

Sizzlin' News

Nine Ideas To Warm Up Your Foodservice Sales And Margins

Here are nine ideas that can help get your foodservice bottom line in order and help you hit the ground running for the summer selling season, courtesy of Deborah Holand, President of Food-Sense, a foodservice consulting business.

- 1 Focused promotions.** Create promotions that boost average tickets - not just offer price reductions. Provide a little spice in your menu for 30 days, or create a three-item combo that drives throughput while increasing labor productivity.
- 2 Develop a penny profit matrix.** Plot your menu items on a "stars" and "dogs" matrix, with daily quantities sold vs. penny profit per item. Find ways to drive your "dogs" into the "stars" column - or else get rid of them. Promote the stars, reset the benchmark and re-plot the matrix.
- 3 Become a menu engineer.** Complex menus will kill your profits. Drop the labor hogs now to benefit from increased productivity and reduced waste. Look to add unique, longer-shelf-life items.
- 4 Do trash can audits.** Track waste daily in every prep area. Use waste containers, weigh them daily and watch your food costs shrink.
- 5 Practice the five storage rules.** These are the cardinal rules of food labeling, to be observed without fail: label, date, initial, cover and rotate. Use "thaw and discard" or "Use By" labels and be in 100% HACCP compliance.
- 6 Pre-portion wherever possible.** Don't get hung up on the labor and packaging costs to pre-portion. Focus on high cost and short holding time items. Opening, closing and cleanup times will be more efficient and you'll reduce overall costs.



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7 Be ruthless about waste reduction.

Use scales and constantly spot audit weights. Planogram prep tables with specific measurements. Track waste on top commodities religiously and formalize production schedules. Every inventory item in storage should have at least five uses, while every prepped item should have second- or third-use cycles.

- 8 Use activity-based costing.** Consider investing in costing and inventory software if you don't have it already, because it pays dividends immediately. Know the facts: True profit can be measured only on a fully loaded P&L, with each menu item including labor, waste factor, packaging and direct facility expenses.

- 9 Drill down on productivity.** Manage labor hourly, by daypart - not daily or weekly. Invest in time-clock software and post productivity results hourly. Consider an incentive-based bonus program.

Setting high standards and building strong habits among store personnel will help fatten your foodservice bottom line now, and position you for new performance benchmarks this summer. **FB**

Source: **Convenience Store Decisions**



Consumer Trends: Diners look for menu variety, 'buzz' in full-service eateries

Menu variety and restaurant buzz are key for customers deciding which full-service restaurant to visit, according to Harry Balzer, vice president of the NPD Group. These factors, as well as price and "other's choice," meaning that a dining companion chose the restaurant, are the top reasons customers give for why they select one full-service restaurant over another.

Consumers' needs versus demographic preferences. One-fifth of all restaurant selections are based on price, regardless of restaurant format, according to Balzer. Beyond that trend, he said, "what makes a [full-service customer] unique is that they're looking for greater menu variety and restaurant buzz." Customers going to full-service restaurants are almost twice as likely to make their restaurant decision based on food variety and quality, as compared with QSR customers. Similarly, full-service customers are almost three times as likely as quick-service customers to say they wanted to try something new or that they were exploring a new restaurant, a category Balzer classifies as "buzz." Just 5 percent of customers say they were looking for something new when they decided to go to a quick-service restaurant, as compared with 12 percent of full-service customers.


In all restaurant choices, convenience is still key, Balzer said.

Demographic preferences also factor into full-service restaurant decisions, according to NPD data. Consumers over age 65 are more likely than an average customer to say their full-service restaurant choice was driven by price, or because they were seeking a healthful or light meal. Meanwhile, consumers ages 18 to 34 years old are above average "restaurant explorers," meaning they wanted to try new cuisines or new restaurants.

At lunch, family and casual restaurants used to compete with QSR by having new and better products. Now, convenience has a high premium, especially at lunch. A structural change for casual-dining dinnertime business was cited in the form of curbside take-away service. Convenience is a big driver of curbside takeout, particularly with the time pressures for working parents. Take-away service gives casual dining a larger piece of dinner business, but it is not a substitute for eating at restaurants. People have social needs that are always going to be there. Dining in restaurants is a very important part of the social experience.

Choices within full-service. Digging deeper into why customers choose casual-dining versus midscale full-service restaurants, NPD data indicate that these categories meet different consumer needs. Customers who choose full-service restaurants because they want something quick are far more likely to go with a midscale restaurant than with a casual-dining restaurant. Customers also are more likely to say they chose a midscale restaurant because of either price, personal loyalty or because they were looking for a healthful or light meal.

The foods customers choose for their "healthy" and "light" meals also vary by restaurant format. Top healthful or light choices at QSRs include chicken sandwiches, burgers and French fries. Meanwhile, customers looking for healthful or light meals at a full-service restaurant were most likely to choose seafood, nonfried vegetables and side salads. Other top healthful and light food choices at full-service restaurants include chicken and turkey, potatoes, entrée salads and soup, according to NPD data.

As people's demands for quality and their ability to afford more expensive restaurants have grown, so has the demand for casual restaurants. But even at one casual brand on one particular night, consumers' needs vary widely. Someone might go to a particular restaurant as a birthday event, but it might be an ordinary eating, convenience trip for someone else. The same product in the same restaurant will have 30 different uses and meanings for different demographics. 

Nutrition Data Eludes Diners

After a decade of cajoling, pleading and pressuring, almost half of chain restaurants today are posting some form of nutrition information about the food they sell. But nutritionists say many restaurants are too reticent about displaying that information publicly. It must be more readily available on menus and menu boards if campaigns to counter obesity and poor eating habits are to succeed, they said.

In a survey published in the March issue of the *American Journal of Preventive Medicine*, nutritionist Margo Wootan of the Center for Science in the Public Interest and researcher Melissa Osburn said that 45 percent of the largest chain restaurants surveyed were posting nutrition information, and most of that was found only on company websites. Wootan said that was a 50 percent increase over a 1994 survey. The increase in postings came after government officials - including Surgeon General Richard Carmona - urged restaurants to more fully disclose nutrition information to help in the US campaign against obesity. The industry expects Americans will spend more than \$511 billion in restaurants this year.

"It's moving in the right direction, but too often the information is hard to find, and hard to use," Wootan said. She said it would be more effective if people got the nutrition information at the point of sale rather than having to search for it on the Internet. Wootan said she backs new laws that would require large chains to post the information. McDonald's, the hamburger chain, this year plans to print nutrition information on its food wrappers, but Wootan said she would prefer that the information be made available before purchases.

Whether chains posted nutrition information varied widely according to the food they served. About 87 percent of hamburger chains post such information, compared to 73 percent of pizza chains, but only 31 percent of family-dining chains and 20 percent of dinner houses. Seafood-restaurant chains ranked the lowest, with 8 percent reporting the information.

The industry is opposed to legislation to require greater compliance, arguing that restaurants change menus and recipes so often during the year that they would have a difficult time keeping information up to date.

"There's a very large misunderstanding of the restaurant industry," said Sheila Cohn, director of nutrition for the National Restaurant Association. "A lot of them make changes on a daily basis, and a few change menus daily." Seafood restaurants, she said, often serve their food on the basis of the day's catch brought in, and so their menus are the most irregular.

"A one-size-fits-all approach is just not feasible," she said. "It won't work." Cohn said the industry is responding to consumer demand for more information and tries to present it to consumers in a readable and understandable fashion while keeping costs down. Cohn said the costs would be "astronomical" to reprint menus when new items are added or sauces changed. 

Source: Food Institute Report

