

Bloomberg Businessweek

Small Business

Smart Answers

Determine Whether It'll Pay to Take on a Big Client

By Karen E. Klein

August 2, 2013

Question:

I run a small, boutique catering business and I have an opportunity to create an outsourced food service business for a company of 400 that is opening a new cafeteria. I'm looking for insight on how to staff and price my service so it will be profitable for both my business and theirs. Can you provide some information that could be helpful?

Arlene's Answer:

There is a long list of questions you'll need to ask in order to make your projections, says New York-based restaurant consultant Arlene Spiegel. Among them: What are the hours of operation at the cafeteria and what meals will you be expected to provide? Will you be shouldering your own transportation, insurance, and liability costs? How many employees eat at the cafeteria daily and how much are they willing to pay? Will you charge prices commensurate with what employees would pay to eat off-site, or will the company be subsidizing prices to encourage its employees to eat on-site?



Klein is a Los Angeles-based writer who covers entrepreneurship and small-business issues.