

# FoodHub in the News



## *Main Ingredient*

### **Oregon Restaurant & Lodging Association**

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By Kirk Richardson

## **Winning Ideas**

### *Innovative ORLA Suppliers Delivering Technological Edge*

The saying goes, “Sometimes it’s better to be lucky than smart.” While that might be true on a weekend trip to Reno or Vegas, count on good fortune to make your hospitality business a success, and you may be pushing your luck. Just hoping for the best in tumultuous economic times is a gamble that has caused many a business to fold. Smart restaurateurs and hoteliers are finding ways to stack the odds in their favor, capitalizing on new technology to deliver customers better value and their bottom lines higher profits.

Innovative organizations, like Restaurant Solutions, Inc. (RSI), are constantly developing new products and services to keep their clientele in the game. “We have over 800 independent restaurants that are our customers that we provide accounting services and payroll services for, so that those companies can focus on running their core businesses instead of the back-office,” says Jeff Hendrickson, the RSI’s Northwest Sales Representative. “We’ve grown the company to where we actually provide the business intelligence systems that allow restaurateurs to make good timely financial decisions on their businesses that they basically, otherwise, wouldn’t be able to make.”

Smart systems like RSI University, an online resource that standardizes internal training practices of the restaurateurs, enables customers to develop their own testing material for all positions inside the company, then validate the employees’ knowledge through online testing, according to Hendrickson. “That actually helps the clients in their businesses because if they have well trained employees that know how to represent the company properly, that are able to leverage high value menu items and communicate specials, the customers win and the business owners win,” he explains. “It provides a great customer experience, and the employees tend to stay around longer because there is consistent training and consistent management tools.”

Other features include social media measurement tools. “It’s fairly new, but that basically ties in with all of the analytical tools that RSI provides to the restaurateurs,” reports Hendrickson. “For example, if they post sales specials on Facebook, they know whether those posts are actually garnering them any business. You can pull information to find out just how effective social media advertising has been for you. That’s pretty innovative.”

He also touts RSI University’s online scheduling feature. “It’s available to the employees,” he says, adding, “They can change their own shifts with approval. It helps the owner-operator manage

overtime too. What we're trying to do is give the owner-operators all the business tools that they need to effectively run their operations, so they can really focus on the guest. Where RSI really shines is the ability to take the data that's pushed from a point of sales system and really analyze it, so they can make good business decisions on everything from managing the labor to managing specials, menu engineering, getting the absolute best prices for the products that are on the menu, and maximizing revenue."

Money talks. "They may not be able to bring in an additional 10% or 20% top-line revenue, but through smart management, other resources, and optimal pricing of their menu items, they can add percentage points to the bottom line profits by tightening their business operations," believes Hendrickson. "That's really where we add a lot of value. Every product that we have, with the exception of what we call the "Butts in Seats™", which is the social media marketing tool, adds to the bottom-line profit of the restaurant business." He mentions that Butts in Seats can actually add to the top-line profits.

Since RSI University is web-based, an operator can manage some aspects of the business remotely. "You don't actually have to be physically on site in order to check in and see how your business is doing," explains Hendrickson. "So it really does free somebody up from having to physically be there, and that's especially important if you've got two or three operations that you're looking at. You can compare how those operations are running, side-by-side."

Hendrickson says he joined RSI because he saw a need for people to be smart about the way that they manage their businesses, especially during the downturn. Spreadsheets are not necessarily the best answer, especially when technology steps in with game-changing solutions.

Ecotrust's innovative food-hub.org is the kind of breakthrough idea that can transform an entire industry. FoodHub takes advantage of the Internet to connect foodservices businesses to farmers and growers in the Northwest.

"I will never forget a retail grocer who said to me, 'I just want to be able to go my computer, type in the word cranberry, and get a list of all of the cranberry producers that I might want to do business with,'" recalls Deborah Kane, Vice President of Food & Farms at Ecotrust and Project Director of FoodHub. 'Furthermore I need to know who has cranberries dried, and who has them frozen, and who has them fresh because maybe I want them for my scones. How hard can that be? Why doesn't this resource exist yet?' That was, in many respects, the inspiration for FoodHub."

