



GS1 Survey Results

January, 2010

Last month, we fielded a brief survey to gauge awareness of and attitudes toward the Foodservice GS1 Initiative. Because you responded, we are pleased to share the results of the survey with you, along with our Point of View regarding implications.

At the bottom of this paper, you may click on a link if you'd like us to share future GS1 communication with you.

Thank you very much for participating, and best wishes for your continued success.

Dave DeWalt
Drew Chicone
Franklin Foodservice Solutions

Do you believe GS1 implementation is necessary in the foodservice industry?

Result: 100% of the respondents answered "YES"

Verbatims:

"Yes - many benefits, especially food safety"

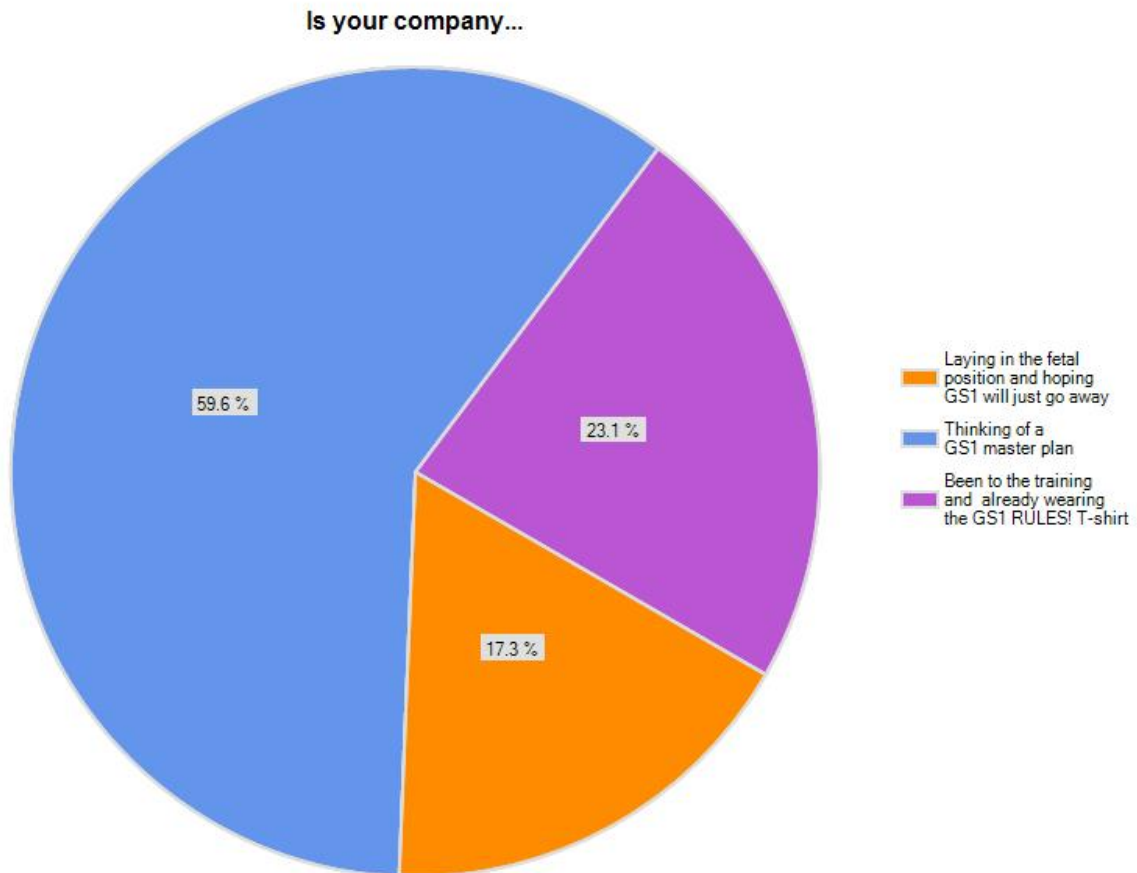
"From the manufacturer's perspective, I think it could be beneficial if it would eliminate our need to support multiple distributor proprietary electronic catalogs"

"Yes - It will raise the quality and integrity of the product information in a more streamlined manner"

Franklin Foodservice POV: The lack of standardized data is an old and familiar issue to everyone in foodservice. We are encouraged to see that respondents expressed universal support for GS1 as the solution.

