



VALUE OF ONSITE FOODSERVICE **WHITE PAPER**



SOCIETY FOR FOODSERVICE MANAGEMENT  
ONSITE DINING EXPERTS



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Dear SFM Members,

I am very excited to bring you the newly updated Value of Onsite Foodservice White Paper. This indispensable document is the product of original research and input from all segments of our membership. You will read assessments from many industry professionals about how their companies' leadership values foodservice and how foodservice plays an important role in their companies' cultures. Although the previous white paper addressed company culture, the difference here is an increased focus on health and wellness—an area not as greatly emphasized just 10 years ago.

The original research portion of the white paper will also arm you with essential data on what it really means, in dollars spent, when an employee walks out the door for lunch versus staying in the company's dining center. This expense—often considered intangible—is real, and a growing number of executives are beginning to understand its magnitude. As a result, we have statistics that show more companies will be investing in their foodservice programs as a means of keeping employees on-site, happy, productive and healthy.

The white paper is designed for every member of SFM to use in a variety of ways. For our clients, it can be critical for helping senior leadership understand why and how foodservice can play an intricate role in their company's culture. For our foodservice contractors, it substantiates what is in the marketplace for their clients and helps justify the need for program enhancements. For our associate members, the information provides insight into their customers' corporate culture and dining program challenges and needs.

The Value of Onsite Foodservice White Paper provides you with a reference tool that can be used in many situations and many purposes. It would not have been possible without the dedication of a few key members who volunteered their time to put it together. I personally thank Kathy Sanders, Ron Ehrhardt and Kent Bain, without whose support this document would not have happened. I also thank all the contributors who gave their time and effort to make the document what it is. Last, I thank Donna Boss, who worked diligently on compiling all of our information.

Use well and use often!

Sincerely,



Carol Bracken-Tilley / SFM Immediate Past President

## TABLE OF CONTENTS

This white paper is compiled from information presented at the SFM 2011 National Conference in Philadelphia, one-on-one interviews, SFM member contributions, and SFM research, including the “SFM Liaison Questionnaire” and “SFM’s Productivity Survey,” conducted in 2011.

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### PAGE #

- 4–5 EXECUTIVE SUMMARY**
- 6 SFM’S POSITION STATEMENT**
- 6 THE PREMISE, INCLUDING BACKGROUND ABOUT THE STATE OF THE ECONOMY AND OTHER FACTORS INFLUENCING BUSINESSES AND INSTITUTIONS**
- 6 RESEARCH FINDINGS FROM THE “SFM LIAISON QUESTIONNAIRE,” JULY 2011**
- 7 RESEARCH FINDINGS FROM “SFM’S PRODUCTIVITY STUDY,” JULY 2011**
- 9–26 VIEWPOINTS ON THE VALUE OF ONSITE FOODSERVICE:**
  - 9** The Situation in Corporate America and The Current Climate for Onsite Foodservice,” by Gerald White, Associate Publisher, *Plate* magazine.
  - 10–12** “Evolution of Foodservice at Wells Fargo,” by Kathy Sanders, Vice President, Corporate Properties Group/Strategic Sourcing Supplier Management, Wells Fargo; Wells Fargo Headquarters, San Francisco, California; Sanders is based in Charlotte, North Carolina
  - 13–14** “Healthy Dining at USAA,” by Adam Varney, Executive Director Food Services, USAA, San Antonio, Texas
  - 15–16** “Health and Wellness, Productivity & Diversity at JPMorgan Chase,” by Charles Stock, Vice President, Dining Services, JPMorgan Chase, New York, New York
  - 17–18** “Dining Value/Research Findings at Florida Blue,” by Damian Monticello, Corporate Foodservice Liaison, Florida Blue, Jacksonville, Florida
  - 19–20** “Wellness and Health Vision at Hallmark,” by Sally Luck, HR Director, Corporate Services and Wellness, Hallmark Cards, Inc., Kansas City, Missouri
  - 21–22** “Supporting Recruitment/Retention and the Microsoft Corporate Image while Driving Productivity,” by Mark Freeman, Senior Manager of Global Employee Services, Microsoft Corporation, Redmond, Washington, with input from the foodservice provider and other sources
  - 23** “A Business Case for Sustainability in Today’s Onsite Foodservice Operations,” by Rachel Sylvan, Engagement Director, Office of Sustainability & CSR, and Kristen Rainey, Director of Sustainability, Corporate Services, Sodexo
  - 24** “Your People Are Your Best Investment— Employee Engagement, Productivity and Wellness,” by Steve Norgren, Vice President, Business Development, ARAMARK Business Dining
  - 25** “Keeping Dining Fresh,” by Dick Cattani, CEO, Premier Catering Group, Compass Group, New York City
  - 26** “An Equipment Manufacturer’s Perspective,” by Steve Follett, CEO/President, Follett Corporation, Easton, Pennsylvania, and President of National Association of Foodservice Equipment Manufacturers (NAFEM) February 2010 – February 2012
- 27 CONCLUSION**



## EXECUTIVE SUMMARY

In this era of constant cost reduction and restructuring, the need for onsite foodservice to bring enormous strategic value to companies' and institutions' goals and missions has never been more important and must be continually expressed and validated. This white paper offers materials to support the growth and valuation of onsite foodservice with SFM Original Research and viewpoints detailing how companies assess and contribute to the value of onsite foodservice. Also included is an updated look at the changes in the workplace since SFM's 2003 white paper, such as the concern about rising healthcare costs and the need for health and wellness initiatives.

**"SFM Liaison Questionnaire"** identifies the importance of foodservice to senior leaderships and key priorities for those leaderships to retain foodservices:

- An onsite foodservice program is considered to be 10% more important to a company today than three years ago.
- 83% of those respondents expect to spend capital on foodservice improvements, renovations or new build-outs in the next three years.

