

Achieve Category Leadership and the Private Label Conundrum with Sysco OpCos

Background

Foodservice snack food leader looked to gain category leadership position with Sysco and its operating companies

Assignment

- Support time-sensitive insights and market intelligence
- Help to develop strategic framework to gain and maintain category leadership



Engagement Objectives

- Identify support programs required of a mfr to be identified as category leader and be supported within each OpCo
- Identify what “preferred suppliers/category leaders” did to establish and maintain leadership position
- Recommend strategy to help client to achieve category leadership objectives

Approach

OPCO INTERVIEWS The team interviewed presidents and VPs at Sysco OpCos to determine what’s required of “preferred” vendors

MANUFACTURER INTERVIEWS Interviewed 10 of Sysco’s list of top suppliers. Probed senior sales and mktg executives, who routinely identify success factors and strategic approach with Sysco and its OpCos

RESULTS

- 1** *Confirmed private label packing was critical to Sysco, but if the client entered the mix, its equity (and therefore profit margins) would be severely impacted. A pull strategy was necessary*
- 2** *Recommended client evolve from a category leader to category captain: drive category growth, provide category and merchandising expertise and demonstrate sales leadership, rather than through private label*
- 3** *Long term, team suggested client evaluate an exclusive-formula private label. It is more difficult to exit private label than it is to enter it*

Questions?

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