Kane wanted to test the assumption that it was difficult for food buyers and producers to connect via the Internet, so she Googled the word broccoli. "I'm not going to get the numbers right, but there were something like 4.2 million returns for broccoli – everything from a dancing broccoli man to Broccoli, California," she laughs. "Then I thought 'OK, I need to narrow my search, so I want to search 'Broccoli for sale in the state of Oregon.' I got back 600,000 results." After narrowing her search yet again, Kane came up with mind-boggling 35,000 results. "We have these great

technologies that enable us, but unless we are in a qualified community like FoodHub, there is a certain point where the information is actually information overload,” she sighs.

Today, thanks to FoodHub, buyers can enter the word “raspberry” into a search box and quickly access a list of regional producers. According to food-hub.org, they can sort results by specific attributes, check out various producer profiles, send a grower or farmer a message through FoodHub’s message center, and arrange for delivery – either direct or through a mainline distributor. “When I go to FoodHub as a member and type in ‘broccoli, Oregon’, I don’t get 35,000 results, but 27 results, and all of them pretty perfectly suited to me as a food buyer; that to me is the beauty of FoodHub,” says Kane.

She isn’t the only one who finds the online hub attractive. “It runs the gamut from rural producers who are still on dial-up to people logging in and checking their accounts on their iPhones,” reports Kane when asked about member demographics. “You’ve got farmers with GPS units in their tractors at this point, so technology has arrived on the farm for sure.”

One of the hottest new features at food-hub.org is the Marketplace, where a buyer was recently hunting for two 125-pound pigs. “The Marketplace is basically ‘a craigslist’ for local food,” explains Kane. “Food buyers will come into the marketplace and do real quick posts: ‘Food buyer looking for figs. I know figs aren’t in season, but I want to be the first person you call when they are.’ Farmers are coming in and saying, ‘First of the season tomatoes are in. Specials just for you. Give us a call,’ so that Marketplace section is getting really dynamic.”

So dynamic that it’s not all about food anymore. “The thing that is new is the degree to which the Marketplace is being used for things that are not just product,” says Kane. “People are coming in and talking about transportation opportunities. You are starting to see more and more creative uses, which to us is just further validation.”

These days, Ecotrust is busy testing the technology behind FoodHub 2.0, a more interactive version that it plans to roll out this fall. For example, the 2.0 technology will be able to notify a restaurateur who enters an interest in raspberries into her profile of new suppliers who join: “Hey, a new grower just joined. You should go check out their profile,” explains Kane. “We haven’t had that sort of match-making function. People were finding each other because they were searching for raspberries, but the system wasn’t making introductions.” It’s a smart solution that will have restaurant owners thanking their lucky stars and their patrons ordering dessert.

Those who favor crushed and fermented grapes to fresh berries will be pleased to hear about one of the latest trends in wine, a reusable container recently introduced in California. “We’re going to be selling wine to restaurants in stainless steel, environmentally friendly eco-casks,” reports Erik McLaughlin, National Sales Director for Willamette Valley Vineyards (WVV). McLaughlin explains that the low-tech casks will substantially reduce the carbon footprint (greenhouse gas emissions) generated by transporting wine and its glass packaging, while delivering a better product to the

buyer. “It’s protected by inert argon gas, so every pour is a fresh pour,” he says. McLaughlin says that eco-cask is similar to a beer keg, plus the argon and minus the carbonation.

“Our primary motivation for doing this is to reduce the carbon footprint and maintain the quality of our wines as they get to customers.” And glass is second only to the carbon dioxide emissions from fermentation when it comes the winery’s footprint, according to McLaughlin. “I don’t think that we’re coming to the end of glass for this industry, but I think for certain applications, particularly restaurant by-the-glass applications, bottles aren’t necessary,” he explains.