“SFM Liaison Questionnaire” results also identified the “Motivation to Retain and/or Enhance Onsite Foodservices: Seven Attributes that Raise the Value Proposition of Onsite Foodservice” as defined by their companies’ senior leaderships.

- Increases employee productivity
- Contributes to employee recruitment and retention through enhancing employee satisfaction with benefits provided
- Enhances a company’s and institution’s health and wellness program
- Contributes to a company’s and institution’s image and brand, including sustainability commitments
- Supports diversity
- Helps to keep employees in a safe working environment
- Fosters a collaborative work environment.

“SFM’s Productivity Study” identifies how employees’ participation in onsite foodservice compares with their participation in off-site foodservice:

- The average time employees spend for lunch when they go off-site is 26 minutes greater than when they eat on-site. This can result in thousands of dollars lost in productive employee time.
- The check average is \$4.73 greater off-site.
- Overall service experience is only 1% greater off-site.

#### **Viewpoints on the Value of Onsite Foodservice Included in the White Paper**

- The Situation in Corporate America and The Current Climate for Onsite Foodservice presented at SFM’s National Conference
- Evolution of Foodservice at Wells Fargo
- Healthy Dining at USAA
- Health and Wellness, Productivity and Diversity, JPMorgan Chase
- Dining Value/Research Findings, Florida Blue
- Wellness and Health Vision at Hallmark
- Supporting Recruitment/Retention and the Microsoft Corporate Image while Driving Productivity
- Sodexo: A Business Case for Sustainability in Today’s Onsite Foodservice Operations
- ARAMARK: Your People Are Your Best Investment—Employee Engagement, Productivity and Wellness
- Premier Catering Group, Compass Group, New York City: The Value of Onsite Foodservice
- An Equipment Manufacturer’s Perspective

In this era of constant cost reduction and restructuring, the need for onsite foodservice must be continually expressed and validated. This white paper provides valuable insight into how SFM members are supporting the growth and valuation of onsite foodservice.

## SFM'S POSITION STATEMENT

Onsite foodservice is essential to any company or institution that values its employees and views foodservice as necessary to enhance its employees' work experience and strategically support its company's mission and business goals.

## THE PREMISE OF THE WHITE PAPER

Given the enormous changes in the economic environment and the workplace since SFM's white paper, "The Strategic Value of Onsite Foodservice: An Industry Perspective 2003," an updated white paper is needed to focus on the new demands and challenges facing SFM members as they continue to expand services and enhance the strategic value of onsite foodservice.

Though SFM members and many of their employers recognize the enormous benefits that onsite foodservice brings to a workplace environment, in this era of constant cost reduction and restructuring, the need for onsite foodservices must be continually expressed and validated. Members must educate company leadership about the value of onsite foodservice by providing information resources that include both objective and subjective measurement tools. This education is intended to support a company's leadership to develop a positive perception of onsite foodservice as a means to:

- Increase employee productivity
- Contribute to employee recruitment and retention through enhancing employee satisfaction with benefits provided
- Enhance a company's health and wellness program
- Contribute to a company's image and brand, which includes sustainability commitments
- Help to keep employees in a safe working environment
- Foster a collaborative work environment.

Since the 2003 white paper, SFM members have seen several shifts in the emphasis companies place on their onsite foodservice and how they measure value. One is a budding partnership between company health and wellness initiatives and foodservice programming to improve employees' productivity and reduce overall healthcare costs. Another is promoting participation in dining programs as a means to build a strong sense of community and corporate culture among employees. A third new area of emphasis is dining programs' support of diversity and sustainability initiatives through menu offerings, special themed events and educational information about foods and their sources.

In order to substantiate evidence that a well-accepted onsite foodservice supports leadership's goals and to determine the content of material that should be included in the 2012 white paper, SFM conducted two research studies, "SFM Liaison Questionnaire" and "SFM's Productivity Study." The results of these July 2011 studies are contained in the white paper.

The 2012 white paper also includes several viewpoints featuring different approaches to determining and delivering strategic value of onsite foodservice. With the information presented herein, SFM continues to provide onsite industry data and other information that can be used as a reference or guideline to communicate to senior leaderships why a robust foodservice program is valuable to their companies.

## RESEARCH HIGHLIGHTS

Scan for details on  
research highlights.



### “SFM’S LIAISON QUESTIONNAIRE, JULY 2011”

This research identifies the importance of foodservice to SFM client liaisons’ senior leaderships and key priorities for those leaderships to retain foodservices. (A client liaison is an individual employed by a company or institution to supervise the foodservice and the contract foodservice provider, as well as many other responsibilities.)

### THE POSITION OF ONSITE FOODSERVICE WITHIN AN ORGANIZATION (TODAY)

- 40% of client liaisons report into a Facilities department.
- Foodservice data is shared with several departments within a company, but most prevalently with Facilities, Finance and Human Resources.
- The main reason client liaisons’ companies have an onsite foodservice program is to offer an “employee benefit,” which contributes to employee retention. This reason is followed closely by “increasing productivity,” “collaborative work environment,” and support for the company’s “health and wellness” program.
- Customer satisfaction surveys are the number one metric used to track the success of a company’s foodservice program. Other metrics that are also used include participation rate, cost of the program and quality assurance processes.
- An onsite foodservice program is considered to be 10% more important to a company today than three years ago.
- 83% of respondents expect to spend capital on foodservice improvements, renovations or new build-outs in the next three years.

### MOTIVATION TO RETAIN AND/OR ENHANCE ONSITE FOODSERVICE: SEVEN ATTRIBUTES THAT RAISE THE VALUE PROPOSITION OF ONSITE FOODSERVICE

Foodservice operations are viewed as more than just a place for employees to have breakfast or lunch. The SFM client liaison membership outlined seven specific attributes that raise the value proposition of onsite foodservice as defined by their companies’ senior leaderships.

