



IFDA 2026
**solutions
conference**



Resilience Is a Strategy

Fortifying Foodservice Supply Chains in an Era of Uncertainty

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Research & Consulting

Global supply chain management

- Data-driven optimization
- Coordinating between trading partners
- Behavioral decision-making
- Impact of economic policy on supply chains

Teaching

Supply chain management

Leading operational excellence

Leveraging analytics/Storytelling with data

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The work we will do

Four times in this session, we will stop and work at our tables.

- 01 The 2.9% problem**
Why resilience is a margin decision — not an insurance policy
- 02 Four factors shaping supply chains**
Four factors — here to stay — shape global supply chains
- 03 Where you are brittle**
Foodservice chokepoints, two tiers up
- 04 The right level of detail**
Category × origin × customer
- 05 Building the capability**
People, data, and a stress test you actually run
- 06 The next 90 days**
One category, one lever, one owner

You are running a 2.9% business

FOODSERVICE DISTRIBUTION, MEDIAN NET PROFIT MARGIN

2.9%

median net profit margin

\$382B

in annual industry sales

431,000

people employed

12 billion

cases delivered a year

Three points of margin is the whole year.

A six-week outage in one meaningful category, absorbed rather than planned for, does not dent the P&L. It is the P&L. That is why resilience in this industry is not a risk-management topic. It is a margin topic.

Source: IFDA Industry Facts; margin figure 2023.

Resilience is not what you buy after the shock. It is how you protect the few margin points you have.

Resilience is built before the shock — not bought after it.

RESILIENCE AS CONTINGENCY

Activated after the shock

Owned by supply chain, alone

Measured by how fast we recovered

Funded out of a reserve, when there is one

Quietly abandoned within two planning cycles

RESILIENCE AS STRATEGY

Designed before the shock

Owned by the enterprise — sales, finance, operations

Measured in margin held and customers retained

Funded in the operating plan, every year

Built into how you segment, source and contract

Where did you get surprised?

- Name one disruption from the last 18 months.
- Classify it: supply, demand, or policy.
- Who saw it first? Who found out last?
- What signal or assumption caused the surprise?

Table output: One surprise — and the signal you wish you had seen.



5 MINUTES



Four factors are reshaping supply chains.

The four factors reshaping global supply chains

01

ECONOMIC POLICY

Policies affecting supply chains has been growing in **number, magnitude** and **complexity**. There are always **unintended consequences**.

02

CUSTOMER & CONSUMER PREFERENCES

Consumer preferences for **product provenance** is rising, until affordability bites. Expect both states.

03

TECHNOLOGY

Visibility beyond tier 1, AI-assisted planning, **automation**. All favor more regional supply.

04

THE PUSH FOR RESILIENCE

The goal is familiar; execution is uneven. **We have yet to show we can learn this lesson**. Treat resilience as strategy, not contingency.

What happens when policy reaches into the weeds

CASE: CAFTA-DR AND THE “YARN FORWARD” RULE

THE INTENT

Duty-free access required regional yarn and fabric — not just cut-and-sew.

Goal: move Central America upstream.

THE RESULT

Upstream capacity expanded in low-value cotton, the cheapest input to qualify.

Higher-value man-made fibre moved out.

Projected sector growth

about +40%

What actually happened

about -9%

Landed input costs decided product mix. The mechanism operated two tiers above the taxed product.

Source: Mani & Thomas, UVA Darden

Policymakers publish their intent. The initial policy will miss. Then it will get changed.

Three moves that travel to any category

LOOK UPSTREAM

Input costs set outcomes.
Look past tier 1.

LOOK DOWNSTREAM

Speed and substitution value differ
by customer.

READ THE INTENT

Policy intent is forward guidance.
Look for the gap between intent and
mechanism.

Then place early bets at a loss level you can accept.
That is what Walmart did in Shenzhen before China joined the WTO.

Customers ask for provenance — until price bites

FACTOR 2 — CUSTOMER AND CONSUMER PREFERENCES

WHAT HOLDS

Provenance and traceability increasingly shape procurement specifications.

Institutional customers increasingly buy the documentation, not just the case.

WHAT BREAKS IT

When food cost rises, affordability wins.

Preference is conditional. Plan for both states.

A distributor can see substitution early. A pre-agreed spec change protects service, margin, and resilience.

**Supply chain visibility pays off twice:
(1) enabling resilience, (2) potentially increasing customer willingness to pay**

Technology is quietly changing where things get made

FACTOR 3 — TECHNOLOGY

Visibility past tier 1

The tool is now buyable. The question is who owns the output.

AI-assisted planning

Segmentation is now practical at scale.

Automation in production

Automation narrows the cheap-distant-labor advantage.

None of it works on bad data. It is the most expensive mistake in the room.