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Where does *your company* stand on GS1 implementation?



Result: Revealed that greater than 75% of the industry is either researching a GS1 implementation plan or is actively engaged in the on boarding process.

Franklin Foodservice POV: *This bodes well for the success of GS1, because the value of the program increases as the number of participants grows.*

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What *department* in your company is or would be in charge of GS1 implementation?

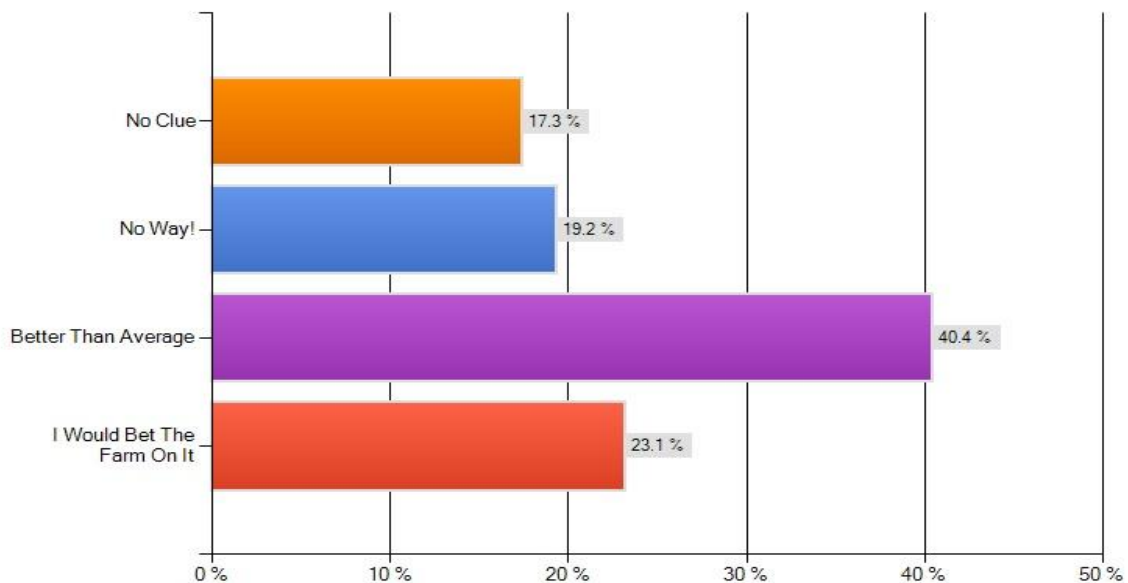
Result: Respondents provide evidence of multiple approaches. Departments mentioned include:

- R&D
- Sales
- Customer Support
- Supply Chain
- IT
- Data Management
- Purchasing
- ...with nearly all respondents listing 2 or more departments

Franklin Foodservice POV: Successful implementation will certainly require a cross-functional team. Some companies may struggle to complete their projects in a timely manner, depending on the priority placed on GS1 among the various departments.

Near-term steps have been established for the Foodservice GS1 US Standards Initiative timeline. What are the chances of your company meeting these timelines?

Near-term steps in the Foodservice GS1 US Standards Initiative timeline include: - By Q4 2009: Companies assign GS1 Global Location Numbers to their headquarters. - By Q3 2010: Manufacturers assign GS1 Global Trade Item Numbers to products and include them on order guides and other trading partner documentation. - By Q2 2011: Manufacturers and brand owners will publish product and company identification and related logistics information to trading partners. Distributors retrieve product information; populate back end systems and customer product catalogs. What are the chances of your company meeting these timelines?

