***Case Study***

# A College Turns the Page in Its Dining Services

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

After a 20 year run, relations between the college and its food service contractor began to deteriorate. The cause was a Facebook entry.

**THE SITUATION:** It all began last spring with a student's complaint posted on the college's page. The dining service manager's response was, to say the least, considered insulting and provoked multiple angry posts in response.

The administration called on the contractor, one of the national companies, to "do something" to defuse the furor, but the regional vice president and district manager reacted defensively. They said the college should support their operation and deal with the angry students and their parents. The RVP went over the heads of the dean of students and CFO to the college president, to his annoyance. The result was a textbook example of how to destroy a long-term relationship and lose a valuable client.

A textbook case in how to lose a valuable client.

**THE REACTION:** With an enrollment of 1,600, the college wasn't huge, but was a comfortable and very profitable account for the contractor, requiring only routine attention until the fatal Facebook entry. The administration realized it had to replace the contractor, which had lost virtually all credibility on campus.

**THE PROJECT:** Clarion was retained to assess the situation and manage a competitive selection process for a new operator. We spent three days on campus to observe the operation and interview the manager, who had been promoted from catering manager a few years prior.

We also interviewed administrators who had a relationship with the dining services – dean of students, CFO, student life staffers and directors of admissions and alumni, whose offices relied on the dining service for catering. What emerged was a picture of an "okay" meal service in an attractive, modern dining hall; inept but earnest service in the retail café, and mediocre catering service, seen by users as too expensive. As at many colleges, persons responsible for major events preferred to use outside caterers.

It wasn't practical to issue a RFP before fall so prospective operators could see the full operation and the college had time to consider offers and make a decision.

**THE PROCESS:** Over the summer, we worked with the CFO and purchasing manager to develop a RFP that accurately defined the college's expectations, provided essential information and a detailed format for proposer responses. We prepared a list of eight potential proposers – the three national companies and five regional operators. Our experience indicated one or two would decline to participate. Two did, leaving the incumbent, another national company and four regionals.

The RFP was issued in mid-August and the pre-proposal conference was held right after the fall semester began. From this date, proposers had 30 days to conduct site surveys, ask questions and submit proposals.

We provided the administration-faculty-student selection committee with a summary of the operational proposals, so they would consider the relative merits of the companies' offers, not the financial details. Financial proposals was shared with the CFO.

Committee members visited each of the five contenders' nearby college operations. At a meeting, with our participation, the committee selected three regional companies to make formal presentations. The incumbent also was invited, as a courtesy.

Two of the selected companies made strong cases for their proposals. Each presented a personable and apparently qualified manager candidate. The committee felt either would be a good choice, but leaned toward one. Then fate intervened.

**WHAT HAPPENED:** The candidate manager of the preferred company declined to accept the position. They didn't have an acceptable replacement to consider. That left the second company as the only viable option. Would they be the right one?

At a conference, the college president met presidents of other colleges that were clients of this company. They raved about its services. That did it.

We had already prepared the operating agreement. While it fully protected the college's interests and clearly defined the operator's responsibilities, the company recognized it as fair. After settlement of terms related to the company's investment offer, the contract was executed in early December and the company prepared to assume the operation in early January.

**CLARION'S ROLE:** The relationship with the operator had been so long, only the CFO had any experience in a RFP project. We supplied the process, structure, industry knowledge and the format and data that enabled the college to make its decision. The new contract defines the college's standards and the contractor's responsibilities. Now, the college just has to ensure they're enforced.