

Foodservice Updates

In This Issue

- A ghost kitchen bubble waiting to burst? | Gluten-free goodness
- | Your health scores are becoming more visible | New service
- charges? Consider staff safety | Precise, tech-driven forecasting |
- Building loyalty through tech

How much is too much?

Menu price inflation hit a 40-year high in March as operators continued increasing prices to compensate for their own spikes in expense, according to federal data released in April. But as consumers face escalating costs at home and restaurants struggle to bring guests back in high numbers, how much of a cost increase on the menu is too much? Matthew Lukosavich, strategy director for the restaurant division of Vericast, told Fast Casual recently that he advises operators to start by raising prices in line with inflation, which is currently around 7-8 percent. From there, try to stay within your ideal ratio for food cost to gross food revenue. Then, find ways to elevate experience and value to make restaurant meals feel more worthwhile. That could mean keeping costs the same but adjusting portion size or substituting a different cut of a meat. You could also lean on limited-time offers to help re-package or resize profitable items. Scrutinize your food and labor costs – maybe there is a marinade that you have always prepared in-house that can easily be swapped out for something ready-made. Consider changing up how you promote your most profitable items through photographs and placement on your menu. To be sure, some costs will feel too high for guests to bear – but who knows? If their spending limit is a bit higher than you think it is, you don't want to leave money on the table. On the other hand, talk of recession on the horizon may mean your guests are more cautious than usual. Finding ways to make their order feel worthwhile can give you a better sense of where to place that cost boundary without losing profits or guests.



Precise, tech-driven forecasting

At a time when restaurants are juggling economic challenges and uncertainty, it can be helpful to zero in on the elements you're better able to control. Harnessing your restaurant's data can give you some of that much-needed control right now. That means going as deep as possible on your data: For example, if there is a festival happening in your neighborhood in July, can you adjust your formula to best adjust your plans if the weather is sunny as opposed to rainy, stock up on items that were hot sellers during the same weekend last year, ensure your best employees are working to manage the extra customers, and revise your plan entirely if the festival is suddenly postponed? By combining data about your historical and real-time sales, staff, trends and location, you can improve the precision of your ordering, better anticipate spikes and dips in demand, and aim to have the right number of staff on hand to support you. Is your tech doing all it can to bring greater precision to your forecasting?



Building loyalty through tech

Stability is hard to come by in the restaurant industry – but your technology may help you build and maintain it. According to new research from Paytronix Systems on consumers who own high numbers of connected devices, there is much loyalty – and therefore stability – among these consumers. The research found that 60 percent of high-tech consumers participate in loyalty programs at quick-service restaurants and 75 percent participate at table-service restaurants. High-tech consumers are also far more aware of and eager to adopt subscription programs, with 40 percent being “very” or “extremely” familiar with restaurant subscription services – as opposed to the 21 percent average for the general sample surveyed



Gluten free spaghetti with spicy italian sausage, roasted parsnips and mushrooms

Ingredients:

- 1 ¾ Box Barilla® gluten free spaghetti
- 1 ½ Lb. Spicy italian sausage
- 5 Tbsp. Extra virgin olive oil, divided
- 2 Small red onions, chopped
- 1 Cup parsnips, small dice
- 3 Cups Cremini mushrooms, sliced
- 1 Cup dry white wine
- 3 Cups chicken broth
- 1 Cup Parmigiano cheese, grated
- 2 Tbsp. Italian parsley, chopped
- Salt & black pepper to taste

Gluten-free goodness

About 30 percent of Americans purposefully avoid gluten. Do you have some reliable go-to grains that help you adapt a dish as needed without sacrificing taste? Across your menu, consider where you might offer brown rice, quinoa, wild rice or gluten-free pastas in place of traditional white rice and pasta. Having a range of these staples on hand can help you stretch your menu – both for guests with gluten allergies and for others looking to customize their order with a nutrient-dense base.

Food Trends



Instructions:

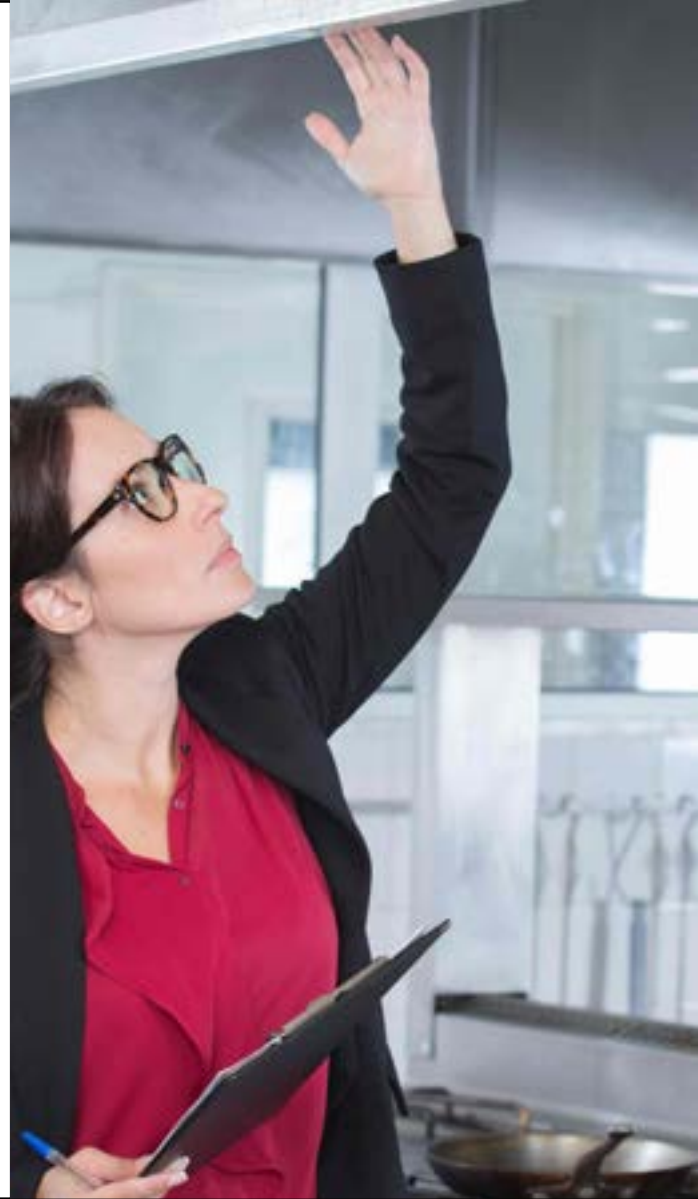
1. Preheat oven to 400° f.
2. Drizzle parsnips with 1 tbsp. Of olive oil, salt, and pepper. Roast in the oven for 10 minutes or until browned.
3. Meanwhile in a skillet over low/medium heat, add remaining olive oil and onion cooking until translucent, about 2-3 minutes.
4. Add crumbled sausage to the skillet and brown well over high heat. Add cremini mushrooms and keep cooking until mushrooms are slightly brown.
5. Stir in white wine and reduce to half. Add chicken broth and simmer until reduced, about 15- 20 minutes.
6. Meanwhile, place a pot of water to boil and cook pasta according to directions.
7. Once reduced, add parsnips to the sausage mixture. Drain pasta and toss with sausage mixture.
8. Stir in cheese and parsley before serving.

Recipe and photo courtesy of Barilla



Your health scores are becoming more visible

The pandemic has made safety the new hospitality – and as a result, safety information about your restaurant is becoming a bigger commodity. This spring, Yelp announced a new partnership with Hazel Analytics, which uses data-driven technology to improve public health. Hazel Analytics now powers the hygiene data on hundreds of thousands of Yelp pages, pulling information from health departments across 48 states. If you need guidance on the best ways to tackle food safety challenges with fewer staff, contact Team Four and we can help you get on track.



#FoodSafety

#FoodSafety

New service charges? Consider staff safety

As sky-high inflation impacts food prices – all while restaurants are trying to attract and retain labor – operators have had to adopt new ways of passing costs on to guests. But as you contemplate added charges of various forms, whether to level the playing field for back-of-house staff or to fund new benefits you're offering, consider how they will impact the daily working experience and general safety of your staff. When there is a surprise service charge tacked on to a bill as opposed to higher prices across the menu, your staff is in the position of having to explain the unexpected expense to a (possibly confused or exasperated) guest. The employee's tips and overall satisfaction with the job may suffer as a result. There is no magic formula for spreading out costs right now, but whatever structure you land on, talk about it with your team to better understand their concerns and protect their safety on the job.



Foodservice Updates

A ghost kitchen bubble waiting to burst?

Ghost kitchens, a \$43.1 billion industry in 2019, are expected to become a \$71.4 billion industry by 2027, according to Hospitality Technology. But as major restaurant brands expand into virtual restaurants in some form, the industry could become quite competitive. The international food and restaurant consultancy Baum & Whiteman anticipates a forthcoming point of oversaturation akin to the dot-com boom of the 90s -- and a rush of mergers and consolidations in the next two years as a result. Having access to capital and other financial resources right now could be critical for these operations to build and maintain a presence. But as these nascent operations develop and look for capital to expand, they're often seeking help from financial institutions that may not have been exposed to these businesses enough to effectively underwrite them. As a result, new sources and methods of financing are popping up, which may be welcome and necessary for ghost kitchens looking to navigate the challenges of the current economy. One such company is Ghost Financial, which according to Tech Crunch offers a cash-back credit card to be used for food and beverage inventory purchases, and also uses "data and technology to underwrite restaurant expansion loans and credit limits for the card." Next, the company plans to focus on offering restaurant insurance and developing an optimized payroll system.



Team Four/Value 4 provides customized Supply Chain Solutions and Business Consultancy to the foodservice owners and operators throughout the United States. To find out how we can help your business save money contact us at:

1-888-891-3103 or visit our web site at www.teamfourfoods.com and www.valuefour.com