



Developing An Effective Foodservice Program

By Howard Riell

Keeping the menu fresh to meet customers' demands is as important as quality and value.

Menu development is an essential though often overlooked element in the success of a c-store's foodservice program. So, while operators may go about it differently, they must all see to it that they do, indeed, go about it.

The factors that operators must weigh when developing their menus are many, complex and continually in motion. They include:

Consumers: The most important consideration is the lifestyle trends, "the psychographics and demographics of the population you are serving," said veteran foodservice consultant Arlene Spiegel of Arlene Spiegel & Associates in New York City.

"Part of what is very important for the c-store operators is to recognize who it is they are serving," said Paco Underhill, the founder and CEO of Envirosell Inc., a global research and consulting firm. "I think this is one of the most difficult parts of 21st century retailing: what is global and what is local?"

Menu development will also be colored, Underhill said, by recognizing that "every visit to a c-store is mission-driven, meaning I come in looking for one thing—I'm thirsty, I need this—and that often, the most important journey in the store is the back of the store to the front as opposed to from the front of the store to the back."

Equipment: The equipment package will be dictated by both the menu and the "wow factor" that operators want—or don't want—to create.

"Based on space, what is most important for your customers to view? Muffins being baked during breakfast? Flatbread sandwiches for lunch? Chicken pot pies for dinner? If so, then your oven and the preparation areas should be in full view of the patrons," Spiegel said.

Food prep and cooking equipment should all be capable of multi-tasking to permit the greatest amount of products in the least footprint. "Consider the level of talent and number of employees that can fit comfortably in the preparation areas," Spiegel advised. "I often recommend that all passive storage and bulk preparation be done in the low-rent district of the store—the basement, or even outside if possible."

Costs: How to compute ROI? "Do the math," said Spiegel. "Calculate the total cost of design and build-out; marketing and training; labor; and even the rent on the square footage the foodservice component will occupy. If you can make enough profit to pay off the investment in two years and attract a new clientele that will also purchase other packaged items you will sell, it pays. Also, consider the eventual loss of business if you don't bring in foodservice."

Food cost and average check are to be considered together, Spiegel said. Food cost alone "does not pay the rent; gross margins do. Typical QSR menus are engineered to yield approximate food cost of 28%." However, she added, "I'd rather sell a product with a 50% food cost that yields a higher profit margin."

Labor: Employee training is "the one area where operators fall down and lose their professionalism," Spiegel said. "Even in the most well-designed kitchen and counter, with the perfect menu engineered, it's always the front-line staff that 'sells' the sizzle."

Training manuals detailing everything from customer interactions to food safety and handling, portion control and packaging are the key to getting off to a great start.

"However, continuous training and motivation need to be part of the daily operations to keep staff on top of their game," Spiegel said. "I use the same models and manuals with QSR as I do with fine dining. Customers who are treated as if they are in a 'special place' will talk about the establishment and go out of their way to buy from you."

continued