- Increases employee productivity.
- Contributes to employee recruitment and retention through enhancing employee satisfaction with benefits provided.
- Enhances a company’s health and wellness program.
- Contributes to a company’s image and brand.
- Supports diversity.
- Helps to keep employees in a safe working environment.
- Fosters a collaborative work environment.

### COMMENTARY

The significance of a strong onsite foodservice program has never been as important to companies and institutions as it is today. New areas of value contribution that weren’t even on the radar in 2003 when the previous white paper was compiled include the contributions onsite foodservice is making to companies’ corporate image, health and wellness programs and diversity initiatives. This research adds to the premise that onsite foodservice is much more than just a place to eat breakfast and lunch. Rather it is an integral part of companies’ overall missions and its importance continues to grow.

## SFM'S PRODUCTIVITY STUDY

SFM also conducted a Productivity Study to determine how employees' participation in onsite foodservice compares with their participation in off-site foodservices. Key findings support many of the seven key areas identified by client liaisons as the main motivation for their companies to retain foodservice.

- The average time employees spend for lunch when they go off-site is 26 minutes greater than when they eat on-site.
- The check average is \$4.73 greater off-site.
- Onsite foodservice is respectably competitive with off-site in overall customer satisfaction.
  - 92% of respondents express overall satisfaction with onsite foodservice and 33% are extremely satisfied or very satisfied.
  - However, overall service experience is only 1% greater off-site.

### COMMENTARY

When employees leave a worksite, they must put on outerwear in cold or inclement weather, ride an elevator to the main floor or parking garage, either walk or drive in their cars to an off-site location and return after they have purchased and/or eaten lunch. They may also do errands before returning to the worksite. The yearly cost in productivity when employees spend 26 more minutes at lunch when they eat off-site is enormous.

- Calculate the amount of money this translates into productive work hours for each employee per year: Employees eating out each day over a period of one year are spending 112.67 more hours at lunch, which for employees earning \$50,000 per year means \$2,700 worth of potential work time NOT spent at the workplace. This may not sound like much for one employee, but if you have 100 employees, that's \$270,000 per year.
- Employees spend \$4.73 more per day when they eat lunch off-site. If they eat off-site each day for one year (260 days), they will spend \$1,229.80 more than if they eat on-site. Onsite foodservice continues to be a good value for employees if they are satisfied with the meal itself, speed of service, cleanliness of the environment, courtesy of staff and price value of the onsite meals.
- When employees dine on-site, they tend to feel a sense of ownership and entitlement about their foodservice and are often highly critical of the perceived value of the meals and the experience. When they dine off-site, they have usually pre-selected the site and are returning for a specific type of food. The survey results support individual companies' research data revealing that great improvements have been made in the quality of onsite dining in the past decade. The survey results also suggest that there are many opportunities to market the value of onsite foodservice to employees and offer incentives for them to stay on-site. The survey finding indicating that respondents believe the service experience of onsite foodservice to be almost equal in value to that of off-site foodservice emphasizes the importance of continued customer service training.
- Also noteworthy, customer satisfaction will continue to increase if companies continue to reinvest back into their foodservice operations, which the "SFM's Liaison Questionnaire" indicates is occurring. The value of reinvestment will come whether companies completely renovate a café or vending area or modify spaces to allow for different types of cooking and/or speed of customer service.





## VIEWPOINTS ON THE VALUE OF ONSITE FOODSERVICE

### THE SITUATION IN CORPORATE AMERICA AND THE CURRENT CLIMATE FOR ONSITE FOODSERVICE

*by Gerald White, Associate Publisher, Plate Magazine*

Corporate executives are under more pressure than ever to improve financial performance and scrutinize where each dollar is spent. They continue to contain or eliminate foodservice subsidies while keeping a vigilant watch over all costs, including employee productivity and healthcare. They also work to develop an admired corporate culture that will attract and retain the best talent with jobs that are more demanding than ever.

When we think about the strategic value of onsite foodservice, it goes to the core of what we believe. It is part of our *raison d'être*, part of our DNA. As Jon Luther, chairman and chief executive office of Dunkin' Donuts, and SFM's 2011 National Conference keynote speaker, said, customers have more choices than ever. That's true for SFM members' customers. We capture them with our brand of DNA.



## EVOLUTION OF FOODSERVICE AT WELLS FARGO

*by Kathy Sanders, Vice President, Corporate Properties Group/Strategic Sourcing Supplier Management, Wells Fargo, Wells Fargo Headquarters, San Francisco, California; Sanders is based in Charlotte, North Carolina.*

### Size and Scope:

- 51 onsite cafes and catering services
- 3 convenience stores
- 3 franchise coffee shops
- 3 suppliers
- 75,000 team members serviced at the 51 café locations.

Several mergers have taken place to create the current Wells Fargo. Merged companies often have different cultures and strategies regarding real estate, expense management policies and employee welfare guidelines and philosophies.

Business evolves regardless of mergers. People and technology are not static. In the late 1990s, we conducted an exit survey at a location with 10,000 people to determine why they were going off-site for lunch.

### The top five reasons were to:

- Run errands
- Meet someone
- Go to an appointment
- Go home for lunch
- Take a break outside of the building.

This was good news for foodservice, because the responses weren't about cost, an uncomfortable environment or other conditions. These responses became data to guide future decisions about onsite services, such as dry cleaners, hair salons and cafés.

### Criteria were established to help drive decisions regarding the need for onsite services:

- Employee safety
- Convenience
- Length of lunch hour
- Building population
- Availability of other options.



**As mergers and acquisitions continued, we developed an overall guiding philosophy/culture focused on:**

- Work/life balance
- Employee retention
- Collaboration-team environment in a relaxed culture
- The mobile workforce.

**As we moved into the 21st century, we identified trends:**

- The dot.com age
- Creativity and innovation are the buzz words
- Frequent “meetings after the meetings”
- A more relaxed workforce
- Desire for casual days
- The beginning of the “mobile workforce”
  - using cell phones, PDAs and laptops
  - working in hotel cubes and at “drop-down” stations.

