



# Fixed Costs Through Food Service Management

As food costs continue to rise, many providers are seeking solutions to manage the costs associated with food service and accurately forecast food expenses in the near future. One solution may be a food management contract.

At CSG, we work with healthcare communities to make food, supplies, and labor costs predictable every month, all while creating an exceptional dining experience. We guarantee fixed costs on many line items essential to your dining program. While other food service companies pad the cost of raw food and supplies with a service charge to improve their own bottom line, we look for ways to ensure our best pricing on food, supplies, and labor gets passed on to our clients. When you sign a contract with us you're trusting Culinary Services Group to be good stewards of your money. Here are a few ways we use your resources wisely and deliver the best experience possible for our clients and residents.





## The Purchasing Power of a GPO

Group Purchasing Organizations (GPOs) exist for many types of businesses including healthcare and food service. If you're not currently a member of a GPO you may be missing out on significant cost savings. When your food service company is part of a GPO you'll benefit from:

### **Collective Purchasing Power:**

As a member of a GPO, a food service company is able to combine all of its accounts and place orders as one group. They then benefit from extraordinary volume-buying cost savings and an enhanced partnership with their vendor who enjoys an increase in sales.

### **Enhanced Menu Variety and Quality:**

Volume-buying provides significant discounts on many commonly used ingredients, often making better quality ingredients fall within budget, offering more variety in food choices. Costs on raw ingredients become more stable, allowing food service companies to build seasonal menus with certain guaranteed costs.

### **Labor and Cost Savings:**

GPOs often use a preferred distributor which can mean fewer deliveries and disruption in the kitchen. Your food service company handles all the invoices related to the distributor, significantly reducing the number of invoices your accounting department receives and pays.

Even if you have a GPO, you can still benefit from partnering with a food service company like Culinary Services Group. We work exclusively with Premier Inc., a Group Purchasing Organization focused exclusively on the healthcare space. This partnership gives us the best buying power with nationwide food distributor, US Foods, which we pass on to every client we serve. This buying powerhouse allows us to build top-quality menus with guaranteed costs. Your per-patient day cost won't fluctuate for the duration of your contract.



## Build Menus that Won't Break the Bank

How are you building your menus? Communities that aren't partnering with a food service company often use prebuilt menus from their food distributor. While these menus are convenient and make good use of readily available ingredients, they fail to include an important group, the residents! Menus that aren't built on resident feedback may end up costing you more. How? Offering a menu that doesn't consider your resident's needs and doesn't provide alternative options means much of the food you offer may end up in the trash.

For example, a Massachusetts study by RecyclingWorks found that the average assisted living community in the state wastes 286 pounds of food per day! Suddenly, that prebuilt menu doesn't seem like such a good value, right? Here are some simple steps to maximize the value of your menus.

### **Listen to the Residents:**

Make sure menus consider resident preferences, take surveys, or create a resident food committee to understand what foods they'd like to see on the menu. Consider the culture and geography of your residents and how that may affect their food preferences also.

### **Perform a "Trash Can Audit":**

Record how much food and supplies are wasted in your facility. Every day for a week sort your trash into the following categories:

- Paper goods
- Take out products
- Produce
- Meat
- Other

Then weigh each pile and record the weights in a spreadsheet. Multiply these weights by the 365 days your dining room is open and you'll end up with a good idea of your current annual waste.

### **Save the Scraps:**

Waste not, want not. A great chef will maximize the use of ingredients in their kitchen. For example, vegetable scraps from onions, celery, and carrots can be made into a delicious vegetable stock for soups and rice dishes.

### **Consider Private Label:**

Snacks are another area where costs can skyrocket if your menus aren't in check. Instead of national name brands, consider offering private-label snacks, which offer the same great taste at a much lower unit price.

If menus are contributing to your community's food waste, it may be a good idea to partner with a food service company that offers customized menus. Ask about the process used to create a custom menu and be sure it includes resident feedback. To ensure the company will be good stewards of your money it may also be helpful to have a conversation about other cost-saving techniques they use to maximize the value they provide in your kitchen.





## Proper Training Equals Less Food Waste

One of the benefits of having a food service contract is the food safety training they provide to staff. An added benefit of following best practices in food safety is the reduction of food waste. That's because your kitchen staff makes decisions that impact your bottom line on a daily basis.

Staff should be trained on cross-contamination, proper food storage, proper labeling, and food rotation. This will not only keep your kitchen safe, it will also reduce the amount of food waste in your kitchen. Staff should also be trained on correct portion sizes and how to track double portions.

### **Practice FIFO:**

"First In, First Out." Simple, right? Move products with the soonest use-by dates to the front and stock new items behind the front stock. This ensures staff are using all the products before their use-by date when they should be thrown away. Remember if food doesn't have a date on it, it must be labeled and dated with the intake date before being put on the shelf.

### **Double Portions = Big Markups:**

Be careful when it comes to double portions. Many food service providers include a monthly line item for double portions which can be up to 60% of your total food and supply cost! By tracking double portions using a POS system, Culinary Services Group can charge only for the actual consumption of double portions in each community.

## Track Supplement Usage:

Higher supplement costs are another good indicator that residents may not be eating the food provided. As we age our sense of taste and smell decreases and our body absorbs nutrients differently. This often means the prescription of nutritional supplements to manage weight loss and nutrient absorption. At Culinary Services Group we use a “food first” approach to calorie intake and nutrient absorption. While there will always be a need for supplements, real food is the best way to provide optimal nutrition, and it’s the most affordable too.

Learning how to cook food to the proper temperature and season food using herbs and spices is also essential to managing costs in your community. Properly cooked, perfectly flavored dishes are more likely to be eaten and enjoyed by residents. A good food service program will offer their culinary staff regular hands-on training and mentorship to help them build the skills needed for culinary success.





## Use a Menu Planning System to Forecast Costs

Most food service companies can provide menu planning and point-of-sale (POS) systems. These tools have become an essential part of running an efficient dining service operation. Menu planning software allows food service companies to not only build a database of recipes specifically tailored to each community, it allows them to calculate the yield that each recipe creates. This is an important step to maintaining consistent portion sizes and understanding the cost per plate.

Menu planning software also gives you the ability to track meals served by printing meal tickets. The software can integrate with electronic health record (EHR) systems to ensure the correct diet is followed for each patient and allows dietitians to build out diet extensions to ensure the correct diet modifications are being made.

Recipe yields and meals served should give a food service director the ability to make inventory projections when ordering from their food distributor using an inventory days on hand calculation, or the amount of inventory needed to prepare all meals between delivery trucks.

For instance, if you order 180 lbs of chicken and use 30 lbs of chicken each day, that chicken is 'on hand' for six days.

$$180 \text{ lbs of chicken} \div 30 \text{ lbs of chicken a day} = 6 \text{ days 'on hand'}$$

Being able to forecast the amount of food needed to run the kitchen on a daily and weekly basis helps to reduce waste and better manage the budget by only ordering what is needed.



## Manage Your Budget Better with Culinary Services Group

There are many ways to regain control of expanding costs in your food service budget. Yet many communities find themselves lacking another important resource, the time and expertise needed to deliver an exceptional dining program and properly manage resources. That's where a food service management company, like Culinary Services Group, can become a valuable partner.

As our client, you'll benefit from our robust GPO purchasing power through Premier Inc. and our strong relationship with nationwide food distributor US Foods. We'll assist you with developing menus tailored to the needs and desires of your residents. Plus, we'll put into place processes and training to ensure your kitchen is not only safe but food waste is kept to a minimum.

So, let us take the stress of food service off your plate so you can get back to what matters most, the residents!