

What Every CEO Should Ask about Foodservice

Regardless of what your foodservice offer looks like today, or if you are just considering the addition of foodservice, there are key questions you should periodically ask to ensure the success of your efforts.

The complexity of foodservice drives most of us to ask a million questions, and the increased availability of information makes it easy to get lost in the minutia of analysis. Instead of being hyper-focused on tactics and specific metrics, our retail foodservice experts have proposed 8 (eight) questions to help you develop and maintain your foodservice strategy – ensuring your efforts and direction generate positive results over time.

1. What is your foodservice platform today? Why?

- a. *Why do you do what you do today, compared to all the options out there? (e.g., made-to-order, franchise, fresh grab 'n' go, hybrid offer)*
- b. *Reasons for carrying major categories (roller grill, self-serve coffee, etc.). Do your key categories justify their presence?*

2. How do you grow? Evolve and/or reinvent?

- a. *How long do you expect to be relevant operating under your current foodservice model?*
- b. *What do you need to do to be more relevant in the future?*
- c. *What is your company's tolerance for risk and change?*
- d. *What are your resource limitations/opportunities?*

3. What is your strategic plan for foodservice? Where do you see growth?

- a. *Written/articulated vision and strategy*
- b. *What is the timeline to achieve the vision? Do you have corporate commitment?*
- c. *What support resources are needed? How is foodservice supported today?*
- d. *How does your foodservice strategy tie into your company's overall strategy? Is it a battle between short-term and long-term priorities?*
- e. *How is the vision and strategy communicated throughout your organization?*
- f. *Is your company's corporate structure (including roles and responsibilities) clearly communicated to enable your foodservice management team to make the best decisions? (Does your equipment team buy foodservice equipment before the menu is finalized? Who drives the layout and design of your store kitchen?)*

4. What is your core offer?

- a. *What do you stand for in foodservice? Signature item? What are you known for? (Much harder to build sales without a differentiator.)*
- b. *What MUST you have based on your consumer mix?*

5. What are the key metrics that determine your foodservice success?

- a. *Gross Margin \$, sales units, transaction counts, GM%, sales \$, capital investment, labor, etc.? Do you favor one or two metrics over others?*
- b. *What are the top foodservice metrics your stores are focused on?*
- c. *The key is to remember that building foodservice sales takes time commitment. Sometimes lower margins to drive trial and build unit sales in the beginning is what's needed to grow the business.*

6. Does your labor allocation support your focus?

- a. *Labor, food sales in convenience and speed of service have a strong correlation. If you are waiting to add labor hours until your sales pick up, you may never reach your full potential. Labor hours should be there from the beginning, and later can be backed-off once sales stabilize. It will send a message that "we not only want you to deliver more to the customer, we will support you in your effort to "do more."*
- b. *Labor allocation should account for back-stock prep time.*
- c. *Does your store manager have the needed training and time to oversee the foodservice aspect of the operation?*

7. How often do you reconcile your foodservice strategic plan with your P&L?

- a. *"Not everything that matters can be measured, and not everything that is measured matters!" ~ Elliot Eisner. How do you account for course-correction in foodservice?*
- b. *Where is Foodservice in your P&L?*

8. How do you keep your pulse on consumer foodservice behaviors and trends?

- a. *How do you keep from "getting in a rut"?*
- b. *Do you track changes in consumer behavior across other retail channels?*
- c. *Do you know who your competition is? When is the last time you did traffic counts at the neighborhood coffee shops or QSRs?*
- d. *Do you react to competition in foodservice, or are your strategies and tactics driven by trends in consumer behavior?*