

Business and Industry Foodservice: Redefining Hospitality

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While the COVID-19 pandemic has swiftly impacted all segments of the foodservice industry, the Business and Industry (B&I) segment is poised to perhaps be impacted the most from a long-term perspective.

When faced with shelter-in-place orders by state governments, employers sent employees home to work remotely. Now, as cities across the United States begin to reopen, few companies are showing urgency for remote employees to return to their offices. Without them, the foodservice directors that manage B&I cafeterias have no population to feed. From a long-term point of view, many employers are coming to the conclusion that working remotely still makes sense, even after the threat of infection is stymied by a vaccine. Additionally, if primary and secondary schools do not fully reopen in the Fall, many working parents will be forced to stay home.

Given the situation, a renewed need for connection and collaboration would likely be the impetus for companies to once again open their offices' doors and bring employees back. If they do come back, the cafes that dot the campuses of businesses across the country will need to be the hubs for that connection and collaboration. The challenge is to enable connection and collaboration while making the health and safety of employees the paramount goal.

Faced with this challenge (and many others), the members of IFMA's Business & Industry Operator Council continue to meet regularly to discuss how best to reopen their campus cafes once employees do start to return in greater numbers. A list of Council members can be found at the end of this document. The objective of this whitepaper is to summarize the main challenges and long-term changes that are being discussed by the Council and put them into a context that enables partnerships with IFMA's foodservice manufacturer members.

It's important to note that many members of the B&I Council work for white collar businesses and provide food and beverage for office employees, not factory employees. Additionally, all members of the Council work for their respective companies, but contract their foodservice to a management firm such as Aramark, Sodexo, or Compass and their respective affiliates.

B&I foodservice operators face new challenges, as a result of COVID-19, that will linger into the future. The most impactful of those challenges are listed here.

- **Steep revenue declines** – When businesses sent their employees home in droves in mid-March of 2020, the population of business campuses vanished, almost overnight. With no one to feed, revenues dropped off dramatically and continue to decline as most employees still work from home. Additionally, profitable catering events have been canceled and show little to no sign of returning anytime soon. According to estimates from IFMA and Datassential's Coronavirus Foodservice Impact Model, the white-collar B&I segment will see an average negative impact of 57%, compared to pre-COVID estimates (assumes a resume date of September 1). A lack of revenue strains the budgets of the management companies that are contracted to provide the services for the impacted companies. Contracts will need to be revised, staff will be reduced, and a focus on food cost savings will be even more important.
- **Difficult to plan ahead** – Reopening playbooks are written, then revised, and then revised again as new information, or new protocols are introduced. Without a clear direction of what needs to be done to allow employees back, it's difficult for foodservice directors and their contracted management companies to plan ahead. Planning a menu cycle and forecasting volumes is practically impossible. This uncertainty trickles back up the supply chain leaving distributors and foodservice manufacturers guessing as to when volumes will return and what managed order guides will look like.
- **Keeping employees connected when they are remote** – The employee cafes and break rooms were not only a place for people to eat and drink, they were also places for casual connections and a break from the workday. Now, with most of the employee population scattered, companies are looking to their foodservice directors to offer ideas on how to keep the employee community connected in a distance-based working environment. Food, as always, can connect people and some of the members of the B&I Council are using virtual cooking or recipe writing contests to engage the populations and bring them together.

The IFMA Business and Industry Council have been given some direction by their respective companies on when the return to office will happen. A “phased approach” is a common phrase echoed across the Council. Most companies are still in an early phase, with less than 50% of the normal population coming into the campus on a regular basis. Looking ahead, a full return to campus might not happen until early 2021, or until a vaccine is readily available in the United States.

Despite the uncertainty of when employees will finally return, it’s certain that an employee’s foodservice experience will be different. The Council continues to share insights and best practices that they are planning for, all with the intent of redefining hospitality to meet the new standards of health and safety. Below are a few of the parameters of that redefinition of hospitality.

- **Mobile ordering and to-go meals** – Waiting around in the café servery while someone prepares your food will go away. Instead, employees will be asked to preorder their food on a company app and then pick it up, or have it delivered to a pre-determined hub or cubby. This change challenges the B&I culinarians to develop food that is still healthy, fresh, and tasty, but also can hold in a carrying container. Developing recipes that travel well and to-go packaging that meets sustainability standards are opportunities for foodservice manufacturers to partner with their respective foodservice management company customers.
- **B&I break rooms will change** – The employee break room was a place for a quick break, a coffee, a cup of tea, a chance to rehydrate, or have a snack. B&I foodservice management companies were mostly there to restock them; it was up to the employees to serve themselves and keep the areas clean and sanitary. Now, with an edict to reduce the chance of infection spread, the break room must be reimagined for a post-COVID world. Touchless self-serve and continuous cleaning will be required. Beverage equipment manufacturers need to innovate on how to deliver their hot and cold beverages in a touchless, sanitary mode. Coffee additives like milk, half and half, and sweeteners need to be available in non-shared containers. Snack manufacturers are also challenged to find ways to make snacks available without cross contamination. Finally, manufacturers of cleaning supplies must introduce easy-to-use methods and products that keep break rooms sanitized and clean.
- **Customization moves behind the counter** – Most self-serve stations will be removed, which will require customers wanting a customized meal to have a foodservice staff member build it. In the case of sandwiches and other a la carte items, this is not a change. However, in the case of salad and hot bars, this requires a significant change. Replacing the salad bar experience is another challenge to address. B&I directors do not want employees to start bringing a salad from home every day.

Over the last three months, B&I foodservice directors have been challenged like never before. Their world has been turned upside down and they have had to adjust on an almost daily basis. Consequently, they are open to ideas on how to recoup their lost revenue while still adhering to the new safety protocols that are now in place. Foodservice manufacturers, their trading partners, and broadline distributors need to create partnerships that focus on driving new value into the B&I foodservice segment.

IFMA will continue to host and listen to the B&I Operator Council and provide its members with the insights and best practices to help build these partnerships and support operators in the segment. In addition to the B&I Council, IFMA is also hosting Councils in the Healthcare, K-12, College & University, and Small Chains segments. Report outs, like this one, are already available for Healthcare, K-12, and C&U segments. All reports can be

accessed at IFMAworld.com. For reports on the other segments, including [Healthcare \(PDF\)](#), [K-12 \(PDF\)](#), and [C&U \(PDF\)](#) visit [IFMAworld.com](#).

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