

## ***Case Study***

# **How a School Revitalized Its Dining Service**

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

*Dining Insights, Fall 2013*

**T**o a small independent school, the dining service has the same relative importance to the total institution as it does to the largest university.

**THE SITUATION:** The all-girls day school in a suburban community enrolls some 400 students from grades K through 12; two-thirds in the middle and upper schools (grades 6-12).

Students are offered the option of buying lunch by the semester or by the day, or may bring their own meal.

The dining service has been operated for many years by a manager and chef who were well-liked by students and faculty.

**Only a third** of students purchased the semester plan. The rest either purchased lunch by the day or brought their own food.

The school's Director of Finance, who had given her attention to other pressing issues during her first two years on the job, now turned to the dining service. She saw some unsatisfactory aspects to the meals and services and was concerned about costs, which were difficult to measure because of inadequate accounting.

On the recommendation of another school's business manager, she contacted Clarion.

**WHAT WE DID:** Financial and most other questions about a dining service can't be answered by just reviewing records. It takes spending time on-site observing the operation, asking questions and talking to customers – in this case, students, faculty members and parents.

We spent two days at the school, looking, listening and learning.

**Observation** and conversations with the manager and chef showed that they were deep in a rut; they had gotten into a comfortable routine, where preparing and serving meals was easy, relying in large part on convenience foods, although both had considerable culinary skills.

Menus were repetitive; on the same two of the five days of the week, the same meals were offered – pre-prepared pizza on Fridays and pasta with ready-made meatballs on Wednesdays. Three full-time and one part-time hourly employees worked diligently, but were not utilized well.

**In focus groups**, students confirmed that meals were repetitive and some products, especially fruit, “are not always fresh.”

Senior students said that friends ask meal plan members to get food for them, instead of buying their own meals.

Faculty members commented on repetitious menus and “pizza every Friday isn't very healthy.”

Parent Association members interviewed were concerned about the cost and competence of catering services.

**Financial Review:** An analysis of revenue and costs clearly showed the current operation was unsustainable, with an operating loss equal to about \$380 per student enrolled.

**RECOMMENDATIONS:** The manager and chef had become resistant to change. It would be better to bring in a food service contractor, who would replace them with its own chef-manager and assign them to other locations where they'd have a fresh start.

The menu and operating system should be revised to provide fresh, locally-sourced meals, prepared from scratch on-site.

Dining facilities needed repair and upgrading to become more efficient.

A vegetable garden on the school's spacious grounds could provide fresh produce and be an experience for students.

The meal plan would have to be mandatory for all students if it is to become self-sustaining and not a drag on the budget.

**Problem:** Parents wouldn't accept mandatory meal charges until the school could demonstrate a significant improvement in food and service.

**ACTION:** We issued a Request for Proposals to five companies that provided services to comparable schools. The RFP described the school's objectives and asked for a plan that would convince parents to accept a mandatory meals plan,

Three companies responded. Consideration was narrowed to the two that served comparable, nearby schools. The Director of Finance and Angela Phelan of Clarion visited the companies' operations.

**DECISION:** The competing financial projections were not a factor in the final decision. It was made on the caliber of the candidate chef-managers. One candidate had just the right experience and was more enthusiastic about the opportunity.

**THE OUTCOME:** Since school started in September, the new program has proven successful. It will take some time, but the school will be in a position to convert to a self-sustaining, mandatory meal plan.

**CLARION'S ROLE:** The Director of Finance and Head of School knew the results they wanted, but not how to obtain them. Clarion provided the expertise and resources they needed to achieve their goal.

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#### **Picking an Operator**

The deciding factor wasn't financials or contract terms. The company with the best candidate chef-manager was awarded the contract.

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