

LEAD PRACTICES: ON-SITE CORPORATE DINING

By Margaret M. Stefanek



Recently a group of contract administrators (Lead Practices Group)* from organizations in the corporate sector convened to discuss their lead practices regarding four current on-site dining service related issues. A Lead Practice is defined as a preferred operating process, procedure, or action that has contributed to desirable results in a defined number of organizations with similar goals and strategies. This differs from Best Practices, which are considered a type of one-size fits all for a respective industry, regardless of core organizational goals or strategies.

First, the Lead Practices Group discussed choosing an on-site dining service operator and the Request For Proposal (RFP) process. Many organizations are committed to conducting a request for proposal or bid process for their on-site dining services operator, on a contractually scheduled basis. The process can often be expensive, exhaustive, time-consuming, and not particularly pleasant.

To improve the process and ensure successful results in the RFP process, the group discussed the importance of

identifying the desired operational, qualitative, and financial modifications to be implemented as a result of the RFP process and including these in the RFP document. Operators need to clearly understand the organizational culture, needs, and rules of engagement, e.g., "pest control for the dining areas will be the responsibility of the operator." A description of these items should also be included in the RFP document. During the pre-proposal conference, "show" the operators specific items that are characteristic of the corporate culture as well as the rules of engagement.

It goes without saying that the core organization's desired financial goal must be realistic based on the corporate culture, facility lay-out, equipment, required service amenities and operating parameters (pricing, service stations, operating hours, etc.). A subject matter expert with knowledge of the on-site dining services industry should be actively involved in the RFP process, and may need to be a third-party advisor/consultant if this talent does not exist in-house. Why? "Purchasing/selecting" a food services operator is very

* The Lead Practices Group members are: Altria, ConocoPhillips, Federal Reserve Bank of New York, Gannett Co. Inc., Inter-American Development Bank, International Monetary Fund, The Bank of New York Mellon, and The World Bank Group. They meet annually but communicates frequently, via email, sharing ideas, soliciting feedback on operational challenges as well as distributing information of interest.

different than sourcing an inanimate object like a desk or a service like landscaping. This is because the majority of dining services revenue comes from the employees of the organization, not from the capital budget. Additionally, most people have very definite opinion about what they want to eat, regardless of their colleagues' preferences or the organization's financial goals for the dining services program.

To ensure compatibility with the culture of the core organization, company-designated representatives should participate in the interviewing process for the dining services on-site management positions. Once the transition date of the dining services has been identified, create a detailed plan of core organization and operator events, complete with responsible parties and timelines. The core organization should provide office space for the incoming operator's staff, at least two - three weeks prior to opening. In order to improve the operator's familiarity with the core organization culture as well as to build relationships within the core organization, include the incoming operator's staff in regularly scheduled core organization staff meetings. As is a truism with all change, communicate often. Frequent communications with the staff of the core organization regarding the progress of the RFP process, the anticipated/realized benefits, and operational modifications that they will observe are highly recommended.

Next, the Lead Practices Group discussed the topic of health and wellness. As we all know from our daily perusal of our favorite publications, the insatiable thirst for nutritional information and healthy foods in today's world work place is significant as well as the benefits of a health/wellness program. The concern about Overweight America has mandated new government regulations about posting nutritional information. Some items are being banned for certain audiences. For example, it is being suggested that carbonated, empty calorie, cold beverages be removed from schools. To assist the customers / employees make informed decisions, the nutritional information signage needs to be simple, easily read and understood. It may be prudent for the core organization's wellness program to partner with a Registered Dietitian (RD). The RD can assist with the implementation of a healthy dining program that is tailored to your customer base. Conducting regularly scheduled educational sessions regarding label reading and healthy café/coffee bar menu choices from the on-site dining services is an example of a partnership activity.

Most of the dining service operators offer a healthy program. These programs provide a good working foundation. However, they may simply need to be "tweaked" to attract customers (core organization's employees). Promotional activities break the monotony of the day-to-day grind as well as encourage healthy eating behavior and participation in the on-site dining services. Examples of health/wellness promotional activities are: "Free Fruit on Friday" with a purchase of a meal is a promotion designed to increase participation on a traditionally low volume day as well as provide the customers with a healthy food (fruit) portion; offering a frequent buyer card that rewards the customer with a free meal of their choice, once a defined number of healthy meals are purchased, thus encouraging positive purchase behavior; requiring the operator to provide a service station that offers entrees and/or bundled meals that contain a defined number of calories, thus focusing on the primary nutrient impacting weight modification. The cost reductions associated with a healthy work force (e.g., health insurance premiums) as well as the improved productivity (e.g., less sick days) contribute to the vibrancy and efficacy of the health/wellness movement. It is in our better interest to implement a health/wellness program that works for our core customer base.

The third "hot" topic discussed by the Lead Practices Group was the Green and Sustainability movement. There has been much excitement, painted with social responsibility surrounding corporate America's Green and Sustainability programs. However, the programs have associated costs and operational challenges that have contributed to a reexamination of some of the environmentally friendly programs implemented in corporate dining programs. Some corporations have invested significant time and resources in implementing a compostable program. They engaged the services of a local compost hauler, purchased a pulper to reduce trash pulls and water consumption and expected a two-three year return on investment. Then, within a couple of years, the compost hauler sends notification that they are going out of business. The compostable program will be viewed unfavorably if the Greening and Sustainability committee does not have a "Plan B" for a compost hauler resource.

Biodegradable flatware is another popular greening practice that has been implemented in on-site dining facilities. However, with the emphasis of cost

reductions due to the economic climate, many organizations have decided to return to the use of traditional single-use flatware items and dispensers, instead of offering biodegradable flatware in bulk.

The closing topic discussed by the Lead Practices Group was the recent participation decline in on-site dining venues due to organizations' directives such as furloughs, lay-offs, approved remote offices, alternate work schedules, compressed work schedules and flex time. Many organizations have reduced their catering/special events requests, and have put special emphasis on keeping the required catering business in-house. This action has shown a true spirit of partnership between the core organization and the operator, so that the respective financial goals of each can be realized. Some organizations now require senior management approval before a catering event can be conducted at an external location; other organizations have instructed their accounting departments to refuse payment of invoices/receipts for unauthorized food service purchases from external providers, such as large discount houses as well as local hot beverage stores. Food safety concerns are understandably the basis for controlling the entry of off-site food items into the core organizations' facilities.

In an effort to improve the cost management of the dining services and profitability while providing variety of menu choice, core companies have allowed their dining services operators to offer a limited number of items at the retail service stations and on catering menus, while increasing the frequency of menu item rotation.

Vigilant examination of in-house programs, including the on-site dining services, is paramount to being fiscally responsible and progressive. The lead practices are intended to improve the core organizations' on-site dining services program, while increasing the customers' (employees) satisfaction and realizing the desired financial goal of the core organization.

How many lead practices can you list from your organization?



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A sample "[RFP for Moving Services](#)," submitted by M. Deras. One of the first pitfalls noted in Jeff's office moving paper is poor vendor selection, so this very thorough RFP template can help you avoid ending up with a mover who isn't suited to your job.

Watch for more nuggets like these in upcoming issues. In the meantime, take a look for yourselves, and if you've got something to add, please do!