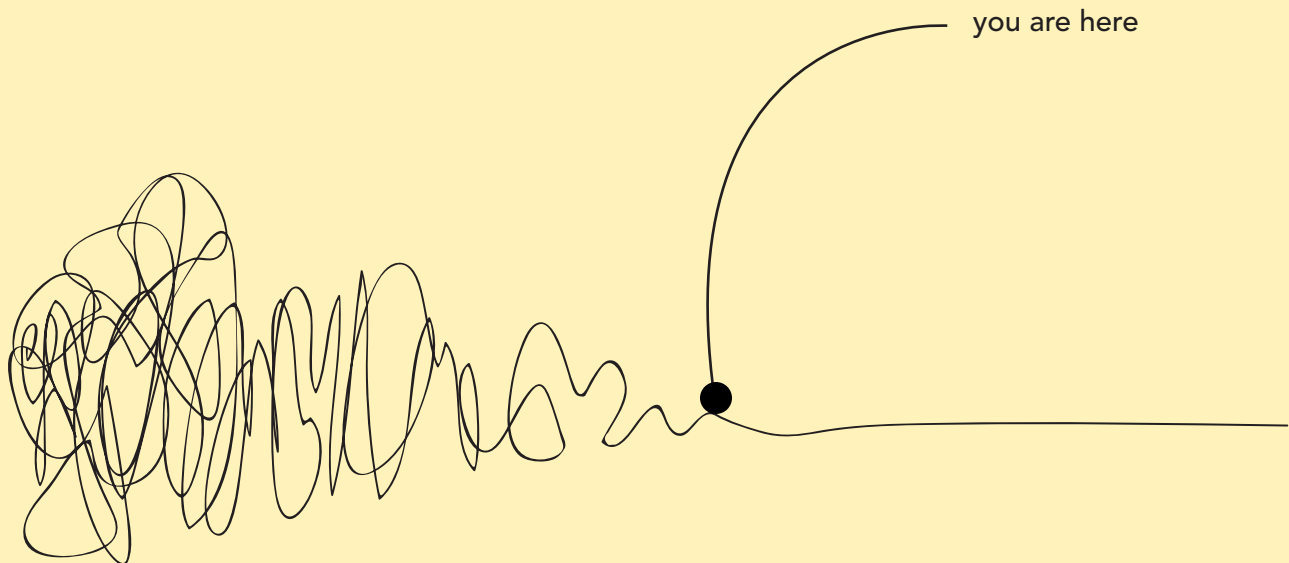


A brief look at

Where we are in the process

Putting the Future of Fish project into context.

Prepared by Central
for the Future of Fish project.
Monday October 5th, 2009



Introduction

The solutions we're considering for the seafood industry are informed by the point of view we developed over the course of the project. Observations that surfaced in our research or insights we gleaned from experts, all drove us to a couple of core conclusions that underpin the work going forward. Here, we've gathered some of the raw insights and source material to share how we got to that point of view.

The next few pages replicate the Post-its on our working board in the "project room." While we've not polished these into a formal presentation, hopefully they will provide a snapshot into what we're thinking and how we got there.

What you'll see in this document:

1. Context = Key attributes that frame our field of research
2. Insights = What we understand from what we saw
3. Logic = How we got to our "Theory of Change"
4. Problem area = A breakdown of the components of the two main problem areas we've identified

Context

MSC moves slowly:
53 fisheries certified in 10 years

“I don’t think the NGO community has any call in it. It’s probably the purview of government, ok?”

– A DISTRIBUTOR

The world will have to turn to an under-evolved aquaculture industry to fill demand

“We’ve overcooked it for sure. This is about remediation not a cure.”

– NGO LEADER

Consumers don’t know and don’t want to know

“Sometimes I’m in the mood for a story. Sometimes I just want to eat.”

– A DISTRIBUTOR

NGOs are driving toward destination impossible: (Certified fish = 6%)

“Traceability is the next best thing to sustainability.”

– A DISTRIBUTOR

Waste is endemic

“If we could find a way to eat everything we catch, we could catch half as much.”

– A DISTRIBUTOR

Insights

Inventory is invisible

We can't see total supply so we gauge by what's in the net today.

The industry is trapped in "daily catch" mentality

- Time horizon is set by transactions
- Daily treadmill
- Inefficient systems
- Individual heroics

Demand is bullying supply

- "I want what I had yesterday" – CUSTOMERS
- Yes culture
- Red snapper fish fraud

Fishing industry logistics are wacked. Where is Delta?

- "I'm selling fish before they arrive in the warehouse."
- Don't know if the fish made the flight
- China is cheaper

Processors and distributors don't see the value proposition of information

"We are all selling the same piece of dead fish."

– A PROCESSOR

Insights (continued)

So... the supply chain is a lousy conductor of change

“I don’t think the sustainable fish is worth the cost.”

– A DISTRIBUTOR

Tastemakers are highly influential

“I have more power than consumers in driving sustainability.”

– FRESH FISH MARKET OWNER

Innovators feel isolated and unsupported

We’re so far outside the box that I don’t know anyone I can ask for help”

– FISH FARMER

Messy transaction closure creates instability and exploitation

“Price negotiation can be reasonably complex and can take several months to finish the details” – A DISTRIBUTOR

Disempowered, price-bullied fishermen is a bad scenario for sustainability

“We check the supermarket flyers to get pricing information.”

– A FISHERMAN

Logic

The "spinal column" of the supply chain is broken

The chain can't carry basic info, let alone the complex info necessary for sustainability

THEORY: The best way to empower the chain to react to long-term consequence is to give them the tools and vision to manage that way

THEORY: The best way to create demand for better fish is to create a vacuum around info so that NO-INFO fish looks suspect

CONCLUSION: Decreasing the proportion of NO-INFO fish will drive sustainability

Problem areas

PROBLEM #1: The imminent collapse of the seafood business demands an innovative response that has so far been stymied by the industry

PROBLEM #2: Once data and story have been decoupled from the fish, heroics are required to re-link them

COMPONENT

NGO friction drives a “frightened to fail” mindset

Slim margins lead to little inside re-investment

Info is physically impossible to pair with fish

Industry uses poor makeshift systems to capture and move info

Innovators feel unsupported and isolated—can’t scale

There’s no path for incremental improvement

Most information resides in individual’s heads

Consumers don’t know what information they are missing

The way the industry sets price drives instability and mistrust

Unsophisticated branding precludes companies from capitalizing

Waste is endemic

The daily time horizon prevents problem solving