

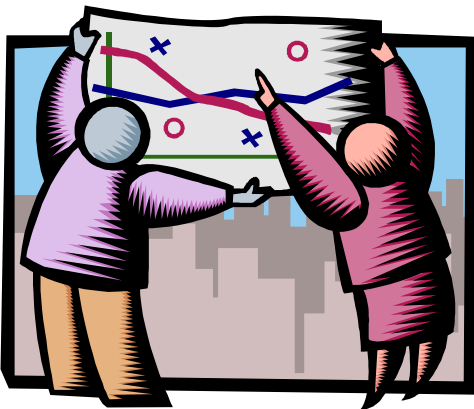
February 6, 2008

FOR YOUR REVIEW

**From:** John Neupauer  
Foodservice Rewards Coalition Manager

**Phone:** (952) 844-4566  
**E-Mail:** john.neupauer@biworldwide.com

## 2008 PLANS – ENROLLMENT, ENGAGEMENT, & RETENTION



With the new year underway we thought it only appropriate to provide a brief review of last year and share with you our plans and goals for 2008. In 2007:

- Enrollment grew by 22% over 2006, with a record 22,525 new operators joining the program.
  - Foodservice Rewards labels were applied to over 88.5 million cases of product, representing 91 brands and 2,517 SKUs.
  - 103 bonus points offers were made to operators including 86 promotions and 17 surveys (compared to 82 offers in 2006, a 26% increase).
  - 89% of Sponsors ran at least one promotion during the year and 71% of Sponsors ran at least one promotion each quarter during the year (compared to 68% in 2006).
- For more Coalition performance numbers see the attached Q4-07 Foodservice Rewards Metrics document.

Below are activities we're working on in 2008 to improve the Coalition:

### A. DRIVE ENROLLMENT

- 1. Sponsor Acquisition** – Over half our enrollments still come from operators finding the familiar yellow label on cases of participating products. As a result, the most effective way we can build enrollment is by adding more Sponsors to the Foodservice Rewards program. To this end, we're taking two actions. One, we're making lots of sales calls (look for an announcement of two new Sponsors soon). Two, we're rolling back exclusivity arrangements (which partially limit or completely prevent some prospect from joining the program) as contracts expire.  
*Goal for 2008: Add 4 new Sponsors.*
- 2. Direct Mail Initiative** – We're conducting a direct mail campaign targeted at non-members of high value segments, such as education, healthcare, and hospitality, segments nearly all Sponsors have indicated are important to them. In addition, these segments are stable, have easy to identify staff, and tend to be highly engaged in the program.  
*Goal for 2008: Enroll 10,000 new operators from this initiative.*

- 3. Distributor Program** – We're working directly with distributors to enroll their DSRs and operators in Foodservice Rewards. Big Mike identifies and contacts key distributorships, trains and enrolls DSRs, and provides ongoing support for their participation (he's the distributor's version of the Easy Button). DSRs earn points for enrolling operators and selling selected Sponsor products.  
*Goal for 2008: Enroll 1,200 new DSRs and 3,000 new operators.*
- 4. Sales/Broker Incentive Tool** – The sales/broker tool is a customized incentive tool for your sales team. The tool includes a custom website and email tools which are used to help communicate and track goals. Reps earn for enrolling operators in the program. Plus, they earn for other behavior, such as sales goals, set by management. Participants earn PerQs (similar to points but taxed differently) and shop from the same catalog as operators, providing a similar user experience. Three Sponsors currently use this tool.  
*Goal for 2008: Increase use of this tool to 5 Sponsors and generate 1,000 new enrollments from their efforts.*
- 5. Enrollment Points** – Since Sponsors have strong name recognition with operators, BI will continue to fund enrollment points when Sponsors conduct enrollment campaigns. Sponsors can use a variety of media to present the enrollment code, such as gift cards, print, email, websites and banner ads.  
*Goal for 2008: Fund points for 20 Sponsor-driven enrollment campaigns.*

## B. INCREASE ENGAGEMENT AND REDUCE ATTRITION

- 1. Telesales** – We're calling our most valuable operators (education, healthcare, and hospitality) who have not entered a code in the last six months to learn why they disengaged from the program. We find that the vast majority of the dis-engagements come from staff turnover and not from dissatisfaction with the program. By introducing the new staff member to Foodservice Rewards we're re-engaging 70% of the operators we contact.  
*Goal for 2008: Re-engage 5,000 existing, high-value operators.*
- 2. Operator Re-engagement Campaign** – On a monthly basis, BI conducts re-engagement campaigns with operators who have not redeemed a code for three months. Operators earn double points, up to 1,000 bonus points, on cases redeemed during the campaign. Historically, the campaigns generate a 10% re-engagement rate.  
*Goal for 2008: Re-engage 20,000 operators throughout the year.*
- 3. Operator Onboarding** – Operators who disengage from the program tend to do so within the first two to three months of enrollment. To help operators feel more connected to the program and reduce attrition, we're updating all operator communication which will clearly and repeatedly remind operators of the program's benefits and how to get more out of the program.  
*Goal for 2008: Reduce attrition of new enrollees by 15%.*

- 4. Gold/Silver/Bronze Membership** – Another way we're encouraging operators to be more engaged is by developing participation tiers. Similar to frequent flyer programs, operators will earn greater benefits as they become more engaged (redeem more codes, redeem more products, redeem from more Sponsors). Specific benefits at each tier are under development.

*Goal for 2008: Develop a measurement system and tier benefits, and obtain Sponsor buy-in.*

- 5. DSR Re-engagement Campaign** – The DSR campaign is similar to the operator campaign. Big Mike is contacting DSRs who have enrolled in Foodservice Rewards but have not enrolled any operators. He'll emphasize benefits for both the DSR and operator.

*Goal for 2008: Re-engage 500 DSRs throughout the year.*

## C. WHAT SPONSORS CAN DO

As you know, Foodservice Rewards is a coalition program. And like any good coalition, working together generates the greatest impact. Now that you know what we're doing, we have two activities we'd like you to engage in.

- 1. Support Enrollment** – Participate in one of two activities that would significantly support operator enrollment:
  - a) Sign-up for and participate in the DSR program, **OR**
  - b) Sign-up for and participate in the Sales/Broker program.
- 2. Engage Operators** – During the year, run a 90 day promotion targeted at non-buyers of your products. To get the most out of the promotion:
  - a) Target only those operators who have not redeemed any of your products,
  - b) Include all your products in the promotion, and
  - c) Offer the promotion to all operators who have been enrolled in FSR for at least 60 days.Keep in mind that all cases redeemed during this promotion will be incremental, so it's a win for you and the operator.

Please don't hesitate to contact Sandy, Heidi or me with questions, comments, and ideas. Thanks!