



Don't Cut Your Food Budget Until You Do This!

By Susan Saldibar

Have you ever gone to a restaurant you haven't been to in a while and noticed that the food quality had "gone downhill"? I actually said those very words not that long ago. While I won't name the eatery, I left with, shall we say, a bad taste in my mouth.

Let's face it, food is a really big deal, especially in senior living. So much so, in fact, that we're seeing an increasing number of communities hire chefs with impressive resumes, turn them into celebrities and promote their gourmet cuisine to prospective residents and families.

So, why is it that so many communities, when faced with cutting the food services budget, go straight to the food itself? That's a big mistake, according to Dana Fillmore, RDN, and Healthcare Customer Marketing Manager for [Gordon Food Service](#) (a Senior Housing Forum partner). Dana recommends that, before you put your food on the chopping block in order to squeeze in under budget, you step back and take a deeper dive into three critical areas. Here they are in a (highly condensed) nutshell:

Purchasing:

- **Contract compliance.** Dana suggests that, if you are part of a GPO (group purchasing organization), you need to understand your contract incentives and try your best to meet them. "For instance, if you have an incentive to purchase a certain brand of chicken, or a larger volume of private-label goods, take advantage of it," Dana says. Also look at your distributor spend share. Find out how many vendors you are buying from. You may have a good reason to be doing so but, if not, you may be risking lowering your contract compliance and incentives.

Fact: A 129-bed health center in Illinois experienced a 2.8% cost savings on their overall foodservice market basket by maximizing their GPO contract, without sacrificing quality.

- **Cross utilization.** It helps to plan your menus carefully. Using products in multiple dishes can help you save. Plan your menu so that you can use products in multiple applications. "That spinach purchased for a salad might also be used, instead of spring mix, as a bed for a salmon dish," Dana says. Makes a lot of sense!

Operational:

- **Use Technology Wisely:** This is where tools such as Gordon Food Service Inventory Manager and Cycle Menu Management program can, according to Dana, save you significant time and money. Cycle Menu Management helps you standardize menus and recipes and even create orders for you. Inventory Manager helps you minimize spoilage, theft and overstocking as well. What a time and money saver!
- **Labor.** Don't forget this typically represents more than 50% of your overhead. Look for ways to improve efficiencies. Gordon Food Service has a great article on this topic, which you can access [here](#).
- **Waste.** Less [food tossed](#) before it reaches the plate, means a lower total plate cost.

Fact: Food service departments who track their food waste data, then identify and apply actionable insights from it, have been shown to save 2-6% of front-end annual food costs.

Revenue:

- **Foregone revenue.** This is all the food-related services you provide for your residents that you don't get reimbursed for. They include things like free snacks, complimentary guest meals, food used at staff meetings, etc. Tracking these costs gives you greater overall visibility over where your food dollars are going.
- **Additional revenue streams.** Think about ways you can produce revenue by creating special services that residents and their families like and will pay for --- coffee and snack kiosks, catering, "grab-and-go" selections, and more.

These are only samplings of things Gordon Food Service recommends you can do in each of the above areas. There are many more suggestions and examples, which you can access [here](#). I have to say that, as a consumer myself, I'm convinced you can reduce costs without touching that tender, grass-fed beef.

There is more cost to your food than what sits on the plate. And it pays to know it.

Yet, despite all this, the food remains an easy target for cash-strapped senior living communities. Dana tells me that she talks with EDs all the time who, in desperation to reduce costs, immediately turn to limiting the food budget (Good luck with that!) without considering overall supply chain and operations practices.

"The bottom line is that what you see on your invoice is only a fraction of what you are really paying. You have to consider the many additional costs and savings hidden in contracts, operational processes and other places," says Dana. "Tracking and reducing them can dramatically lower your food service costs."

And, best of all, you don't have to downgrade the quality of your food!

You can learn more about Gordon Food Service's Cycle Menu program [here](#) and Inventory Manager [here](#).



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