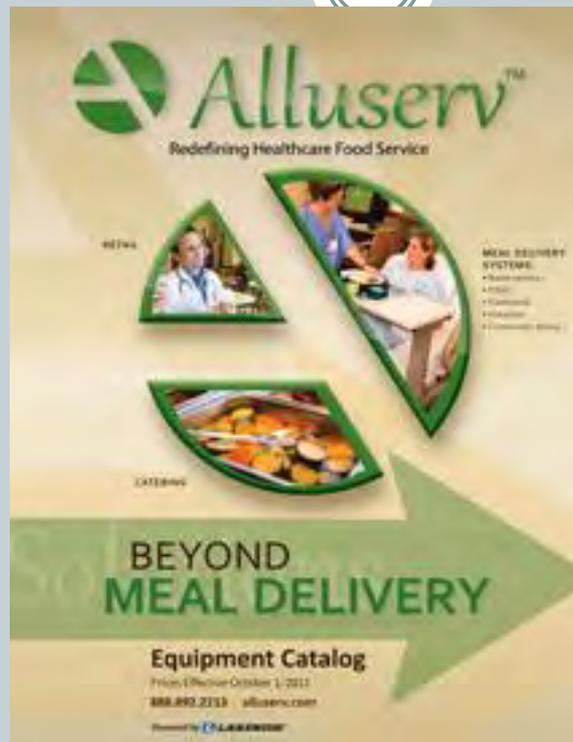


Healthcare Foodservice Business Trends



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Bill is a graduate of Florida International University with a B.S. in Hospitality Business Management. He has over 30 years in the food service industry.

He is Partner, President, and CEO of DM&A, Inc. From revenue growth to dramatic budget reductions, he provides clients with a clear path to success. His passion for operational excellence is evident in the results he helps our clients achieve.

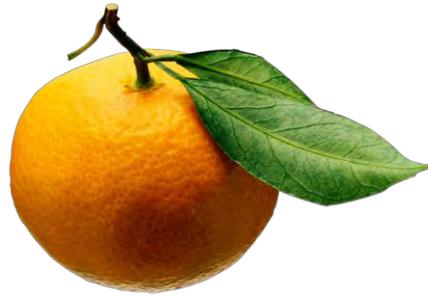


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Agenda



- Inflationary Cost Pressures
- Jazz It Up
- Right under your nose
- Room Service
- Your Value
- New Build = Opportunity
- Service Points and Satisfaction
- QR's
- Encouraging good decisions
- High Touch
- Hot in the Café



At this time, commodities as reported in the CPI index, are projected to increase thru 2012 by 3.5%. This is much better than the same time last year (6.5%) but inflationary pressures are about to hit with Iran & Syria issues, driving oil up and the corresponding changes to commodities, production and distribution costs.

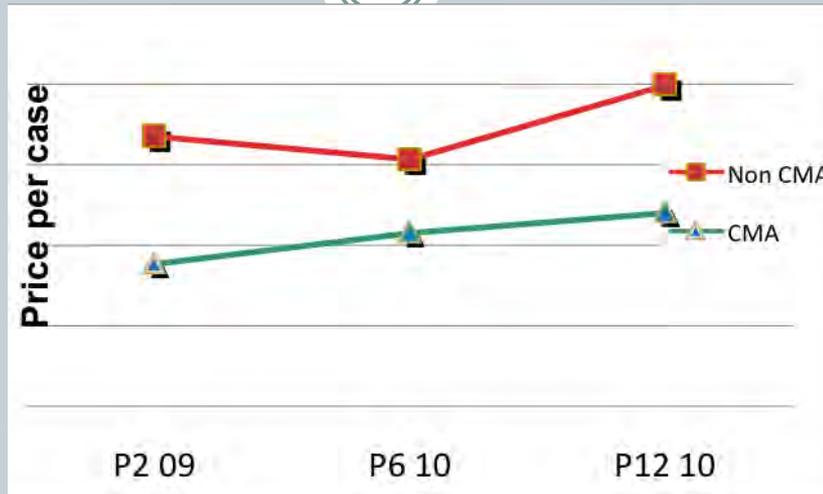
Expect 7-10% cost increases from here forward. Even SW Airlines recently announced that their profitability was in jeopardy due to fuel costs.

How will you prepare? What resources are available to you to find creative solutions?