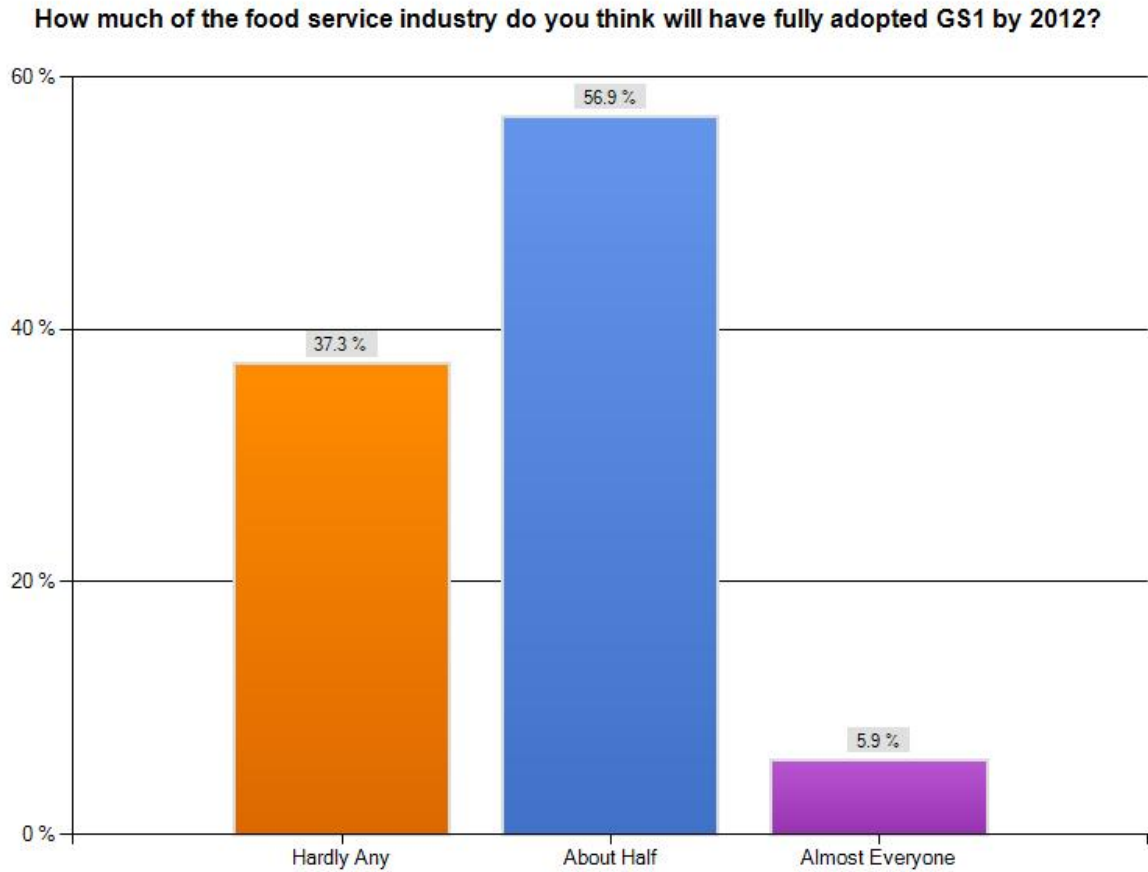


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Result: Less than 20% thought that their companies could not meet the above timelines, with another 20% “having no clue.”

Franklin Foodservice POV: *This result suggests that the timeline is reasonable; another encouraging sign.*

How much of the food service industry do you think will have fully adopted GS1 by 2012?



Result: Most respondents are confident that about half of the industry will have fully adopted GS1 by 2012.

Franklin Foodservice POV: *If this comes to pass, it will be a great thing for our industry.*

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What barriers or hurdles will your company face while implementing GS1?

Result: For the most part, respondents mention “time, money, & resources.” Even those who feel they have enough manpower to handle the project express the need for guidance.

