

Viewpoint

A long-ago lesson in inventory control taught priority setting

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Many years ago, when I was running T J Mac Dermott Corp., a regional food service company in the college market, we had the usual problem any small, rapidly-growing business faces – tight cash flow.

One of the ways we managed cash flow was to keep inventories low. We preached this to all our managers all of the time, explaining we needed to have our money in the bank, not in the freezer or storeroom if we were to meet the payroll.

How well did this work? When one of our largest accounts started to show losses, I went to see what was happening. Among other things, I found the inventory had been fudged – not padded to make the food cost appear lower, but the reverse – it was understated.

The manager admitted his numbers hadn't been looking good and his inventory was too high. He knew he was in trouble and figured he's be in less trouble showing a low inventory and a high food cost, rather than the other way around.

That was an interesting lesson. Managers and employees respond to your priorities to the degree they understand their importance to you, although hopefully in a more constructive way than that manager did.

Virtually all food service operators know good food safety procedures and most understand conservation, recycling and other important sustainability initiatives. Yet far too often we find food safety and sustainability efforts are, to put it politely, lax.

Why? The perception is yes, those things are important, but all not *that* important. If we can get decent meals out on time, that's good enough.

Your manager and chef most likely are well-trained in food safety and sustainability. How well these practices are performed depends on how they teach the staff and explain the reasons for the procedures.

An hourly employee won't be conscientious about checking food temperatures if it's not considered important by the manager, and the manager may not care if you, the client, don't think it's important enough to emphasize.

And PS: A new manager got my account back on track and kept the inventory down where it belonged.

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