

Viewpoint

Know who you're buying from

Dining Insights, Summer 2016

Back in the day, as they say, a New York food service or restaurant manager might take bids for the week's fresh produce requirements from four or five suppliers.

He'd typically order celery, lettuce, onions and apples from the supplier with the lowest price for each item.

Unless he got to work very early in the morning, he'd never know all his orders came from the same warehouse on the same truck, usually with the name, Edward Boker, Inc., the biggest produce dealer in the city, on the side.

All his suppliers were what were called "trade styles", formerly independent companies that were bought out by Boker but continued to sell under their old names.

That business model went out as the national broadline distributors took over the fresh produce business, but entered the food service industry.

Today, if a northeastern college or company wants to receive proposals for its dining services, it might invite Lackmann Food Services, Culinart Group, Gourmet Dining, LLC, Restaurant Associates and/or Bon Appetit Management Corp.

They'd be dealing with the industry's Edward Boker-on-steroids, the international giant, Compass Group. All those companies are Compass subsidiaries.

Organizations elsewhere could face the same choices: For example, Culinart and Bon Appetit both also operate on the west coast and in the southwest.

While Aramark, Sodexo and most other food service companies operate only under their own name, at least one other company has the same strategy, TrustHouse Group, recently renamed Elior North America in honor of its French parent company.

Elior operates nationwide under 12 different names, all former independent companies, like Aladdin Food Management, A'viand, FitzVogt and Valley Services. That's not surprising, since Mike Bailey, who brought Compass from the U.K. to the U.S., later founded and led TrustHouse.

What's the benefit for Compass and Elior? If you don't like one brand, they can offer another. And they can get two bites of the apple by submitting proposals for new business under two or three names.

What's the benefit to organizations with dining services? None I can think of.

- Tom Mac Dermott

Non-Endorsement Policy

The mention of a company, product or service in *Dining Insights* is not, and should not be construed as, an endorsement or recommendation by Clarion Group.