We wanted to establish criteria for the need of onsite foodservice. So we developed a matrix. Our focus was on productivity and efficiency as the levers triggering the need for onsite foodservices.

**We included multiple factors:**

- Process re-design and value engineering of our space
- The convenience of web ordering and smart cards
- Conserving fuel by remaining on-site.

Value is evolving. It now includes sustainability. Also becoming more important is diversity in the menu program and suppliers used. Health and wellness of team members and healthy dining options are emerging as important parts of the total value proposition.

**As a result of the mergers, the company has a complex mix of various types of cafés with a variety of influences and definitions of value:**

- Varying preferences for menu items
- Varying economic capabilities
- Strong desire to enable an efficient, mobile and innovative workforce.

(CONTINUED ON PAGE 12)

## EVOLUTION OF FOODSERVICE AT WELLS FARGO (CONTINUED)

### **Additionally, there are a growing number and diversity of types of employee locations:**

- Insurance and home mortgage locations
- Customer call centers
- Securities and brokerage locations
- Regional headquarters
- Bank processing centers
- Information technology and staff support locations.

In 2008, we completed a leadership survey to determine the current and future need for onsite foodservice. We asked our leaders where they find value for their line of business. Survey ratings ranged from somewhat important to extremely important. The summary of results indicated what the leaders thought was important in determining value from an onsite foodservice program.

- 89% ranked compatibility with corporate culture as very important or extremely important.
- 84% ranked productivity as very important or extremely important.
- 84% ranked health and wellness as very important or extremely important.
- 73% ranked interaction and collaboration among employees as very important or extremely important.

In 2011, we have evolved into a different company. However, according to leadership in key lines of business, productivity is still the number one-ranked value of onsite foodservice because it keeps employees on-site and provides menu options and convenience for team members.

### **Other important components in adding value to the onsite foodservice program are:**

- A renewed concentration on expense management
- Team member engagement
- Health and wellness.

In 2011, our workforce is more diverse and thus our menus and programs are evolving to meet that diversity. The distinct menu program includes vegetarian options, Indian cuisine, and Asian Pacific and Hispanic influences. In order to maintain this diversity, we've identified diversity in the supplier base at tier-one and tier-two levels.

As we continue to evolve our onsite dining program, we will continue to assess the value it brings to the organization.

## HEALTHY DINING AT USAA

*by Adam Varney, Executive Director, Food Services and Enterprise Support Services, USAA, San Antonio, Texas*

### Size and Scope:

- 8 onsite cafes
- 3 markets
- 4 Starbucks®
- 3 company stores
- 1 contract management supplier
- Catering
- Vending
- 290 dining team members
- 21,400 employees company-wide.

### Healthy dining is extremely important at USAA.

We took steps in three key areas to establishing a good foundation for healthy dining:

- 1) Aligning with the company mission
- 2) Initiatives
- 3) Measuring results.

### 1. Aligning the Mission

USAA's members are military personnel and their families. The mission is to be the provider of choice for the military community. Maintaining a best-in-class workforce/workplace is one of our strategic priorities. Within foodservice we identified four pillars to support, one of which is healthy dining.

### 2. Initiatives

- Education and awareness. Prior to coming into the café, employees can go online to check out menu offerings. In addition to an intranet website, our contract management supplier creates digital billboards in the café that offer messaging, calorie information and nutrition information, as well as other way-finding programs to direct customers to healthy items.
- Programs are developed with incentives to make healthful choices. Prices for water, diet sodas, baked chips and sides such as broccoli are lower than unhealthy counterparts.
- Employees earn healthy points to receive deductions on their healthcare premiums.

## HEALTHY DINING AT USAA (CONTINUED)

### 3. Measuring Results

- Results are measured by calculating the percentage of healthy items purchased to the overall number of items sold. Over the past four years, we've seen steady growth, about 30% utilization, equivalent to 3.6 million healthy transactions a year.
- Pricing is sensitive so we're promoting more healthy items and leading employees toward healthier dining. As a result, our healthy dining numbers are up as well as overall employee satisfaction.
- Interceptor surveys revealed that employees were telling us one thing about what they wanted in dining and doing another. They said we weren't offering enough healthy items and they complained that our menu items were too expensive. However, we learned that people weren't eating healthier and the check average was higher when they went off-site. What we take from this is that we need to create more inviting destinations on our campuses that are comparable to external dining. If we can keep employees on-site not only are they more productive, but with the healthy tools we have in our cafés, we can also get them to make healthier decisions.
- Healthcare costs are going up. One of our key indicators is body mass index (BMI). If we can lower obesity rates, and move segments of population from one BMI segment down to another, we save the company money. We are collecting hard data about whether employees are eating healthier and going to the fitness center and we see how this relates to annual employee health risk assessments.

### The Future

For strategy integration for the next three to five years our foodservice program will continue to collaborate with our Human Resources with the goal of communicating consistent messaging to our employees encouraging them to be healthier. Whether they are walking the halls of our buildings, eating in our cafés or working out in the fitness centers, this message is clear.

Finally, our biggest challenge is the culture, not inside our four walls—we're doing a fantastic job of getting people to understand and our leadership is totally engaged. It's outside our four walls when employees go home. We're ready to take our efforts to the next level. If we can get a message of improving health to employees' homes and to their communities, their families and the future workforce, we will have succeeded.

# HEALTH AND WELLNESS, PRODUCTIVITY AND DIVERSITY AT JPMORGAN CHASE

by Charles (Charlie) Stock, Vice President, Dining Services, JPMorgan Chase, New York, New York

## Size and Scope:

- 42 onsite U.S. cafeterias
- 3 licensed Starbucks® stores
- 12 convenience stores
- 30 U.K. and Asia locations.

We look at four factors that impact foodservice: the value proposition; health and wellness; productivity; and diversity. The key is putting it altogether to create a program that will add value.