WVV plans to introduce the concept in Oregon this fall. “We want to do a small initial roll-out rather than just kind of going great guns and putting it everywhere because there are some physical device and equipment modifications or additions that the restaurant has to make to use the program,” says McLaughlin. “We’ve talked to some of the real high profile Portland restaurants and wine country restaurants, and everybody we have approached about it has been very enthusiastic about wanting to participate. It’s an opportunity for restaurateurs to do what’s right for the environment and enhance their margin.”

Craig Welborn, Director of Marketing at Bargreen Ellingson, is trying to enhance his customers’ profitability at the very heart of their operations – the kitchen. Bargreen Ellingson’s test kitchen allows foodservice operators to compare various products side-by-side to see which piece of equipment works for them. “Buying kitchen equipment can be likened to that of a new car purchase,” explains Welborn. “One really doesn’t know how it operates without further evaluation. We allow customers to come in and test their own recipes with functioning pieces of equipment. It might also require further educating a customer on an existing piece of equipment in their kitchen and making it do more.”

Bargreen Ellingson even has expert staff on hand to show how it’s done. “Our corporate chef, Bob Mauer, speaks the language of operators in order to dial in a recipe or help create new ones,” says Welborn. “That process may not sound like much, but when it comes to knocking off prep time in the kitchen, Chef Bob can find the right solutions for the foodservice operator that work. In the case of a specialized piece like a Combi Oven, Chef Mauer can aid in programming the oven for the various products being cooked in it. He can also make suggestions on other useful food products that could also be prepared with the unit, allowing an operator to offer their own patrons more of a menu selection or at least have the ability to adapt to the changing needs of customers.”

Welborn and his associates encourage industry members to embrace new ideas when it makes sense. “Certain segments and demographics of the market are well poised for change,” he states. “They actively look for solutions to problems they haven’t yet experienced in advance of the problem facing them. Chains tend to use this approach, looking at various ways to reduce overall operating expenditures for the operation. Equipment that is versatile or reduces energy significantly further benefits their operations. Likewise equipment that reduces the preparation process is beneficial to

these operations as well. The operators that tend to react to a problem have greater challenges. Much of the time they struggle to find a solution.”

Some foodservice operators are reluctant to embrace new innovations, according to Welborn. “Operators want to know that new technology has been proven and works,” he says. “Rarely does an operator want to be a guinea pig for the latest trend in the marketplace. It also has to make fiscal sense for the operator. A new piece of replacement equipment is nice and shiny, but if it does exactly the same thing as the piece of equipment it’s replacing in the kitchen, it may be less expensive to continue repairing it. New technology has to have advantages and paybacks that are meaningful and measureable for operators.”

For example, the right piece of equipment for the job can make a restaurant more efficient and save money, either through its operation or reduction in the utilities it uses, according to Welborn. “Hood systems are something that customers tend to overlook, but they can be offered in many different configurations,” he explains. “Over the course of a lifetime, the properly engineered hood system can save thousands over a standard hood configuration. Any air being removed from the kitchen has to be replaced with more air. That can affect the overall air handling requirements for an operation, which adds to the operational expense. It can also mean loud hood systems in the kitchen or improperly balanced air systems in the operation.” All of which can subtract from the bottom line.

That’s a big concern for Bargreen Ellingson. “Saving foodservice operators money, whether it be on a purchase or over the course of the equipment’s life, shows them a genuine concern for their business,” says Welborn. “Sharing this information up front is vital. If an operator is looking to replace a broken oven in their kitchen, that’s a really easy thing to do, but what if the customer experienced uneven cooking in the last oven model or wanted to be able to cook a few more recipes they weren’t previously equipped to prepare? A new piece of equipment or technology could provide solutions beyond a simple replacement.”

As this industry veteran sees it, innovation and wise change are the keys to success in any marketplace, including foodservices. “If an operator is forced to reduce their labor costs through no fault of their own, they may be able to find a solution in a piece of technology that can solve their labor problem,” suggests Welborn. “Conversely an attention-grabbing, functional piece of equipment can create an entirely new ambience for an otherwise normal foodservice operation.” Spoken like a businessman who has witnessed smart technology change one’s fortunes. In the end, true innovators have always known that you make your own luck.

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