners
Training capabilities



What Operators Can Provide

Full transparency
Innovation goals
Pain points
Definition of success
Cost targets
Defined guardrails
Process understanding
Marketing calendar
Demographics on innovation targets
Access to R&D, culinary, ops
Identification of sacred cows
Timelines
Opportunities for collaboration
Exclusivity
Honesty

PLAYING INNOVATION OFFENSE

What does playing innovation offense look like?



What does playing innovation offence look like?

- Vision
- Boldness - risk takers culture
- Confidence/Leadership
- Focus/Agility
- Commitment/Collaboration
- Innovation expertise
- Vulnerability
- Trend focused approach
- Open mindedness
- Innovation strategy
- Insight/trend analysis
- Data analytics
- External inspiration
- Challenge the status quo
- Just say no, cut losses
- Diversity of thought
- Learn-from-failure culture
- Leadership alignment
- Dedicated resources
- Funding
- Customers taking risks
- Ability to self-assess

Why innovation defense is bad

- Stifles creativity
- Lowers margins
- Limits growth
- Increases competition
- Decreases differentiated
- Dampens enthusiasm to innovate and sell
- Demoralizes the team
- Impacts relevancy
- Creates fear-of-failure mentality
- Leads to lack of vision and strategy
- Reinforces reactive culture and fear of taking risks
- Compresses lead times and hurts execution
- Damages reputation
- Makes you less attractive to talent

GAME-CHANGING INNOVATION BIG BETS

Opportunity Spaces Where Operators & Supplier Should Collaborate

