Vision 2025 Drivers of Change By Segment

Vision 2025 Drivers of Change

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FLC Foodservice Leadership Council

Embracing Today. Creating Tomorrow.

- 150 Operators

- 5 Foodservice Segments

- FLC Operators identified the top drivers of change that make up Vision 2025

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Each Segment Has Its Own Set of Trend Drivers

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Restaurant
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Each Segment Has Its Own Set of Trend Drivers

Vision 2025 Drivers of Change

Drivers segmented into one of four main areas of focus.

01 **SERVICE MODEL**
Consumer Engagement

02 **PRODUCTION MODEL**
Back-of-House Operation

03 **SUPPLY CHAIN**
& Supplier Interaction

TOTAL OPERATION
Cut Across 1, 2, & 3

IFMA KINETIC 12

ELEMENTARY & SECONDARY SEGMENT PROFILE

- Operator under strict USDA reimbursement structure, nutrition regulations & documentation recrements driving tight cost parameters & high administrative burden
- A captive audience of students (<18) who's parents demand a consistent quality experience
- Operate in pre-set daypart time windows

TRENDS SHAPING THE FUTURE OF ELEMENTARY & SECONDARY

01 SERVICE MODEL
Consumer Engagement

- **Culturally Diverse Menus, within USDA Regulations**
- **More Community & Local Engagement**
- **Expanded/Collaborative Nutrition Education in the Classroom/Cafeteria**
- **Greater Personalized Dining Experiences, Including After-hours Feeding & Grab 'n Go**
- **More Automated Ordering & Self-Service**
- Broader Multi-Faceted Customized Consumer Digital Engagement
- Expanded & Optimized Off-premise Service Options
- Expanded Data Analytics Commercial/Collegiate Food Courts

02 PRODUCTION MODEL
Back-of-House Operation

- **Greater Cross-Utilization of Staff**
- **More Locally Sourced Ingredients**
- **Decreased Complexity, Greater Efficiency**
- **Greater Adoption of Sustainable Products & Practices**
- **Smaller More Flexible Kitchens for Broader Efficiency, Food Safety, and Energy Savings**
- Greater Assembly, Smart-Scratch, Increased Use of External Centralized Production
- Optimized Use of RTU / Plus-One / Frozen / Pre-Cooked / Pre-Prepped Ingredients
- More Online & At-station Training
- More Digital, Smart Connected Equipment
- Greater Use of College Students as a Labor Source

03 SUPPLY CHAIN
& Supplier Interaction

- **Increased Education for Suppliers on How the USDA Works in this Segment, Leading to Improved Collaboration**
- **Continued Supply Chain Risk and Expanded Tactics to Minimize**
- **Greater Reliability, Trust & Transparency**
- **Better Communication & Visibility/ Traceability Throughout Value Chain**
- Improved Data Standardization
- Greater Use of Predictive Analytics
- Enhanced Food Safety & QA Mapping
- Importance of Sustainability/ESG as a Choice Criteria

○ TOTAL OPERATION
Cut Across 1, 2, & 3

- **Greater Collaboration with the USDA, Suppliers and K-12 Operators to Standardize, Simplify and Streamline Regulation, Funding and Processes**
- Expanded Employee Engagement, Retention, Culture, Diversity and Inclusion
- Re-Imagined Allocation of Human Labor for Efficiency & Maximum ROI
- Greater Adoption of Technologies & Systems Across the Business Model

IFMA College & University Foodservice Leadership Council FLC

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COLLEGE & UNIVERSITY SEGMENT PROFILE

- Diverse operations covering many FS segments – casual, QSR, c-store, cafeteria, fine dining, catering
- A range of financial operating models
- Diverse clientele ranging in age from 18-100
- A consistent customer base, 3 meals day/7 days a week
- Highly aware & demanding customer seeking a broad range of foods, global flavors, health & nutritional profiles, sustainability characteristics and mobile options

