



## Navigating the Complexities of Group Purchasing Organizations in Foodservice

### Summary:

The recent webinar on Group Purchasing Organizations (GPOs) in the foodservice industry, featuring industry experts Jeff Abramson (Supply Chain Strategies), Brendan Clarke (formerly Distribution Market Advantage), and James Kennedy (retired Procter & Gamble), shed light on the intricate dynamics between GPOs, foodservice operators, suppliers, and distributors.

### Key Takeaways:

1. **GPO Operations:** GPOs play a pivotal role in negotiating rebates and deviated pricing with foodservice suppliers. Their revenue model involves a share of the rebates and the sale of services and technology.
2. **Benefits for Foodservice Operators:** Foodservice operators stand to benefit from lower costs, access to technology for supply chain management, and exposure to new products. However, challenges include the allocation of rebate dollars and misconceptions about pricing.
3. **Advantages for Suppliers:** Suppliers benefit from the GPO sales channel, which reduces customer acquisition costs. However, challenges arise when GPOs demand rebates from already established customers, potentially reducing supplier margins.
4. **Distributor Dilemma:** While the advantages for foodservice distributors are less evident, their involvement with GPOs can lead to increased workload and decreased margins, causing friction in the relationship.
5. **Call for Transparency and Evolution:** Both the panelists and attendees emphasize the need for GPOs to evolve into more transparent entities that provide equitable benefits to all stakeholders in the foodservice supply chain. Failure to do so may lead to further margin compression.

The webinar recording will be transformed into an upcoming episode of the "Farm to Fork: The Innovators Podcast." Interested individuals can learn more by [clicking here](#).

### Further Assistance:

For organizations seeking assistance with GPO's or aiming to enhance their presence in the One Trillion Dollar foodservice industry, Datum's team of advisors is available for consultation. Interested parties can reach out via email to [david@datumfs.com](mailto:david@datumfs.com) or by [clicking here](#).