**1. The value proposition** is created by aligning space allocation (real estate, which is expensive), food concepts, employee demographics and the work environment, which include call centers or admin buildings. Programs must be targeted to the audience we are serving. The days of one big cafeteria, all things to all people, have gone by the wayside. Now, cafes are lean and targeted so we can focus on the needs of the employee.

To understand the value proposition, we must understand the corporate philosophy. We've gone through many corporate mergers and acquisitions, and we must understand if onsite foodservice is a benefit or a convenience. How are we going to be perceived in our corporate structure?

- When we measure, we put out surveys on an annual basis and gather results, which are shared with our contract management suppliers, who use these for developing marketing plans and aligning themselves to be successful. We examine hundreds of pages of employee comments on surveys for each location and determine the participation drivers and the upsides and downsides at each site. Each of the 42 sites has a business leader with whom we communicate to determine if adjustments are needed. We want business leaders to be aligned with us in good times and bad because they carry the message to employees about benefits of dining in onsite foodservice.
- We also look at participation for all meal periods on a monthly basis. People vote with their feet. We want to serve more people tomorrow, so we look to see participation trends and determine if these trends are related to factors such as new managers coming in or new menu concepts.
- Last, we communicate value upward, but we don't want to be seen as self-serving. In the perfect world, employees are telling their business leaders that they see the value of onsite foodservice and business leaders tell their bosses. On the other hand, we are the subject matter experts to whom people in the corporation turn when determining what the foodservice should be in a new building, a new cafeteria and conference centers. They value our input and we can't be afraid to give that information and shape programs. Sometimes we must recommend closing a facility. We work with our vendors to come up with options.

## HEALTH AND WELLNESS, PRODUCTIVITY AND DIVERSITY AT JPMORGAN CHASE (CONTINUED)

**2. Health and wellness** is a corporate initiative that involves awareness, promotion, education and measurement. We were given a directive in 2010 to come up with a new health and wellness program tied to dining. Focusing on preventative care required a culture shift. We're now aligning our cafés with healthy dining. Working with our vendors, corporate physician and health services group, we developed a program with four components.

- **Awareness.** We can't force people to take certain items, but we can inform them about healthy menu options so they can make educated decisions. A colored icon-identifier program is used for menu items that are low-carb, low-sodium, whole grain, 300 and 500 calories, and vegetarian.
- **Posting calories.** We post calories for most items or individual ingredients in salad bars, including salad dressings, and made-to-order sandwiches.
- **Promotion and education go hand-in-hand.** We offer cooking light demonstrations, position display plates that feature healthy components in the cafes, and offer dishes with 500-calorie dishes for \$5.00. Our robust website posts educational information about healthful menu choices and dining options. In addition, we work with health services representatives to post little snippets of "Did You Know?" information, such as blueberries are a source of antioxidants, in dining areas.
- **Tracking and measurement.** Programs should be robust, consistent and on course with their mission to help employees make healthy decisions. We don't measure how much people buy and we can't force them to buy healthfully, but we measure what cafés are offering. In our healthy dining audit, 123 items are rated against program expectations for passing, needs improvement and help is needed.

**3. Increased productivity** must be viewed with a broad brush. If you have a great program, more people participate and will be more productive, but it's hard to quantify and measure. Employees may say they love the café and eat there, but sometimes they'd rather go outside. It's always better to have a great program and offerings that meet targeted demographics. For instance, some cafes offer about 60% takeout and more people eat at their desks, so we add value by helping people get in and out of the café quickly and back to their desks.

**4. We promote diversity** by offering menus that reflect population demographics, are in tune with the latest industry trends, and include regional flavors and local providers. Since we touch 50% of the employees, we coordinate with Human Resources on their initiatives and promote employee network groups and women's groups. We also coordinate with employee groups and promote their groups through dining services.



## DINING VALUE/RESEARCH FINDINGS AT FLORIDA BLUE

by Damian Monticello, Corporate Foodservice Liaison, Florida Blue, Jacksonville, Florida

### Size and Scope:

- 5 onsite cafes
- 2 convenience stores
- 2 coffee shops
- 2 contract management suppliers
- On-premise catering; special events
- Conference center
- Vending operations at 20 locations
- Employee fitness centers and Florida Blue health and wellness complex
- 60 contract foodservice supplier team members
- 8,000 Florida Blue employees.

The purpose of our research was to determine if foodservices needed to be expanded due to the addition of two more buildings that would serve 1,500 more employees being added to the campus. The current café was located on one end of what would end up being a seven-building campus with more than 1.5 million square feet of office space.

### Step 1

We needed to determine if the current foodservice operations were meeting our current needs.

To accomplish this, an employee survey was conducted, which gave the following key results:

- Quality was the number one item of importance to the employee.
- Employees rated the foodservice program higher than expected for customer service.
- Employees felt the price/value relationship was higher on-site than off-site.
- Employees have approximately 150 eating options off campus to choose from within a three-mile radius.
- Employees spent, on average, approximately \$4.60 more on lunch when they went off campus.
- Employees took, on average, 18 minutes longer for lunch when going off campus.
- Employees rated variety as the number one reason they went off campus.

## DINING VALUE/RESEARCH FINDINGS AT FLORIDA BLUE (CONTINUED)

### Step 2

Armed with this key information, a proposal to build another café seemed to be the best option.

Recommendations to leadership included:

- The additional amount of time employees spent going off campus versus staying on campus proved to be the largest motivating factor to build a second foodservice operation on the campus. With the average salary of \$30,000, the savings for Florida Blue by keeping employees on campus could run into the millions.
- Due to the overwhelming amount of competition in the surrounding area, building a second building with different offerings from the first building was a must. The new building had to become a destination dining facility.
- Because variety was rated as the number one reason employees go off campus, building a foodservice operation that could change with the food trends easily and cost effectively was necessary. Building the site with an un-interruptable power source was a key objective. This approach allowed complete flexibility for equipment to be moved/rotated easily so menu concepts could be changed to meet new trends or to promote the different ethnic promotions Florida Blue embraces.

