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*[History of The Retail Food Industry Center (TRFIC) - which became The Food Industry Center (TFIC) - at the University of Minnesota.
by Professor Jean Kinsey, 2001.]*

History

By 1994, the Alfred P. Sloan Foundation had already established eight industry study centers at six major universities. Starting with the International Automotive Center at MIT about six years earlier, they set out to change the way academic's approach the study of economic competitiveness and productivity in individual industries. They granted substantial sums of money to establish centers so faculty and graduate students could visit and interview key people in the firms they were studying, in order to become familiar with how the firms in the industry operated before they applied their academic discipline and models to studying the firms and the industry's performance. Each center was funded to study a separate industry (Automobiles, Pharmaceuticals, and Industrial Performance at MIT; Textiles at Harvard; Financial Services at the Wharton School at the University of Pennsylvania; Computers at Stanford; Semiconductors at Berkeley; Powder Metallurgy at Worcester Polytechnic Institute.)

The goals of the Sloan Foundation include producing insight through research that will be helpful to the individual industry and producing a number of graduate students that will go on to either work in the industry or apply their knowledge in future academic positions.

Hirsch Cohen was one of two Vice Presidents for Programs at the A.P. Sloan Foundation in 1994. Industry Study Centers were, in large part, his brain children. He was an old friend of the then Provost of the University of Minnesota, Dr. James Infanti. He asked Dr. Infanti if the University of Minnesota would be interested in having a Sloan Center to study the "Foodservice Industry." Dr. Infanti called Dr. Vernon Ruttan who went to see Dr. Jean Kinsey and asked, "Do you think this is something we should apply for?" In roughly two minutes, Dr. Kinsey said, "Yes."

Dr. Kinsey consulted with the Department Head, Dr. James Houck, and they pulled together an interdisciplinary group to meet with Hirsch Cohen. The group quickly expanded to include more faculty from the Applied Economics Department (Benjamin (Ben) Senauer, Vernon (Vern) Eidman, Robert (Rob) King), from the Food Science and Nutrition Department (Francis (Frank) Busta), and from the Carlson School of Management (Andrew (Andy) Van de Ven, Alfred Marcus, Michael (Mike) Houston). Plans and ideas for such a study center were discussed, and Jean Kinsey pulled them together into a proposal to the Sloan Foundation. One of the early discussions with Sloan was the meaning of "Foodservice." They were really interested in how the entire food supply chain operated and served consumers, from the standpoint of retail food stores (groceries). This was not a competitive grant process, but a cooperative effort to formulate a mutually agreeable plan of work. By the first of January 1995 the Sloan Foundation made its first grant of \$1.63 million, establishing The Retail Food Industry Center (TRFIC) - the first Sloan Center in the center of the nation and the second at a land grant institution. (By 2001 there were 16 Sloan Industry Study Centers.)

This Center and its mandate were seen as a natural fit for the Applied Economics Department whose expertise in agricultural economics, industries, and consumer food behavior were well established. And, the mandate to approach research from the problems and issues of the industry were consistent with the long establish approach of agricultural and applied economists. This

Center would give them, along with others at the UM, the chance to establish expertise in the middle of the food supply chain, that is, the food manufacturers, wholesalers, distributors, retailers, and food service establishments. It helped the faculty and students to grow and establish their knowledge in the growing part of the food chain, simultaneously as it was happening in the real world, and helped to make them leaders in the profession in the economics and operations of food and agricultural industries.

Dr. Jean Kinsey became the Director of The Retail Food Industry Center in 1995. She held that position until 2001, when she was joined by Dr. Ben Senauer as Co-Director. Spending about 70 percent of her time administering the Center, writing, speaking, supervising graduate work, and soliciting research projects from other faculty, paid off in a second grant from the Sloan Foundation in 1998 of \$1.5 million and a third grant in 2001 of \$1.2 million. The large grants to the Center were sub-granted to individual faculty and graduate students with compatible projects.

An internal Steering Committee was formed in 1995 to help make executive decisions about what projects to fund, what site visits to make, and how to interact with the industry. The initial Steering Committee was made up of Jean Kinsey, James Houck, Ben Senauer, Rob King (Applied Economics), Frank Busta (Food Science and Nutrition), Alfred Marcus, Andy Van de Ven and Mike Houston (Carlson School of Management), Judy Ohannesian (former Pillsbury VP), and Craig Streich (CUB Foods). By 2001 the members of the Steering Committee were Jean Kinsey, Ben Senauer, Vern Eidman, Rob King, (Applied Economics), Theodore (Ted) Labuza (Food Science and Nutrition), K.K. Sinha, Akshay Rao, and Daniel (Dan) Forbes (Carlson School of Management), Craig Streich and Paul Poliachik (SUPERVALU) and Susan Kujava (General Mills). Also meeting with the Steering Committee are Elaine Jacobson (Research Associate), Mavis Sievert (Executive Secretary), and Jonathan (Jon) Seltzer (Industry Consultant and Project Manager of the Supermarket Panel).

The mission statement of the Center is: *The Retail Food Industry Center will be the leading source of knowledge on how food reaches consumers effectively and efficiently. Through research and educational programs, it will help develop leaders for tomorrow's retail food industry.* In preparing the third proposal for Sloan Foundation funding in January 2001, we declared that we were indeed meeting our mission.

