

Q: Must I go 100% exclusive with Coke or Pepsi?

A: Yes. You'll get a much better deal if you go 100%. Most beverage contracts in healthcare, higher education, hospitality, sports venues, airlines, etc. are 100% exclusive. For a variety of reasons, in the healthcare channel in particular, some organizations are reluctant to go 100% exclusive. Their biggest fear is that employees and customers will be upset if "choice is taken away." In reality, employees and customers are not upset when an organization transitions from a "shared" beverage brand environment into an "exclusive" brand environment. The reasons for this are simple. First, both Coke and Pepsi have huge (and essentially identical) product portfolios. Both companies have all of the most popular kinds of beverages, flavors and package sizes that employees and consumers want. Second, consumer tastes in general are shifting away from the traditional, full-sugar, core Coke and Pepsi branded soft drinks and toward healthier product categories like water, juice, tea and sports drinks. Both Coke and Pepsi have very large and growing product portfolios in these healthier product categories. Most consumers don't even know which healthier brands are owned by Coke (like Dasani water) and which are owned by Pepsi (like Aquafina water). If they make the choice to buy only healthier beverages, they will probably not even notice which "master" brand has the overall exclusive contract. And, finally, even die-hard, traditional Coke or Pepsi loyal consumers who still order full-sugar soft drinks have been conditioned over the last twenty years to simply expect that all large public venues and all restaurant chains have exclusive deals in place with either Coke or Pepsi. Consumers don't expect a choice between the two rival brands when they go to a public venue or national chain, and they don't think less of the venue operator for having an exclusive contract in place.

Q: Doesn't our Group Purchasing Organization contract already provide the best pricing and rebates on beverages?

A: No. All GPOs contract with all the big beverage companies. But they don't specialize in helping large organizations secure exclusive contracts with Coke or Pepsi. (This is especially true in the healthcare sector.) In fact, many GPOs have an economic incentive to always do business with both Coke and Pepsi. We know that we can generate a substantially better exclusive pouring rights contract for you than any GPO can.

Q: We already get a quarterly food & beverage rebate check from our GPO. Are you saying that we should be getting more than this?

A: Yes! In fact, we bet that your GPO will not even tell you how they track and calculate the beverage rebates that they currently collect and pass along to you. There is a remarkable lack of transparency when it comes to beverage rebates when they flow through GPOs and broad-line distributors. We eliminate all of the secrecy in this transaction category while, at the same time, dramatically increasing the rebates paid directly to our clients.

Q: We are a large healthcare system. All or some of our facilities outsource their cafeteria operations to _____ [fill in the blank with one of the big cafeteria outsourcing firms]. Surely, with their expertise and buying power, they must guarantee that we have the best pricing and rebates possible on beverages?

A: No, they don't. All of the major cafeteria operators have their own contracts with Coke and Pepsi. All of them are currently receiving large volume-based rebates that they do not share with their hospital system clients. We know what these rebates are (generally speaking), and we shift as much of them as possible to you.

Q: Like most airports, we contract with one or more of the large concessionaires who then manage all of our food & beverage operations. Is the financial benefit of having a direct relationship with Coke or Pepsi worth the hassle to us and the potential rift it may cause with our concessionaires?

A: Yes, the financial benefits of you having a direct relationship with Coke or Pepsi will far outweigh any short term, minor "extra" work your organization may encounter at the outset. Remember, almost every other large public venue like yours has already formed a direct relationship with Coke or Pepsi. The same concessionaires (and others) that serve these other venues may also currently serve your organization. They will not like the fact that you are committed to forming a direct relationship with Coke or Pepsi, but, ultimately, they will understand why you are, and they will play ball. You will definitely want us to help guide you through this process so that the financial benefits you receive are truly incremental to whatever your concessionaires are currently paying you related to beverage revenues. And having us play the role of your advisor and auditor will communicate to your concessionaires that you are serious and well-informed about how such exclusive contracts typically impact existing venue-concessionaire contracts and operations. In short, having us on your side will insure that you realize truly incremental financial benefits and that you do not experience any service disruptions with your current (and

future) concessionaire partners.

Q: We outsource our hospital cafeteria operations to _____ [fill in the blank with one of the big cafeteria outsourcing firms], but we pay the bills and we insisted on getting all the rebates accordingly. So . . . aren't we already getting the best prices and all the rebates we're due?

A: No, probably not. Surprisingly, it doesn't matter if you are paying the bills and if you have insisted on getting all the beverage rebates. Our experience tells us that your cafeteria operator is still getting and keeping most of the beverage rebates. If this is surprising to you, or if you don't believe it, we'd be happy to conduct an audit for you to prove it. If you don't have an exclusive pouring rights agreement negotiated by Enliven, then you are most likely not getting the best rebates and best net prices possible in the beverage category.

Q: What if we already have an exclusive beverage agreement with Coke or Pepsi in place?

A: If you did it without Enliven, there's a good chance that it may not be that good of a deal. We're happy to evaluate any deal you might currently have. For free. As explained throughout this FAQ document and our website, there are many reasons why any deal you might already have in place may not be the best deal possible. That's nothing to be ashamed about or defensive about. It's just a situation that needs to be investigated and changed.

Q: How can we possibly save “millions” on beverages? We barely even spend “millions” in the course of 5-10 years.

A: There is a lot of margin in the beverage business, and right now there are probably other parties involved in the distribution and sales of all the beverages on your campuses who are taking funds that could and should be directed toward your organization. In addition, with all due respect, most of our clients don't really know what they are currently spending or making on beverages. The spend and revenue reports that we typically see are inaccurate or incomplete, at best. This is oftentimes because the reports are provided by GPOs, concessionaires, cafeteria operators and/or broad-line distributors, all of whom have an economic interest in maintaining the status quo. All of these intermediaries have an economic incentive to obfuscate your true beverage spend and revenues.