Where foodservice supply chains go brittle

Center of plate — beef	U.S. cattle herd near a 75-year low; 18–22 months from calf to processing weight	Relief unlikely before 2028
Coffee and cocoa	Weather in Brazil and Vietnam; a record cocoa deficit; both highly import-tariff sensitive	Price, not availability
Produce	Concentrated Mexican sourcing; USMCA qualification and the tomato suspension agreement set the terms	Rules, not distance
Seafood	Majority imported; country-level tariff exposure varies sharply by species and origin	Origin-by-origin
Cans, foil, equipment	Section 232 steel and aluminium duties hit packaging and capital equipment, not just food	Your capex, too
Disposables and packaging	Asian sourcing and resin exposure — now layered with packaging EPR obligations in seven states	Supply and rules
Your own labor	135,000 drivers and 181,000 warehouse workers; recruiting difficulty is structural, not cyclical	The chokepoint you own



TABLE DISCUSSION

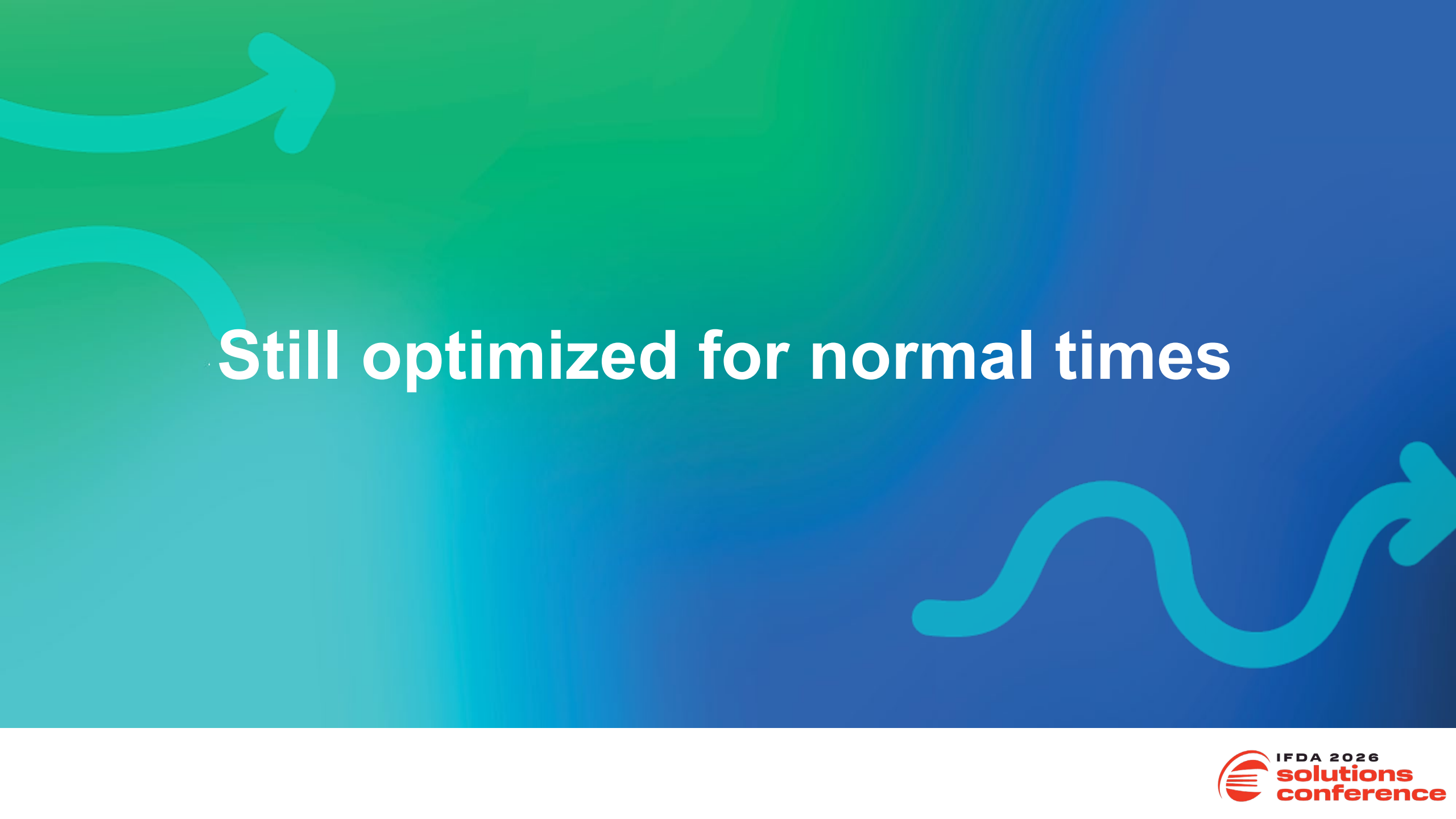
Pick your three



- Choose the three categories that would hurt most if short for six weeks.
- Trace each one two tiers upstream: origin, input, or process.
- What could customers substitute? What would make them leave?

Table output: One underestimated category — and why.