In the first year a logo and official brochure were designed by a professional marketing firm. The semantics and meaning of the retail food industry generated considerable discussion among the Steering Committee members and, later, at the Board of Advisors meetings. It turned out that "Retail Food" is known, in the industry, as the grocery industry. Foodservice is separate and refers to both commercial and non commercial food establishments that serve ready-to-eat food. And the food manufacturers do not consider themselves to be part of the retail food industry. Thus, a tag line to the logo explains that we consider our purview to be the whole supply chain between the farm gate and consumers. The tagline reads: *Advanced Knowledge About Processing, Distribution, Sales and Food Service.*

An outside Board of Advisors was formed in 1996 to provide industry contacts and advise. Michael Wright, CEO and President of SUPERVALU, agreed to be the Chair of the Board, and invited several of his business acquaintances to join him on the Board. As a result, the Board

consists of many CEO's of major food companies, leaders of Trade' Associations, and some well known academics. This Board meets once a year to discuss researchable issues and learn about the progress of the Center. Its first meeting started with lunch at the Governor's Mansion, with the then governor, Amie Carlson. In 2000, Michael Wright stepped down as chair, and Dale Riley, COO of Kowalski's, took over for two years. At that time it became apparent that the Center would have to start raising funds from the industry to sustain its work, part of the grand scheme of the Sloan Foundation from the onset. Lloyd Sigel, (Formerly Lloyd's Barbeque) one of the Board members, agreed to help raise funds from industry. At this writing, fund raising efforts are just being initiated, but foretell a major focus of the Center in the early part of the twenty-first century.

The research and education program of TRFIC had, by 2001, generated 29 working papers which were published on an active [TRFIC website](#). Sixteen faculty from across the UM had been funded to conduct some type of research about the food industry, five in Applied Economics, two in Food Science and Nutrition, and nine in the Carlson School of Management. Thirty-two graduate students had been involved in projects. Five M.S. students and fifteen Ph.D. students had graduated; eight went to work in private industry, eight were teaching and conducting research in universities around the world, and three were working at USDA.

The core research project and product of TRFIC is the Supermarket Panel. It took three years to launch this data collection project and achieve the first full annual report and analysis of the data collected from a random, representative, sample of grocery stores around the country. The design is to collect data from the same stores each year in order to track their performance and link it to technology adoption, management practices, food handling, labor practices, and quality of customer service. Dr. Rob King became the faculty Project Director for this in 2000 and moved it to a successful program. This project employs its own research associate and outside consultant. It promises to attract outside funds as it is valuable to its users, to food manufacturers, and to consultants to the industry. It will be on the Internet as a way to advertise its usefulness and as a way to collect the core data. With proper funding this could establish a large and unique set of longitudinal data that can be used by researchers in and outside of the Center. It has the capacity to expand in scope and scale, and it is rapidly becoming a respected benchmark for further studies.

Having conducted several research projects related to the retail food channel of the food industry by 2001, the Center is moving into research on the foodservice sector, while still continuing to conduct surveys of consumer preferences and behavior, and funding research of professors and students who have projects that fit the needs of the Center. One of the spinoffs of the intensity of work on the retail food chain through the Center is increased undergraduate student interest in internships and mentorships in food firms, and more graduate students coming to the Department of Applied Economics in order to work on the food industry. The Center is training faculty in the CSOM in expertise in the food industry. Their disciplinary skills have been invaluable to the work of the Center, and, in return, they are becoming knowledgeable about the food industry. It is truly a multi-disciplinary center; it is a creature of the University of Minnesota, not of any one department.

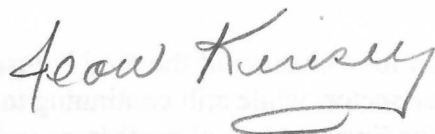
On the educational side, we have offered a food marketing course for outsiders, under the title of *Going for Gold*. It is led and partially taught by Dr. Ronald Larson, who worked with the Center as a research associate for two years. Many of our regular curriculum courses have adopted more food industry examples and case studies. We work with trade associations on educational programs for people in the industry, including an annual Leadership Course with the Food Marketing Institute. In addition, a large collection of academic and trade literature about the food industry is housed in the Waite Library. A Sloan funded fellowship for post-doctorate academics affords the department an opportunity to bring in faculty/researchers on an annual basis. We also offer a seminar series annually, which is sponsored by food companies and attracts 90 - 110 participants from industry, faculty, and students.

In 2001, after much discussion, we found it necessary to drop the word "Retail" from our name along with the tag line. Our new name is The Food Industry Center (TFIC). This new name fits all the comprehensive facets of the work we are doing. By simply dropping the word "Retail" from our name, we became more clearly identified with our scope of research work in and for the food industry.

Beginning January 2001, Ben Senauer, Professor, Applied Economics Department, became a Co-Director of the Center along with Jean Kinsey. His primary responsibility is with the research program.

Belonging to the sisterhood of Sloan study centers has broadened the education and insight of the faculty and students, who participate in the annual meetings of the Directors of all the Sloan Centers and their faculty. The richness of the interchange with faculty from many disciplines, who are all trying to understand how their industry works and how their industry compares to others, is extremely helpful in designing research for the food industry and for the intellectual stimulation of new ideas.

Establishing ongoing, multi-disciplinary, cooperative research among the faculty of the UM is perhaps one of the greatest contributions of TFIC. It has changed the way we think about the food industry and its place the economy.

A handwritten signature in cursive script that reads "Jean Kinsey". The signature is written in dark ink and is positioned below the main body of text.