

# Food Services Round Table

## Black Business Initiative Final Report

November 2004





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# Section 1





# Strategic Context

- With the intention of increasing and supporting African Canadian participation in industry specific sectors, BBI introduced its series of Round Tables with a Food Service Round Table. The Food Services Round Table brought together both food service and government people to discuss issues that are facing the food service industry today.
- In addition to the identification of key issues impacting the Food Services Industry, the Round Table discussion also addressed the following areas:
  - Identified potential action plans to mitigate the impacts from the key issues;
  - Educated entrepreneurs on key elements that may facilitate business operations; and
  - Provided a networking opportunity for entrepreneurs.



# Strategic Context

- In addition to meeting the aforementioned objectives, it was anticipated that this discussion might be the catalyst for the development of a Food Services Forum.



# Section 2





# Methodology Utilized

- To ensure the success of the Food Services Round Table, the following four-step approach was utilized:

Step 1

**Information Gathering:** In the initial step, the following information was gathered to lay the foundation for the Round Table design (e.g. Specific Objectives, Challenges Anticipated, Activities, Roles).

Step 2

**Design:** In the second step, the 4-hour session was designed to meet the objectives. A design document was prepared that clearly identified topic area, prime responsibility, anticipated outcomes and identification of all required tools.



# Methodology Utilized

Step 3

**Facilitation:** Step 3 was the facilitation of the 4-hour session. While approved in advance, the design of the session was flexible enough to accommodate changes dependent on participants and or issues, as required.

Step 4

**Reporting:** The final step is the creation of the final report that details the key issues, the strategies and/or action plans to mitigate these issues, in addition to next steps.





## Section 3





# Session Overview

- The Round Table was attended by approximately 19 participants inclusive of entrepreneurs, BBI staff, industry experts and invited guests.
- Prior to the start of the session, the participants were canvassed regarding their expectations for the 4-hour session. Their comments were as followed:
  - Learn more about other businesses
  - Better understanding of issues impacting my clients
  - Gain information from industry experts
  - How to make your business profitable
  - Identify next steps and if there is a potential role for BBI
  - Learn best practices
  - To develop a network for entrepreneurs



## Section 4





# Guidelines for Food Service Industry

- There have been a number of changes in the food service industry which have spawned very specific guidelines to ensure food service safety. Given that even the most successful business can be waylaid by food borne illness, the department has focused on food borne illnesses and how to reduce them in the industry.
- Through the introduction of regulations and guidelines, the department of agriculture is able to provide a level of food standards for all food service organizations. The department works hard to ensure that they are kept at a national level and continue to be the best science of the day.



# Guidelines for Food Service Industry

- From a food safety perspective, there are a number of very distinct guidelines of which food service entrepreneurs must be knowledgeable. These guidelines cover things such as:
  - Cleanliness
  - Equipment (Is it the right size? Does it work properly?)
  - Temperatures (How is the product cooled? How is the product reheated?)
  - How is the refuse maintained?
- In addition to the current guidelines, upcoming changes to regulations will include:
  - Mandatory education required for food handlers



# Guidelines for Food Service Industry

- Documentation of your food safety process
  - Requirement for inspection reports on demand
- 
- Any additional question or any information required, please contact Ken Grandy or Rosemary Arsenault at the Dept of Agriculture.



## Section 5





# Issues Within The Food Service Industry

- Prior to identifying key issues in the Food Service Industry, it is important to look at the statistics for the Food Service industry at a glance.

**Industry sales in 2003: \$1.2 billion**

**Share of provincial GDP: 4.7%**

**Number of employees: 29,300**

**Foodservice share of provincial workforce: 6.7%**

**Foodservice employees under the age of 25: 11,600**

**Number of restaurants, bars and caterers: 1,640**

**Independently owned and operated: 63.4%**

**Average annual profit before tax: \$28,562**

*All data are for 2003 unless otherwise noted*





# Issues Within The Food Service Industry

- The participants were asked to identify the top three issues impacting business owners today. While a number of issues were identified, the following listing encompasses the top three issues:
  1. ***Financing (Start-Up Funding) and Finances (Cash Flow Management)***: In addition to the obstacles in obtaining start-up funding, entrepreneurs also experience problems in managing cash flow and establishing credit with suppliers.
  2. ***Lack of Population***: Entrepreneurs expressed a concern that given the lack of a growing population, the restaurant market appears to be saturated.
  3. ***Staffing***: In addition to experiencing a shortage of skilled professionals, restaurateurs are impacted by the lack of new entrants into the workforce.



## Section 6





# Developing Effective Strategies

- With a focus on the top three issues impacting business owners today, in small groups, the participants focused on identifying strategies or action plans to mitigate the issues.
- The following discussion lay the foundation for the creation of effective strategies and/or action plans to address the priority issues:



# Developing Effective Strategies

## 1. *Financing (Start-Up Funding) and Finances (Cash Flow Management)*

- Be aware of the multitude of different avenues to start-up. These may range from the purchase through bankruptcy of an existing business, to the purchase and modification an existing business, through to the creation of a new business.
- Banks are not willing to assume the risk for a food service business. Cognizant of this fact, the small business owner must ensure the development of a strong business plan that can be used to persuade family, friends, and organizations such as BBI to invest.