### The Results

1. Destination dining is available. Some items are intentionally not available at both locations to allow increased walking across campus. Increased steps equal increased wellness.
2. Quick disconnect power source panels for equipment are located at all stations. This allows for complete change of format at a station from one day to the next.
3. The duration of cycle menus (daily versus weekly) is shortened to address the need for added variety.
4. Participation overall for the campus has increased for both breakfast and lunch. Breakfast: 12.5% participation prior to opening and 20.2% after. Lunch: 25.3% participation prior to opening and 29.7% after.



## WELLNESS AND HEALTH VISION AT HALLMARK

*by Sally Luck, HR Director, Corporate Services and Wellness, Hallmark Cards, Inc., Kansas City, Missouri*

### Size and Scope:

- 5 onsite cafes
- 1 deli/coffee shop
- 1 food cart
- Self-operated, on-premise catering; special events, executive dining
- Outsourced vending operations at 5 locations
- 1 free onsite fitness center
- 7,000 Hallmark employees at locations with services.

### Why is Wellness a Priority at Hallmark?

It isn't much of a stretch to understand the connection between both our consumer and our employment brand and the idea of enriching lives. We have a long history of wellness at Hallmark, beginning with JC Hall opening a foodservice for employees in 1923 to ensure that they would be well nourished and productive. In 1956, a medical department was opened to see to the health and safety of employees.

Of course, a critical reason we need to look at wellness today is the spiraling cost of healthcare. It is an ever-increasing cost to our employees and a critical threat to our business results because healthcare costs have increased on a national level 10% per year over the last several years.

Even a company as benevolent to its employees as Hallmark is seeing the need to shift accountability to employees for maintaining their health and to a shared responsibility for managing their own health risks.

We have also attempted to create our own brand with our wellness program: Hallmark Health. We have done this by creating our own logo and a style guide that provides guidelines for the use of our particular colors, templates, fonts and messaging.

## WELLNESS AND HEALTH VISION AT HALLMARK (CONTINUED)

### Healthy Choices Are Easier And Rewarding

We choose to focus on changing our culture and our environment. In essence, we are making healthy choices easier and rewarding and unhealthy choices harder and less rewarding. We added healthy choices at lower prices at all food and vending locations; we offer a 25% discount on healthiest foods in all our foodservice and vending locations. Today, 40% of lunch sales in headquarters Crown Room are healthy entrees and the salad bar. We also negotiated discounts for fitness providers in and outside of Kansas City and provided increased health education and tips through intranet, e-newsletter and lunch and learns.

To make these and other initiatives possible and provide oversight, we reorganized our division so foodservices, medical, fitness and recreation and work/life are organized together. They have formed a very strong partnership with our benefits group.

### Conclusion

Support for wellness programs must be supported all the way up the organization to the CEO. Our CEO is extremely supportive of our wellness initiatives and makes fitness and wellness a personal priority. He believes wellness is a critical business issue. He has been quite visible at many events and personally invited and spoke at our kick-off meeting last summer to our newly formed Wellness Ambassadors, a group of influential managers from across the company who provide strategic direction and champion our programs within their own divisions.

We are measuring participation in some of our key programs, including our rewards program, education programs, completion of health risk assessment, use of preventive medical care and screenings, and a few other measures such as a employee health condition category—chronic, major, minor and healthy. From this data, we will be able to track the percentage of employees who are participating in these preventive measures and hopefully begin to see some impact from an improved lifestyle on our percentages of people who remain in our “healthy” category as opposed to our “chronic disease” category. We are only looking at aggregate data, not employee specific data. We strictly obey HIPAA regulations and go to great lengths to protect the personal privacy of our employees.

# SUPPORTING RECRUITMENT/RETENTION AND THE MICROSOFT CORPORATE IMAGE WHILE DRIVING PRODUCTIVITY

by Mark Freeman, Senior Manager of Global Employee Service, Microsoft Corporation, Redmond, Washington, with input from the foodservice supplier and other sources

Onsite foodservice provides an essential strategic competitive advantage for Microsoft Corporation. The benefits are multifaceted, with the primary goals of:

- 1) Supporting employee recruitment/retention and enhancing the overall Microsoft corporate image; and
- 2) Driving employee productivity, thereby expanding the overall capacity of the organization.

The technology sector is a highly competitive arena, requiring Microsoft to offer amenities that are world-class. Providing work environments that are desirable to employees, as well as spaces and services that enhance both productivity and the corporate image, are extremely important to Microsoft (as manifested by their commitment to “workplace advantage”). Onsite foodservice is a key component of providing such experiences, offering both a highly visible amenity and one that creates a significant employee value perception. Most important, enormous productivity gains are attained through the implementation of a foodservice program at a very competitive cost per head compared to competing initiatives.

## 1) Employee Recruitment/Retention & Enhancing the Corporate Image

A key goal of Microsoft Dining Services is to “attract, develop and keep” the technology sector’s most sought-after employees. In addition, promoting the corporate image of Microsoft is a key goal, which is driven via communication and public relations efforts, sustainable programming and community outreach. Onsite foodservice supports this by:

**Enhancing the customer experience.** At Microsoft, onsite foodservices have developed a robust approach to survey response planning and customer advocacy, leading to five consecutive years of customer satisfaction scores. Customer satisfaction scores from 2010 to 2011 grew 7.5%. Additionally, Microsoft Dining alias feedback has a 10-1 positive ratio. (Customer satisfaction survey (MS), FoodMark/Corporate dining 2010.)

**Creating Desirable Environments.** Employees want to work in environments that stimulate their senses, are modern and versatile, and filled with cutting-edge technology. These are also the types of spaces that Microsoft Human Resources (MSHR) wants to showcase to potential new employees during interviews; tour new employees through during orientation; and use to sell the overall attractiveness of the Microsoft campus culture. The environment is more marketable when onsite foodservice stays abreast of innovative trends in café and space design, utilizes exhibition cooking and marketplace design in café layouts, and integrates technologies into dining spaces, such as Microsoft surface tables, Microsoft tags, digital menu boards, kiosks, etc.

