

# Peer Meeting

3/24/99

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① What is the present value of your Peer PL?

- ✓ Partners monies
- ✓ Indemnification/Experience Defending Against Suits
- ✓ Reliable Product Sources (RSB will be here)
- ✓ Reliable Supply (high fill rates)
  - Sales Force Support (at wholesale and retail)
- ✓ Consistent Product Quality
- ✓ Territorial Exclusivity
  - Accrual Funds?

② What do you need that Forsyth doesn't offer?

\* Lowest price

- X- More advertising/display (Change plastic to corrugate)
- X- Promotional support - sleeves, lighters, etc.
  - Smaller case sizes - multiple brands in a 12m.
- ✓ Salesman SPIF? \$10-\$25 for 6 mos.

\$5 initial display payment to store.  
Some pay ongoing 5thly commission.

③ How can we take costs out of system (to reduce price)?

- Stop paying Partners on PL (would retail cost increase?)
- ✓ Stop accepting returned goods (or cap at 1% of purchase)
- ✓ Reduce # brand families offered (no exclusivity)
- ✓ Increase delivery times - one week vs. one day.
- ? ~~Truckload pricing / Backhauls?~~

④ How can we add value to the Peer program to make all members want to participate?

yes on cardboard  
dumps - needs  
available.

Best Choice  
Best Value  
Monarchs

- the better a member performs on W, C, D, the better price it gets on PL.
- scale patronage dividends to actual PL accomplishments vs. 1998.

100%+ = \$.10 carton

90%+ = \$.08 carton

80%+ = \$.05 carton

70%+ = \$.03 carton

less than 70% = 0

- the better a member performs on PL the better price it gets on ancillary products.