FOOD INFLATION IS REACHING UNPRECEDENTED LEVELS

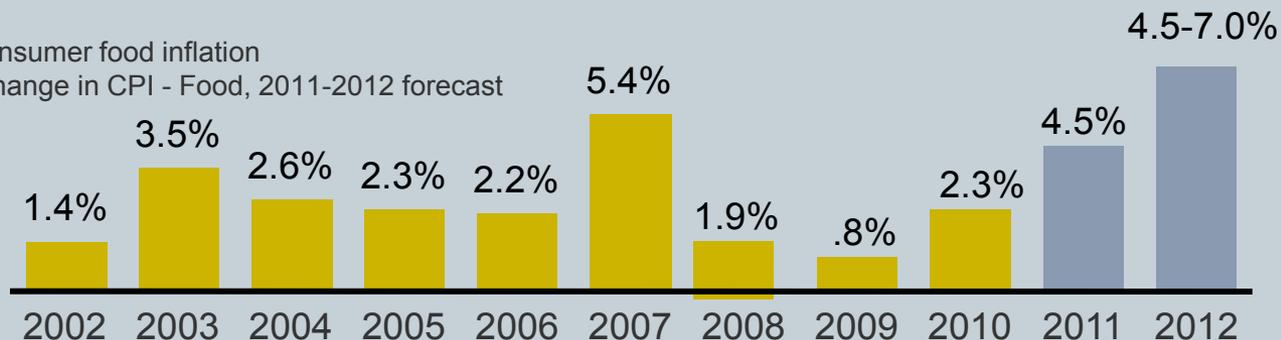
Buying the "Right" Product Makes Cents

- When you buy a product through the GPO food program, how is your price determined?
- **GPO Manufacturer Agreement:** GPO negotiated cost + GPO contract mark up
- **Non GPO Manufacturer Agreement:** Distributor negotiated cost + GPO contract mark up



- What if you were NOT on the GPO agreement?
- Distributor negotiated cost + undisclosed mark up (may also include other fees such as fuel, sales person, etc.)

Annual consumer food inflation
Percent change in CPI - Food, 2011-2012 forecast



JAZZ IT UP!



- The use of local restaurants and chefs to bring their name and identified menu products into the hospital retail and patient arenas is starting to catch fire. This creates excitement, and evokes a higher quality perception beyond that of the accepted cafeteria fare.
- An in-house, certified chef can also create a continuous “buzz” but the hiring of one is a tricky business. HR departments are not suited to source, interview and select these unique people. Bridging the gap in work environments (non-Health Care to Hospital) requires specific clarity on what is and is not possible. Creativity is a core motivator of a culinarian and health care settings do not always allow for what is needed to realize job satisfaction.

WHAT HAVE I MISSED?



- The correct exhaust hoods will lower operating costs to the hospital. This is an area that goes under leverage while facilities seek cost savings, carbon foot print reductions and energy efficiency.
 - Lower Exhaust CFM = Energy Life Savings Costs
 - Smaller duct and fans = Less upfront installation cost and reduced structural load
 - Easier and safer access to filter medium
- The percentages we see are 30 to 40% reduction in CFM per lineal foot
- These systems further reduce the overall operating cost of the exhaust systems, perhaps as much as a 65% reduction

MORE OPPORTUNITIES...



- Dishwasher Efficiency is also an item that is overlooked for energy savings and electrical cost reductions.
- A 10 yr old machine rated @ 240 gal per hour can see the water consumption reduced by 75% with a new 60 gal per hour machine (with same or better pieces per hour)
- This can equate to a 30% energy cost reduction
- There can also be an additional electrical savings from heat recovery and pre-heating of cold-ware. Best units have dual-wall insulation. This can be \$15k per year in savings—what is your machine costing you per KWH?

Facility Upgrade



- More and more facilities are relocating FNS and or building new campuses. This is the time to capture the savings from newer dishwashers, the use of the best hoods, and get help with the correct design for room service (and the process to be used-ACS, traditional RS, Hybrid.)
- It is a common occurrence that FNS does not ask to select the designer that works under the architect. They are usually assigned a designer, one that is aligned with the architect. This designer many not have in-depth understanding of health care food service needs but can design a food space.
- It is your right and responsibility to request the right help for a space that you will have to live in for the next 20 years!

Room Service



- Room Service continues to expand with use of robotics, Advances Cooking Systems and enhanced temperature maintenance equipment.
- There are still misconceptions and misinformation floating out there. This is driven by lack of knowledge, mistakes by others and having never established a baseline to support future outcomes.
- A recent article in a National trade magazine tried to sell the idea that Room Service cost more. Without a baseline, they could not justify the perceived higher labor (FTEs) being offset by food and supplies savings.