8 MINUTES



Still optimized for normal times

Three ways to build resilience

01

Visibility

See the problem early enough to act.

02

Redundancy

Keep operating when one path fails.

03

Flexibility

Change the path when conditions change.

The right mix — one lever or a combination — depends on risk, customer, and economics.

Attention to the right level of detail

TOO HIGH — the clouds

“Tariffs are up. Our costs are up. We need to be more resilient.”

True, and no decision follows from it.

THE RIGHT ALTITUDE

This category, from this origin, for this customer segment.

Every useful decision lives here — sourcing, contract, inventory, spec, price.

TOO LOW — the weeds

“How many cases fit on this trailer?”

Important work. No strategy follows from it either.

You cannot protect everything. Segment first.

HIGH
exposure to
disruption

PROTECT

High exposure · hard to substitute

Dual source. Contract cover. Strategic inventory. Joint planning with the supplier.

FLEX

High exposure · easy to substitute

Pre-approved alternates. Spec flexibility agreed with the customer BEFORE you need it.

WATCH

Low exposure · hard to substitute

Monitor tier 2 on a schedule. Do not over-invest. Revisit when the exposure moves.

OPTIMIZE

Low exposure · easy to substitute

Run it lean and service-level driven. This is where efficiency belongs — and where you fund the rest.

The mistake

Applying resilience evenly across the catalogue.

It is unaffordable at 2.9%, so it gets diluted until it does nothing anywhere.

Protect a few things properly. Optimize the rest hard enough to pay for it.

LOW

HARD TO SUBSTITUTE

EASY TO SUBSTITUTE

Do not assume the trade-off exists until you have checked

Efficiency versus resilience gets treated as a law of nature. It is usually an untested assumption — and when you look end-to-end, moves that improve both are more common than the framing suggests.

- **A supplier's spare capacity you never asked about**
Costs you nothing to discover. Often removes the need for the inventory you were about to buy.
- **Co-managed or consigned inventory**
Moves the buffer to where it is cheapest to hold, rather than removing it. Both parties can win.
- **Pre-agreed substitution language in customer contracts**
Converts an emergency negotiation into a clause. Protects service level and the relationship at once.
- **A private-label spec qualified at two plants**
One specification, two origins. Resilience that also improves your negotiating position.

Segment first, then ask the question per segment. The trade-off is real in some places and imaginary in others.

Match the resilience lever to the segment

	PRIMARY LEVER	WHAT IT COSTS	WHO HAS TO OWN IT
PROTECT	Redundancy: dual source, contract cover, strategic inventory	Margin points and working capital	Category management + supply chain
FLEX	Flexibility: pre-approved alternates and agreed spec flexibility	Sales effort, upfront and unglamorous	Sales + culinary + supply chain
WATCH	Visibility: scheduled tier-2 monitoring with a named owner	Analyst time only	Supply chain
OPTIMIZE	Efficiency: run lean against service levels	Nothing — this funds the other three	Operations

If every category is in PROTECT, you have not segmented. You have just made a wish.

It's March 2027



- It is March 2027. Your most exposed category has been short for six weeks.
- What breaks first — supply, service, or the customer relationship?
- Which lever would have helped most: visibility, redundancy, or flexibility?
- What decision was needed six months earlier — and what would it have cost if unused?

Table output: The cost of that earlier decision if the shock had never come.



10 MINUTES



**Resilience is an organizational
capability, not a project**

Five capabilities make resilience repeatable

01	Commit to operational excellence	Keep standards under pressure.
02	Organize for alignment	Give the category an end-to-end owner.
03	Elevate your talent	Automate routine work; reserve judgment for people.
04	Replace assumptions with data	Govern the inputs before analytics.
05	Stress test on a schedule	Rehearse before the shock.

Stress test the categories that can break the business

CAPABILITY 05 — STRESS TEST ON A SCHEDULE

Twice a year, ask these four questions for every category in PROTECT. Identify the signal, buffer, or alternative that would change the outcome:

- 01 If this is short for six weeks, what is the margin and service impact?
- 02 Where is the single point of failure — supplier, plant, port, lane, rule, or person?
- 03 What is our pre-agreed substitution, and has the customer already approved it?
- 04 What signal would have told us 90 days earlier — and who watches it?

If nobody owns question 4, you do not have a stress test. You have a memo.



TABLE DISCUSSION

The next 90 days

- Choose one category and one resilience lever to START on Monday.
- What will you STOP to pay for it?
- Which person outside your function must be in the room?
- State the first step and the owner.

Table output: One category, one lever, one owner — said out loud.



6 MINUTES

Your next resilience decision

- Choose one category that can break margin or service.
- Trace it two tiers upstream; identify customer substitutability.
- Choose the right lever: visibility, redundancy, flexibility — or a combination.
- Name the owner, the cost, and the review date.
- Start one thing in the next 90 days — and stop something to fund it.
- Revisit the decision as risk and economics change.

One category. One decision. One owner.

Thank you

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