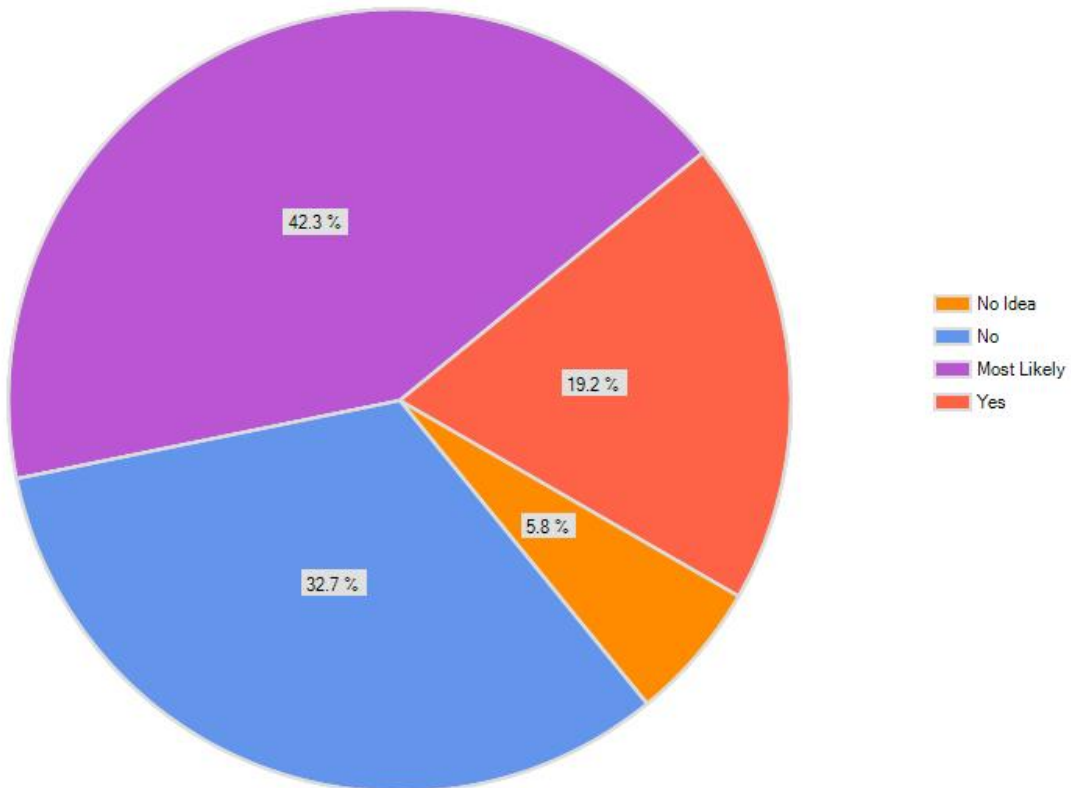
Verbatims:

- “Investment and fortitude”
- “If we must continue with proprietary distributor initiatives, we won't have resources available for GS1”
- “Who's going to pay for it?”

Franklin Foodservice POV: *The “fortitude” comment is right on, as we have heard others express concern that manufacturers might “lose interest” if they sense that the rest of the industry is not getting on board. And as we’ve written before, it is difficult for anyone to invest time and other resources in work that “benefits the industry” without a clear payoff for the investors. We believe that this is the biggest potential stumbling block for the entire initiative.*

Does your company have resources to execute the GS1 initiative?

Does your company have the personnel and resources to assemble, train and certify an in-house GS1 implementation and compliance team?



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Result: 45% said NO and expressed an interest in outsourcing a firm to handle the entire process. 55% said YES, but may still need some guidance with the process.

Franklin Foodservice POV: *As with any initiative, some companies are better equipped than others to take on the workload. Because GS1 is by definition a cooperative effort among all trading partners, success requires that everyone does a thorough and accurate job the first time.*

What Questions or Concerns does your company have about GS1 implementation?

Result: A wide range of responses (see Verbatims below):

Verbatims:

- “Insuring the Industry stays focused within the agreed upon time frames - I suspect some folks will try and jump start the process.”
- “We set up a GS1 electronic catalog for retail business at the request of distributors, and they still require manual (paper forms) item setup. This suggests to me that even with manufacturer setup, integration with all trading partners is still in the future.”
- “Smells like EFR”
- “What critical mass is necessary to force the laggards to get on board? Who's going to pay?”
- “How realistic is it for the foodservice industry (dinosaur) to standardize item codes?”
- “How will price structures be managed and controlled to prevent gouging from the FS1 data pool providers...”
- “Time, resources”
- “GS1's only as good as the data. Data Integrity will be a major issue. Program will be cost prohibitive for most.”
- “Making sure enough of the industry gets on board to make a difference.”

Franklin Foodservice POV: *We believe that all of these are valid concerns. GS1 will be successful if there is strong leadership from the GS1 organization and its foodservice committees. And if major customers decide to make GS1 compliance a requirement for doing business, we'll be on our way.*

Thank you again for participating in this survey. To receive future information we publish on the GS1 topic, please send an email to dave@franklin-foodservice, with the subject “GS1 Info.”