

# Healthy Program Thoughts

Prepared By



**Supporting School Meal Programs**

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## Components of Management

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## Healthy Program Thoughts

### Political

- Food Service Directors are typically an administrator in the school district. Assert yourself as an administrator balancing the needs of the student with the act of running a for profit business.
- Toot the food service horn! Food Service Directors should be visible to other administrators and the school board. Be sure the board knows the food service program exists. Directors should be presenting at school board meetings multiple times a year. Show them why the program is successful and if it's not, show them the changes being made.
- Develop internal support for the food service program. Seek advocates in the schools to demonstrate healthy habits involving the program.
- Find a way to be included in the events that affect your program. If you are not invited, ask to participate.
- Know your facts. Having the facts and properly presenting them go a long way to being successful in obtaining your goal.
- Promote your program using external sources. Consider the target audience. What sources are you using, magazines, government labor statistics, or other district directors? These sources can be combined in a way that highlights what you do.
- Advertise what you offer. Appropriate and timely material that is well placed and memorable will resonate and create desire.
- Keep promotional materials fresh and current. In today's fast pace world, student interests change rapidly. Update or arrange your materials to match interests.

### Procurement

- Are purchase decisions made based on the lowest cost principle? When budgets are tighter, this is a natural reaction. Resist this reaction and make purchases with the best value in mind. If a low cost product doesn't sell, was it really the best choice?



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- Consider “Total Value Procurement” and acknowledge the internal and external costs
  - **External** Number of delivery sites, drop site challenges, accurate volumes, uncertainty of commodity entitlement, payment frequency, restrictive delivery times, physical constraints at locations, amount ongoing support, fuel costs, long term pricing.
  - **Internal** Product evaluation, procurement process, bid evaluation, contract implementation,
- Invest the time and money to identify products that support participation.
- Evaluate commodity products versus their equivalent and look at the true cost. Is it less expensive in the long run to use a different product? Refer to *Commodity Utilization*.
- Look at multi-year contracts with both eyes open. What does the contract offer that benefits your program? Watch what is fixed and what is flexible and understand the angle.
- Leverage your buying power. Work with organizations like co-ops or consortiums that can bundle purchases for better prices, offer rebates, or improve services received.
- Put on your vendor hat. Are you someone people want to do business with? As a customer it is important to see both sides. Play role reversal, it might lead to better deals or hidden savings.

## Accounting

- Do you have a budget? Was it created by you or handed to you from the business office? Budgets set expectations and boundaries which offer a path to success. Be in control of your budget and build it based on solid numbers you can support. As a district administrator it is your responsibility to be fiscally responsible.
- Is the budget detailed enough? Being able to compare, at any given time, actual expenditures against the budgeted amount creates a metric you can use to determine program health.



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- Comparing last year's expenditures to the current year will help keep costs in check. If they look out of line, drill in by location and/or food category to identify the problem and devise a plan to address.
- Manage the inventory. How long does an item sit on the shelf? Review inventory and purchases compared to shelf life and production records. Narrow in on slow rotating items and sample the turnover. Mark the product with a date when they were placed on the shelf and record when they were used. Use the findings to order less quantity, less frequently.
- Do you provide supplies like napkins or plastic forks to groups or teachers? Are they provided at cost or cost plus labor? Be sure to cover all your costs, or better yet, make this an opportunity to gain internal support and win an advocate.
- Consider investing in management software to track the operation. Approach with an eye on the big picture and keep the cost/benefit ratio to an acceptable level. Having accurate program performance metrics to manage your program could save big in the long run.

## Food Production

- Are the recipe costs documented and the recipe being used? Deviations from recipes can have a ripple effect in other areas.
- Do the recipe ingredients match your specification and what was purchased? If not, what is the cost differential. Deviations from recipes can have a ripple effect in other areas.
- Are yields being met in production? For example, if oven temperatures are off, the yield amount of roasted meats you planned might not be met.
- Is it better to purchase a product or to make it from scratch? Calculate your labor and yield loss to determine portion cost. You may find some savings.
- What is the basis for the number of meals produced; morning lunch counts, meal popularity, previous performance? Make adjustments over time considering all the possible factors



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- How many food service staff eats free and when do they eat? Better yet, how many adults at a location eat free? Are you tracking what is eaten? If not, production counts and food loss data might be inaccurate resulting in over production.

## Commodity Utilization

- Consider all options when evaluating commodity purchases including:
  - Value of donation charge against entitlement
  - Commercial equivalent costs
  - Brown Box vs Single bank, which has better value?
  - Is commodity's the best overall value?
- Be able to track the discount value of commodity purchases. Are the funds recorded as a credit under a Food Service account? Do carryover amounts get utilized or reallocated?
  - Net Off Invoice
  - Rebate Checks
  - Volume Discounts
  - Carry Over

## Revenue

- Do your meal prices cover your expenses and profit margin? Verify pricing using the USDA Paid Lunch Equity (PLE) tool. When pricing is within an acceptable margin, work towards regular annual price increases.
- Maintain supporting data that justifies meal prices. By monitoring costs, a request to increase prices will be apparent requiring less time to make up any losses. Get the school board involved. While challenging, it offers several advantages like having a advocate to promote the program
- Evaluate a la carte pricing. Tools are available from your state's Department of Education to assist and ensure the pricing is within guidelines.
- Research the market value of the foods you serve. Possibly you can sell a product for a higher price.
- Survey the surrounding area. Mimic some of the local hot spots students frequent. Offer similar types of food or prepare what you have a little different.



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- Perception counts, if students think a higher priced meal is not from the school cafeteria, they buy more.
- Avoid comparing yourself to neighboring districts. Watching what they do and how they operate is great for sharing ideas but limit it. Without knowing operating costs or student demographics their pricing structure might not work for you.
- When it comes to catering, post standard pricing for all to see. Leverage your website and have flyers available. When asked to do catering, send a written proposal. This does several things; sets expectations, looks professional, protects the department and district from frivolous claims, plus confirms the date, pricing and products provided.

## Summary

As the Food Service Director you are responsible to several groups on several levels. The tasks at hand are not small. Food cost is one of the top expenses for any food service program. Being able to contain costs, provide quality meals, stay within nutritional guidelines and be profitable is no easy feat. The dynamics of a food service program change from district to district. The factors covered in this paper offer some insight and ideas to help grow a healthy food service program.

Knowing the program P&L at any given time helps to indicate if the approaches taken are working. As you drill into identifying cost, compare costs by location with past years. If costs look out of line, find out why and address. Having an accounting or management program that can compare this for you will save time and provide material that can be shared with others as part of the programs selfless promotion. Remember, always drive the bus with your data, it never steers you wrong.



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