Increase Your Value



- Have you audited yourself and your department?
- What weakness (opportunities to improve) did you find in your operation?
- How long ago did you do this?
- How often do you go through this important audit?
- Are you open to an outside audit and the results?
 - **Addressing weaknesses and uncovering opportunities to “WOW” your hospital will increase your value.**



Iced
Coffee

Service



- We encounter and assist more facilities examining “dead space” areas in the hospital with chairs and plants that could be a service point and possibly a revenue source.
- Coffee kiosks are easy, cost effective (ROI) and powerful tools to provide both service and grow cash flow. Staff and visitor satisfaction is enhanced with these remote service points located strategically away from main cafe.
- Iced coffee is a monster sales driver so if you start a program, allow for the power and ample blenders and ice to support this cash cow!

Satisfaction



- Offering gourmet coffee to patients and promoting that brand can drive up satisfaction. This is more effective than Promise margarine or Splenda. This could be Peets, Starbucks, Dunkin, Caribou, Seattle's Best, or an In-House brand that many are choosing, with the help of a regional or national roaster .
- Many are selling “their” hospital coffee in branded bags in the Gift shop, in the café and retail locations and even given as “Thank you” / “Job Well Done” gifts.

More Easy Satisfiers



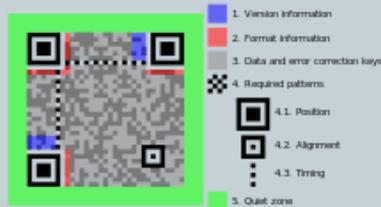
- Dessert cart rounding is another low cost way to generate higher patient satisfaction outcomes. Initially targeting OB then expanding to include the higher survey respondent units, dessert carts, after lunch or dinner, will generate another interaction opportunity and positive memory.



Cutting Edge



- USING QR'S-**Quick Response Code**) is the trademark for a type of [matrix barcode](#)



- Fast entering the market place as a way to make product nutrients readily available to the consumer. Cafes in hospitals are starting to embrace this tool to save time and effort in preparing nutrient breakdowns for menu items and leverage cell phone technology.

Out with the Old, In with the New



- Bye Bye Fryers—they are quickly becoming a dinosaur. More and more facilities are placing them at the curb to enhance their wellness menu offerings and healthy posturing. Combi-ovens and the correct “oven based product” can replicate the deep fried taste with significantly less fat.



- Gluten free is here and growing in customer demand and diet needs. Distributors are adding in products, raw and finished to support the growing demands. Menu offerings should start reflecting what is GF so guests can make informed decisions

Good Decisions



- Hospitals are starting to price “bad foods at a higher price point” than “healthy” items to encourage better dining choices both at work and outside of the work place. This is bring coupled with “points for prizes”.
- Items rung at the register, with the applied software, track purchases and customers accumulate points for good choices and these points can be redeemed for online prizes.
- Register Receipts can now tell guests much more than the cost. Nutrition is provided!

High Touch



- Ambassador/Concierge rounding is evolving with these key individuals being funded by multiple departments and they make contact with all patients and Nursing, asking about Food, EVS, maintenance, and other aligned departments during the same, single patient interaction.



Are you offering?



- Cafe “Happy Hours” are being offered to drive sales with sweets and treats during the doldrums hours (1- 4 PM)
- Hot dogs are going high end with signature franks and multiple toppings and flavor profiles and breads. In addition, cafes are now offering, regional franks like the Coney, Chicago, and Chili dogs.
- Ethnic continues to permeate the menu. From 2010—1011, Thai grew 68% on menu mention. Caribbean 150% and Japanese 23%. These are menu items, seasonings and sauces on traditional items.

Fun Stuff and Nutrition



- Tacos are back! Fish tacos rule!!! These are healthy items made with lower cost. Fish varieties coupled with lettuce, cabbage, and assorted vegetables and sauces.
- Grilled cheese has gone upscale—Gourmet breads and cheeses like white cheddar & chutney, zucchini, fontina and pickles. Great opportunity to refresh the old standard, drive new sales.
- Burger buns—white is out, wheat, grains, and niche breads are in-Turkish, Focaccia, Flat Breads, Ethnic
- Prescriptive eating is growing—meal and menu choices to augment the weight, cholesterol, blood pressure and fat targets. Help your guests make these decisions easy.

Untapped Sales



- Remember “HMR’s”? Well, they have come of age and with blast chilling, packaging and a bit of marketing, a new sales opportunity awaits. Take Home Meals serves the staff and the public, generating revenue and good will.
- The room service menu items that have been designed for flavor and good nutrition, can be prepared, labeled and sold to the hospital staff and visitors for healthy take home meals.

Now what?



- Your job is to take three (3) of these trends and ideas, examine if there is a fit at your facility and quickly develop an implementation plan.
- Listening to a webinar is a great way to learn but applying the knowledge and demonstrating innovation, even if one idea does not hit a “Home Run”, contributes to your value proposition to the facility.

Questions?



Thank you

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HEALTHCARE FOOD SERVICE



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