**Technology Innovation.** Current and potential Microsoft employees desire work environments that include technology. Microsoft cafés and The Commons are the places for Microsoft to test and showcase emerging technologies and products.

## SUPPORTING RECRUITMENT/RETENTION AND THE MICROSOFT CORPORATE IMAGE WHILE DRIVING PRODUCTIVITY (CONTINUED)

**Culinary Innovation.** The Microsoft Dining Services Culinary Guild provides innovative guidance for incorporating high-quality and trend setting cuisines, all served in atmospheres geared towards collaboration and socialization.

**Program Recognition.** Gaining both internal and external program recognition allows MSHR to help with marketing the organization. Continued program innovation coupled with PR efforts continue to gain positive press for Microsoft.

**Focus on Sustainability.** Onsite foodservice at Microsoft is dedicated to becoming zero-waste by the end of 2012. Currently, all cafés are 3-Star Certified by the Green Restaurant Association (GRA), with plans for a 4-Star Certification in at least one café in 2012.

**Local Partnerships.** The onsite foodservice program currently offers 26 local restaurant brands on campus and continues to grow. The cafés also feature sustainable produce from local growers through a “Farm to Fork” program and offer Microsoft employees the option of ordering take-home produce crates through Full Circle Farms, a local non-profit organization.

### 2) Employee Productivity

Keeping employees on campus helps foster collaboration and drive overall productivity. Onsite foodservice supports this by:

**Driving Café participation & catering market share.** Innovative spaces, programming and brands have resulted in a participation metric that is 10% higher than the SFM industry average (MS Daily 66.8%; MS Lunch 56.2%). Unique catering menus and versatile space functionality also entice employees to have events on campus versus off.

**Estimated cost savings based on assumed levels of magnitude.** By driving participation and enabling employees to leave campus less, onsite cafés save Microsoft (Puget Sound) millions of dollars annually.

**Time savings** = 28 minutes per day or 2.7 weeks annually (FoodMark 2008 Impact of Dining Service on Corporate Productivity study).

**Employee cost savings** = Price efficiencies by removing the profit motive save each employee substantially on the average cost of lunch. (FoodMark 2008 Impact of Dining Service on Corporate Productivity study).

**Providing a Microsoft town center.** The fewer times employees leave campus during the day, the more productive they are. In 2008 Microsoft opened The Commons, which offers an array of onsite foodservice and retail options aimed at enabling employees to run errands without leaving campus.

**Collaborative spaces.** Collaboration is an essential productivity tool in the Microsoft culture and high tech environment in general. Onsite foodservice spaces allow for one-on-one meetings, team meals, impromptu collaborative spaces for teams, “all-hands” meeting and catering spaces, and more.



## A BUSINESS CASE FOR SUSTAINABILITY IN TODAY'S ONSITE FOODSERVICE OPERATIONS

*by Rachel Sylvan, Engagement Director, Office of Sustainability & CSR, and Kristen Rainey,  
Director of Sustainability, Corporate Services, Sodexo*

This is an excerpt from “Sodexo’s 2012 Workplace Trends Report”: <http://viewer.zmags.com/publication/16fdb6d?page=1#/16fdb6d/14>

The benefits for a company that embraces sustainability go beyond energy efficiency, risk mitigation, opportunity for innovation, and corporate social responsibility. Sustainability directly affects the employees. According to Ante Glavas, assistant professor of management at the University of Notre Dame’s Mendoza College of Business, referencing a 2010 study by W. Koch and A. Graves, “People who work for green companies have a pride-in-ownership mentality and are happier and more productive.” Higher productivity is certainly a no-brainer for any CEO, no matter what the industry.

Furthermore, Pride-in-Ownership is not simply about smiling employees showing up for work every day; more critical to the bottom line, pride-in-ownership leads to greater employee retention, resulting in cost savings from lower turnover.

A piece that is becoming critical in the commitment to pride-in-ownership relies upon locally sourced ingredients and community engagement to create loyalty from customers who now opt to stay on-site for lunch. Food served on-site, at meetings and in a company’s products is a highly visible opportunity every organization has to show it cares about health and the environment. Food also provides an opportunity to engage the workforce in whatever sustainability issues matter to an organization—climate change, waste, water supply, healthy living, etc. Companies that do this best have a multi-dimensional approach to sustainability. One trend that is a great example of the bridge between health and environment is the return to smaller portion sizes, increased consumption of plant-based foods and reduced consumption of animal proteins.

### **Multi-faceted Opportunities**

Sustainability contains opportunities to motivate employees, reach new customers, offer innovative business models, improve financial bottom lines, and feel good about your contribution to improving the world. The seven billion and soon-to-be nine billion people on this planet need us to fully account for, and respond to, our impacts on environment, health and community. The future of our businesses will depend on it.



## YOUR PEOPLE ARE YOUR BEST INVESTMENT — EMPLOYEE ENGAGEMENT, PRODUCTIVITY AND WELLNESS

*by Steve Norgren, Vice President, Business Development, ARAMARK Business Dining*

Organizations that truly view dining as a benefit for their employees and as an impactful extension of the larger workplace culture tend to:

- 1) Position their organization as one of the industry's most attractive places to work
- 2) Showcase how much they value their employees while also making it easy for them to maximize their productivity
- 3) Drive health and wellness initiatives.

To achieve best-in-class status in any industry, it's important to provide the right environment to motivate employees for maximum output. The creation of a fast casual restaurant experience at work that more accurately reflects the ever-changing consumer trends is something employees desire. A modern, relevant and brand-enhancing employee experience encourages them to stay on-site during meals, resulting in maximizing productivity of the organization's workforce.