# Developing Effective Strategies

- Credit with suppliers is important for the small business owners. There is no quick fix for this issue. Entrepreneurs must ensure that they pay suppliers and they do so on time. As they build this business relationship with the supplier, after a few months they make take the opportunity to ask to negotiate different terms of payment, then a few months later renegotiate these terms again. This is a slow but effective process.
- In managing cash flow, an entrepreneur must be cognizant of not only the source of the revenue, but also being conscious of all costs and how to effectively manage costs.



# Developing Effective Strategies

## 2. *Lack of Population*

- Entrepreneurs expressed a concern regarding the lack of a growing population, the restaurant market must focus on how to increase market share through a variety of sales and promotional ideas.
  
- These ideas may include the following:
  - Introduction of theme nights
  - Meal specials
  - Coupons and discounts (e.g. Varsity Gold Card, Student Calendar, 97.5 FM, Entertainment Booklet, Seaside FM, Child Find Promotion)
  - Senior discounts



# Developing Effective Strategies

- Changes to menus that reflects changing tastes (e.g. Low Fat, Heart Smart, Vegetarian, Senior's menus, Kiddies' Menu, etc.)
- Staff incentives to boost average cheque
- Up sell
- Advertise staff picks
- Superior customer service
- Focus on service clubs (e.g. church groups, etc.)
- Focus on the neighbourhood sales



# Developing Effective Strategies

3. ***Staffing issues are a result of the lack of a skilled labour market in addition to the lack of new entrants into the workforce.***
  - Given the turnover of staff, small business owners encounter the ongoing costs of staff training. This presents a major concern and may be addressed in the following way:
    - Implement “on the job” training
    - Establish a training budget
    - Cost-share training expenses with BBI
    - Identify any network cost-sharing opportunities





# Developing Effective Strategies

- Training costs may be reduced significantly if the organization implements a retention strategy that may include such things as:
  - Understand and implement the elements of being a “good boss”
  - Implement flexible working hours for staff
  - Conduct team building exercises
  - Encourage staff empowerment
  - Promote staff special events



# Developing Effective Strategies

- The lack of entrants into the workforce is a result of minimal population growth in Canada coupled with the current immigration laws which inhibit the ability to readily access new entrants into the workforce.



## Section 7



# Benefits of the Food Service Association

- Established in 1964, the Canadian Restaurant and Food Services Association (CRFSA) supports a \$43 billion industry.
- The CRFSA works to develop a climate that is good for the Food Services industry. This can be accomplished by lobbying government for such things as CPP, EI, WCB, etc.
- While the benefits of membership in the CRFSA offers various membership services, it also give you access to trade shows as well as the benefits of the research and information department for this industry. The most important thing is to select an association that is particular to what you do and what can be helpful to you on a daily basis.



# Benefits of the Food Service Association

- |  |   |
|--|---|
| <ul style="list-style-type: none"><li>➤ Visa</li><li>➤ MasterCard</li><li>➤ Interac</li><li>➤ Esso</li><li>➤ Primus</li><li>➤ NEBS</li></ul> | <ul style="list-style-type: none"><li>➤ IBM</li><li>➤ ING</li><li>➤ Food Services Hospitality</li><li>➤ National Post</li><li>➤ Smart Serve</li></ul> |
|--|---|

**The range of benefits associated with CRFSA encompass the aforementioned list plus more.**



## Section 8



# Entrepreneur Showcase

- Bryan Bridgemahon, owner-operator of the two Apple Barrel Restaurants, was asked to address the Round Table regarding lessons learned in the industry. Below Bryan shared his recipe for the success of his businesses.
  1. Love your business.
  2. Set your goals high and be proud of what you get at the end of the day.
  3. Micro-mange the business. It is important to know what is happening with the business at all times.
  4. Your menu and customer service are the two key factors that make your business.
  5. Your menu defines your restaurant and is a key determinant to your success.



# Entrepreneur Showcase

6. Know your food costs monthly. With small margins, you have to have intimate knowledge of your costs.
  7. Managing costs means managing portion control. It is very important to be consistent at all times.
  8. The combination of your food costs and labour will allow you to generate money in the business.
- In summary, Bryan Bridgemahon says that while It is a great industry to work in, you have to keep on top of everything at all times. Even when it is making money you still have to manage it as if it wasn't, you can't take your eyes off it. You have to put our heart and soul into the success of your business.





## Section 9



# Next Steps

- After a full half-day session, the Food Services entrepreneurs came to the following conclusions:
  - As food service entrepreneurs, they shared a number of commonalities.
  - Each was able to learn something from another member of the group.
  - There may be an opportunity for sharing ideas and/or costs across organizations.
  - They expressed the desire to explore the establishment of a Food Services Network.



# Next Steps

- As an primary outcome of the Round Table, each participant will have access to Final Report. Given a number of the hands-on action plans, this detail may prove to useful in the immediate future for a number of key players.
- A secondary outcome of the Round Table was that the participants' expressed the desire to explore the establishment of a Food Services Association.
- The first meeting of the Food Services Association will be held at Gottingen St. BBI in mid-January 2005. BBI has agreed to facilitate the first few association meetings until such time as the group is willing to assume leadership.



# Appendix





# Resource People

- Department of Agriculture and Fisheries
  - Ken Grandy, Regional Manager for HRM
  - Rosemary Arsenault, Food Safety Specialist
- Canadian Restaurant & Food Service Association ( [www.crfsa.ca](http://www.crfsa.ca))
  - Keith Altimas
- Entrepreneur
  - Bryan Bridgemahon, Apple Barrel Restaurant