

Case Study

Weak Management Ends 22-Year Relationship

One of a series of articles of the results of Clarion projects, illustrating ways in which dining services are improved and new opportunities to create value are created. Names and identifying details are omitted to protect our client's anonymity.

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A professional firm in a major city had the same food service contractor for 22 years. A new director of administration wondered whether the firm was getting the best possible service at a reasonable cost. He asked Clarion to evaluate the dining service operation.

THE SITUATION: The firm has nearly 1,000 employees – executive, professional, technical and support – on a dozen floors in a downtown high rise building. In addition to a staff café, it has multiple calls daily for refreshments and light meal services in its conference rooms. The firm also has frequent dinners, receptions and other after-hours events catered by the food service contractor.

The food service general manager position had been vacant for several months, leaving the operation in the hands of an assistant manager and the executive chef. A new manager had been appointed three months before our evaluation. Another important position, garde manger (cold food chef), also had been vacant for several months and remained unfilled.

WHAT WE FOUND: We spent two days on-site, observing the operation, interviewing the food service management team and the contractor's district manager and regional vice president. We also examined operational and financial records and the operating contract.

The key to the operation, both the good and bad aspects, was the executive chef. He had excellent culinary skills but, like many chefs, was task-oriented and spent little time directing others. He spent his day doing the cold food prep work of the absent garde manger, wrote menus and placed orders with vendors.

The new manager stayed out of his way, leaving direction of the operation to him and the more assertive assistant manager, who primarily oversaw staff café service.

Hot food production was handled by three cooks with little supervision. The resulting meals were adequate, but no better. Top-quality food was being purchased and the presentation of conference meals was excellent, thanks to the chef's skills. Service in the staff café was friendly and capable. An examination of cash and sales records showed no irregularities.

But a deeper look into the operation found some disturbing indications of the penalty for absent and weak management. There had been a slow but continuing deterioration in operating standards, apparently imperceptible to the firm's management. A symbol of the slippage was in the means for delivery of catering orders: a dirty gray kitchen cart with the firm's name scrawled in magic marker on the side.

More serious was the lack of effective food safety and sanitation practices, especially in the kitchen, out of diners' sight. In our report, we listed 31 significant food safety and health code violations, and the list was not exhaustive.

We also found that the staff, even without the garde manger, was more than adequate for the services required. One of the three cooks' positions could be eliminated to make room on the payroll for the garde manger.

The contractor's district manager and regional vice president were unaware of the deteriorating situation or didn't know what to do about it.

A review of records showed that average weekly sales of hot food in the café were about \$3,500, but the cost of food and cooks' wages and benefits was \$5,000. The elimination of one cook's position would bring hot food service close to breakeven.

WHAT WE DID: Our report listed 16 detailed recommendations for improvement of the situation. We contacted the contractor's senior vice president to discuss the situation. He removed the ineffective regional VP. We reviewed our recommendations with the firm's director of administration and the contractor's district manager.

On followup visits, we found the contractor had conducted a serious cleanup. The manager was rewriting position descriptions to include cleaning assignments. But the effort was too late. The firm decided to accept proposals from other companies. We drafted the Request for Proposals, managed the selection process, advised the firm's management in the selection of the new company and negotiated the new operating contract.

We oversaw the turnover of responsibility to the new company and continued to work with the firm for a year to ensure the new contractor was performing as expected.

CLARION'S ROLE: Our experience enabled us identify the problems and their sources and propose effective solutions. We knew who to contact within the contractor's organization to get action.

When that proved ineffective, we managed the selection of a new operator. To date, the new contractor has been successful.