



# Five Steps to Food and Beverage Success

**B**ecause of their health missions as well as the identification of obesity and associated chronic diseases as priorities through Community Health Needs Assessments, many Kansas hospitals increasingly are thinking about their role as a food retailer. Many hospitals are exploring ways to create and model healthier food and beverage choices for their staff, patients, visitors and community. Hospital cafeterias and other food outlets present special opportunities. They may be the only convenient food outlet for staff and visitors, and may serve as a restaurant for community members. The nutritional quality of the food and beverages they offer makes a real difference in people's food choices.

A common concern among food service directors and vendors that manage these operations is the potential loss of sales and decreased revenue if they offer mostly or only healthy options. In many cases, healthier food is not the problem. Inefficient operations, ineffective marketing and poor management may result in sluggish sales. Steps can be taken to improve efficiency and increase revenues. By focusing on some basic guidelines, food service operators can discover ways to help boost health while maintaining – or even growing – profits.

## The Five Steps to Success

Below are some ideas on improving food and beverage operations as well as some tips on ways to maximize efficiencies. At the same time, hospitals can incorporate healthier options into their food service outlets.

**1. Start with the menu.** The operation's menu determines the production, service and managerial responsibilities that must be met. The menu should be based on marketing research that identifies customers' wants and needs. In the past, some customers avoided purchasing food labeled as "healthy" because "healthy" used to equal bad taste, but this is no longer true. Chefs have learned how to use herbs and spices to season healthier options to make them tasty and "gourmet." For example, over the past 10 years, salads have become a main course menu item and not just a side dish. Consumer surveys show that healthfulness has become an important selling point. The International Food Information Council's 2014 consumer survey found that the importance of healthfulness has increased significantly in recent years, with 71 percent of consumers now reporting that they are influenced by healthfulness when buying food and beverages – up 15 percent from 2011.

The challenge is in how operators brand the menu and manage the numbers associated with items. If you know that healthfulness will have less appeal with your customers, promote freshness instead. Showing guests how fresh the product is can be a great selling technique. Making salads as they are ordered allows visitors to watch them being made, highlighting their freshness, and keeps them from sitting prepackaged, losing flavor and crispness. Give menu items appealing names. Instead of "baked" fries or "grilled chicken," call them "oven-roasted" fries or "Mediterranean Grilled Chicken." To build excitement about new items, offer samples or hold a taste test, and invite customer

feedback. When customers feel like they are part of the process of new menu development, they are more likely to feel invested in it and be supportive.

In the past, healthier options usually meant higher prices, but this doesn't have to be the case. Growing demand for healthier options has reduced costs to a more reasonable level. Strategies – such as increasing charges for unhealthy products (like pop and cookies) – to more accurately reflect their costs to health and longevity is a way to promote pricing parity and encourage healthier buying decisions.

There are many choices available today for healthier food. Here are a few examples that might be offered instead of the traditional, less healthy versions.

Traditional Offerings	Healthier Alternatives
Fried chicken nuggets	Baked chicken nuggets
Potato chips	Baked potato chips, pretzels
Candy bars	Granola and energy bars
Pop	Waters and organic alternative beverages
Hot dogs	Turkey dogs or soy alternative products
Slushies and frozen drinks	Smoothies made with yogurt and fruit
Fried chicken sandwiches	Grilled chicken sandwiches
Burritos	Wraps

*“... survey found 71 percent of consumers are influenced by healthfulness when buying food and beverages – up 15 percent from 2011.”*

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**2. Pay attention to kitchen design and layout.** The cornerstones for any effective kitchen design are the equipment needed to execute the menu effectively and how the amount of square footage available influences patterns of workflow. Kitchens should be designed so that employees are not running into each other while trying to do their work.

Kitchen size is over-rated, and bigger isn't necessarily better. A detail as small as which way a refrigerator door opens can influence an employee's performance and speed of service.

Small spaces like snack bars tend to have an unusually big demand for utilities, including gas, electricity and water. Changing the plumbing or electrical system after the facility is built can be problematic. To avoid this future obstacle, even the most basic of new snack bars should be "over-built." Investment in bigger pipes for water and gas, and a bigger electrical box (to make more amps available) to allow for future equipment needs or additions, is a smart investment.

There are many ways the kitchen design can support a menu built on healthier choices while still promoting economic operations. For example, an operation that regularly serves baked instead of fried products requires different kinds of equipment and may be less expensive to build. An operation based on frying products will need an industrial-sized hood, a sprinkler system in case of fire and certain types of filters. For baking, many places just require a hood that acts as a chimney to release heat. Instead of buying multiple fryers, just one double-stacked baking unit may suffice.

**3. Manage the menu to boost the "per cap" rate.** The menu structure also dictates per capita sales, or the "per cap" rate, which is the average amount

spent by a visitor. For example, a snack bar menu of pop, prepackaged snacks and candy might generate 50 cents per cap. Adding hot dogs may boost that number to \$1.00 per cap. Breaking into the \$2.00 per cap strata usually means the addition of sandwiches or grilled foods like hamburgers and chicken sandwiches.

**4. Efficient operations mean more sales.** One of the biggest downfalls for a food and beverage operation is the inability to move a line of customers at more than a glacial pace. Long lines can translate to missed sales and/or cranky customers. You can anticipate when long lines are most likely to develop, so prepare and staff for them. Lunch rushes may be unavoidable, but you can minimize the crunch.

Menu placement is critical. If the menu can't be read until the customer reaches the ordering window, delays ensue and time is valuable. Preferably, the menu should hang outside the ordering area in a spot that is elevated and be easy-to-read from several feet away. Don't make guests wait to read the menu and decide what to order.

**5. Stay on top of the numbers.** Equal effort must be put into managing the food and beverage numbers on a daily basis. Weekly inventories are a good start. Then, create a weekly cost-of-goods that should be compared to the theoretical or ideal cost-of-goods, based on sales mix and prices paid for goods coming in the back door. For example, overstocking of food and drink products can result in spoilage and waste. With the ability to have multiple deliveries per week, calculate how much you actually use and don't buy more than needed. Planning how to track the numbers makes as much sense as spending thousands of dollars on a new kitchen design or equipment.

## Stealthy Healthy Eating Tips

There are many ways to support customers' efforts to eat better without making a big production of it. "Stealth health" strategies are effective and can help increase revenues, too.

**1** Make healthier choices easy to grab. When using self-service displays, put healthy choices like fruit, vegetables and water in the easiest-to-see and reach spots.

**2** Make the default for drinks and sides that come with meals the healthier options, such as fruit instead of French fries or water instead of pop. Visitors can choose other things, but subtle "guidance" will help support healthier eating habits.

**3** Make small changes to recipes to boost health and profits. Reducing the sodium in recipes or using some beans or vegetables in meat dishes can stretch food dollars and result in a healthier recipe. Operators that have tried this typically find that customers don't even notice. Also, reducing portion sizes just a little helps customers eat healthier and can save money, too.

Food and beverage operations in hospitals and other worksites deserve attention. Smart design and focused management can change the food and beverage operation's status from being a stop-gap convenience to a respected model with sales and profit potential, as well as a way to support the hospital's mission of health. With just a little thought and planning, these operations not only can be more profitable, but also help promote longer lives and better health for staff, patients, visitors and community members.

