

# Foodservice Updates

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## Innovation through LTOs

Over the past few years, restaurant operators have had to deal with multiple constraints – smaller, more streamlined menus, a shrinking supply of ingredients, and labor challenges that have made it difficult to innovate. But according to Technomic's recently released State of the Menu 2024 report, which is based on input from the top 500 chain restaurants, limited-time offerings are helping to address a number of these issues – and are a growing area of focus in restaurants for that reason. Technomic's research found that from 2020 to 2023, LTOs increased by 52.7 percent. These short-lived offers can give restaurants freedom to innovate, so brands can retain their streamlined core menus but pour some creativity into a special. They give restaurants a chance to offer premium ingredients or special presentations that can motivate guests to visit and help restaurants boost the value of the experience they provide. To be sure, LTOs require planning and resources to be successful, though work-arounds are emerging in that area. (Premier, for one, recently launched a Menu Innovations Program for its members that includes a prepackaged LTO concept each quarter. It includes everything an operator needs to prepare an LTO for launch, from recipes to marketing materials.) Is there room for your restaurant to use more LTOs to drive innovation in the kitchen – as well as improve guest engagement?





# Tech Talk

## Could tech help you cut your restaurant's waste?

For every dollar a restaurant invests in food waste reduction, it generates \$8 in savings, according to the World Resources Institute. In a business of slim margins, that can add up to significant savings – and that's just counting food waste. Are there areas of your operation where waste management in general could be better? Your technology can help you identify and manage them on an ongoing basis. Start with your food and the other supplies you need to serve guests and run your business. Your inventory management system can help you improve your order precision and ingredient use so you avoid spoilage and can more readily identify when theft occurs – or be alerted in the moment if there has been a run on a particular supply. Using tech tools to manage portions (and measure discarded ingredients) can help you ensure your staff, regardless of how long they have been working in the business, are serving dishes of a consistent size and using ingredients tip-to-tail. Energy waste can generate significant expense too – one study found that 45-70 percent of electricity is wasted in commercial kitchens due to insufficient training and poor equipment maintenance, for example. Tech-based training and digital maintenance logs can help you manage that waste and alert you to potential problems. Beyond that, consider energy-efficient lighting and equipment, as well as sensor-monitored equipment that can be controlled remotely and also help you monitor malfunctioning appliances before they become a problem that generates significant waste.



## How speed-scratch can support food safety

If your kitchen staff is smaller than it once was – or it lacks the culinary skill to prepare your menu items from scratch – you’re likely weaving more prepared foods into your inventory right now. But beyond saving labor hours, these ingredients are likely to deliver food safety benefits too. Pre-cooked ingredients – like cooked, smoked beef that simply needs reheating, for example – can help a young team sidestep concerns about the safe preparation of a protein. Other speed-scratch items can help you prevent cuts and burns. There is a wide and growing array of these ingredients available at various stages of preparation, whether you need items pre-cut, pre-marinated, or pre-cooked. As Stacey Kincaid, vice president of product development and innovation for US Foods, told Restaurant Business recently, “Labor-saving products are in high demand, as are versatile products that can be used across the menu. So, once you train a team member on one product or ingredient, you don’t have to retrain.” That means you’re able to redistribute your training hours in new ways – like by cross-training people on a range of tasks that will support your team during a shift when you’re often shorthanded, training a new employee who needs one-on-one support, or providing in-depth safety training to the team.



**#FoodSafety**

# Foodservice CEO

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## Take a swipe at credit card fees

What are your biggest operating expenses? If you're like many restaurant operators, food and labor come out on top, followed by a frustrating one: credit card swipe fees. Sean Kennedy of the National Restaurant Association weighed in on the issue recently, saying, "These swipe fees have more than doubled over the past decade, costing U.S. businesses more than \$160 billion in 2022. A lack of competition between the major credit card processing networks is why swipe fees continue to skyrocket." Last year, a bipartisan bill was introduced in the House and Senate that would require at least two competing card-processing networks to be enabled on every credit card. But what are restaurants to do in the meantime, now that credit card transactions have become consumers' go-to payment method? Start by studying the range of fees and structuring options so you know where there might be room to negotiate. Processing fees generally range from 1.5-3.5 percent but can climb as high as 6 percent per sale. Fees can be flat, based on a subscription rate, or involve a two-tiered fee charged by the card processor and network (and there may also be hidden fees you didn't expect that appear on your invoice). There are pros and cons to different fee structures and some may be more suited to your restaurant's size or stage of development than others. Being able to demonstrate your sales growth and transaction volume over time, as well as your compliance with PCI standards and efforts to prevent fraud, may give you room to negotiate a lower fee. It may also help to review your current payment system to see how often transaction mistakes are made that can result in additional fees – is there room to simplify your system to avoid those kinds of issues? Finally, you might incentivize cash payments, discourage card payments under a certain amount, or use digital menus that automatically upsell to guests so that the card transactions you process are more worthwhile.



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