As a part of a client's transformation toward dining as a benefit, a strategic plan based on positivity, fun and engagement is recommended. This will not only drive participation, but can also support an organization's health and wellness initiatives. A health and wellness plan should include:

- **Engaging the customer** with innovative menuing and merchandising to create choices that are first delicious, and then go further to add authentic, ethnic, restaurant-style and on-trend options that also happen to be better-for-you alternatives.
- **Educating the customer** about the “who grows it, what is it, and where does it come from” of the food they eat to really make a healthy connection.
- **Empowering** your employees to make behavior changes by leveraging the entire culture you have created, which allows your onsite dining team to offer healthy meals for everyone, not just the smaller percentage that has already chosen them.

The ability to offer employees a best-in-class dining platform pays off substantially in the long-term in the form of employee engagement, productivity and wellness. This truly goes toward the end result of making your people your best investment.





## THE VALUE OF ONSITE FOODSERVICE

*by Dick Cattani, CEO, Premier Catering Group, Compass Group, New York City*

Onsite foodservice operators are in a unique position to provide meals that offer a better value in ingredients, variety, quality and pricing than our customers can off-site. When we accomplish this, we can easily demonstrate to our existing and potential clients the value of onsite foodservice and help them realize the benefits this brings to their corporate culture.

### **Each Company Has Its Particular Corporate Culture**

For most companies the café is important because it's the only place that allows employees to have a sense of community with their colleagues and feel connected to the rest of their company. These organizations believe appealing foodservice programs give them a competitive advantage when recruiting the best and brightest employees. They not only tell prospective new hires and clients about their dining operation, but they often invite them on-site to view it, taste the fare and experience the esprit de corps. In a number of organizations, invitations to dine in the café are highly desirable.

Staff cafés have the benefit of being convenient, affordable and reliable—a home away from home. In addition, they become community centers beyond the dining hours for town hall meetings and special functions.

Remember that we need to refresh our operations frequently to remain competitive and keep the program interesting. Most important, we need to know and understand the customers, including the non-users.

### **Approaches to Improving Customer Satisfaction**

To that point, after hearing the comments of Jon Luther, chairman and chief executive officer of Dunkin' Brands, at SFM's 2011 National Conference in Philadelphia, I'm intrigued with Dunkin' Donuts® approach to improving their customer satisfaction by surveying users and non-users. Users are asked to go to Starbucks® and non-users go to Dunkin' Donuts. Both groups report their findings.

We as operators should not underestimate the importance of our services and the impact it has in corporate America.



## AN EQUIPMENT MANUFACTURER'S PERSPECTIVE

*by Steve Follett, President and CEO, Follett Corporation, Easton, Pennsylvania., and President of North American Association of Food Equipment Manufacturers (NAFEM) February 2010 – February 2012*

Resources are tight for operators and suppliers. Everyone in the foodservice industry needs to focus resources with the aim of improving and increasing business. Networking and sharing best practices at SFM conferences offer valuable opportunities to offer and receive support.

### **The Role of Manufacturers**

Improving operational efficiencies is essential to SFM members as they continuously assess the value of onsite foodservice and find support for their operations from corporate executives. Manufacturers and design consultants can help operators adopt sustainable and cost-efficient practices such as recycling fryer oil, harnessing steam for heat, selecting energy-saving equipment and using utility distribution systems.

Often customers' perception of value of onsite foodservice includes speed of service. Operators can manage traffic flow by balancing prepared items with made-to-order items, separating the physical location of busier stations to ease line formation and offering multiple ice dispensers rather than one large one.

Many onsite foodservices are also finding creative, yet cost-efficient, ways to offer services throughout business hours by opening pantries and break rooms to supplement café service.

### **Offering Industry Support**

To support operators and its members, NAFEM introduced The NAFEM Showplace™. Accessed through NAFEM.org, this is an onsite community designed to provide up-to-date and detailed information on 560-plus NAFEM companies' equipment and supplies. A continuously updated catalog presents some 370,000 products offered by NAFEM manufacturers and includes search capabilities that make it easy for operators and specifiers to find specific information. A showplace project management component allows registered users to store information they've researched by topic or project.

We all must support one another to make sure onsite foodservice offers products and services that are valued throughout businesses and institutions.

## CONCLUSION

Onsite foodservice is far more than a cafeteria where employees eat breakfast and lunch. It contributes enormous strategic value to companies' and institutions' goals and missions in the areas of: increasing employee productivity; contributing to employee recruitment and retention through enhancing employee satisfaction with benefits provided; enhancing a company's and institution's health and wellness program; contributing to a company's or institution's image and brand; supporting diversity; helping to keep employees in a safe working environment; and fostering a collaborative work environment.

In this era of constant cost reduction and restructuring, the need for onsite foodservices must be continually expressed and validated. This white paper offers materials to support the growth and valuation of onsite foodservice with original SFM research and viewpoints detailing how companies assess and contribute to the value of onsite foodservice. This information is rich with not only information about how the assessments are done, but also the data gathered by measuring everything from customer satisfaction to meal program participation.

Foodservice operations continue to evolve into intrinsic pieces of companies' and institutions' cultures. This trend is gaining momentum across the U.S. As costs continue to be scrutinized, several interrelated questions must be asked:

*How much does the foodservice operation cost?*

*How should this cost be evaluated in relation to the cost of hiring new company employees versus retaining the ones currently working for the company?*

*Can healthcare costs be reduced if various company divisions partner with onsite foodservice to develop wellness programs?*

*Will employees become more productive and satisfied with their jobs if they have access to nutritious, reasonably priced, well-served meals inside our buildings?*

*What on-going research is necessary to substantiate the value onsite foodservice contributes to SFM members' companies and institutions?*

SFM will continue to ask these questions in a variety of forums. The right questions breed more questions, an active process designed to enhance the value of onsite foodservice and fuel SFM's mission for decades to come.

*2012 Compiled by Donna Boss, Boss Enterprises, dlb*



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