TRENDS SHAPING THE FUTURE OF COLLEGE & UNIVERSITY

01 SERVICE MODEL
Consumer Engagement

- **Highly Differentiated & Targeted Menus**
- **More Engagement with Customer Base and Campus Community**
- **Greater Consumer Engagement Around Sustainability**
- **Global Influence Towards Differentiated & Targeted Menus**
- **Expanded Data Analytics**
- **Anticipate Consumer Needs vs. Adapt to Them**
- Broader Multi-Faceted Customized Consumer Digital Engagement
- More Automated Ordering & Self-Service
- Highly Differentiated & Targeted Menus
- Differentiated /Targeted Menus on Campus Diversity of Population and Staff
- Expanded & Optimized Off-premise Service Options

02 PRODUCTION MODEL
Back-of-House Operation

- **Comprehensive Nutritional & Data Information**
- **Decreased Complexity, Greater Efficiency**
- **Greater Cross-Utilization of Staff**
- **More Responsibly Sourced Ingredients**
- **Adoption of Sustainable Products & Practices**
- Focus on Allergen Ingredient Identification and Training Tools for Culinary Team
- Smaller More Flexible Kitchens
- Greater Assembly, Less Scratch, Increased Use of External Centralized Production, Additional Processed Food
- More Online & At-station Training
- More Digital, Smart Connected Equipment
- Pre-Consumer Food Waste Reduction
- More Allergen Free Products

03 SUPPLY CHAIN
& Supplier Interaction

- **Continued Supply Chain Risk and Expanded Tactics to Minimize**
- **Increased Collaboration and Partnership with Suppliers on New Product Research and Development**
- **Greater Reliability & Trust**
- **Better Communication & Visibility/ Traceability Throughout Value Chain**
- **Greater Use of Predictive Analytics**
- Improved Product Data Standardization
- Importance of Sustainability/ESG as a Choice Criteria
- Increased Collaboration, Education & Accountability with Suppliers

⦿ TOTAL OPERATION
Cut Across 1, 2, & 3

- **Expanded Employee Engagement, Retention, Culture, Diversity, Equity and Inclusion**
- **Innovation in attracting talent**
- Greater Adoption of Automation, Technologies & Systems Across the Business Model
- Re-Imagined Allocation of Human Labor for Efficiency & Maximum ROI
- Cross-Utilization of data

HEALTHCARE SEGMENT PROFILE

- Cafeteria, staff, catering & patient dining experience in hospitals, resident dining and senior living
- Operating under strict budgets and strict standards (menu & labor) differing by local, state and federal guidelines
- Diverse customer base includes patients/residents with a variety of specific dietary/nutritional needs, diminished mobility/sight abilities, and high/low engagement
- Strong focus on infection control, health & wellness and sustainability

TRENDS SHAPING THE FUTURE OF HEALTHCARE

01 SERVICE MODEL
Consumer Engagement

- **Greater Customer Service Training & Improved Patient/Non-patient/Resident Experience**
- **Lower Cost Nutritionally-Flexible Menus that Maximize both Patient-Based and Retail-Based Customers**
- Broader Multi-Faceted Customized Consumer Digital Engagement
- Expanded Data Analytics
- More Automated Ordering & Self-Service
- More Community & Local Engagement

02 PRODUCTION MODEL
Back-of-House Operation

- **Greater Cross-Utilization & Training of Staff**
- **Decreased Complexity, Greater Efficiency**
- **More Online & At-station Training**
- **Greater Adoption of Sustainable Products & Practices**
- **More Digital, Energy Efficient, Smart Connected Equipment and Optimized Technology for Menu & Waste Tracking, Purchasing, and Labor Management**
- Greater Assembly, Less Scratch, Increased Use of External Centralized Production
- Optimized Use of RTU / Plus-One / Frozen / Pre-Cooked / Pre-Prepped Ingredients
- Smaller More Flexible Kitchens
- Reduced Carbon Footprint

03 SUPPLY CHAIN
& Supplier Interaction

- **Increased Collaboration, Trust, Education & Accountability with Suppliers**
- **Better Communication & Visibility/ Traceability Throughout Value Chain**
- **Improved Product Data Standardization**
- Greater Use of Predictive Analytics
- Continued Supply Chain Risk and Expanded Tactics to Minimize
- Enhanced Food Safety & QA Mapping
- Importance of Sustainability/ESG as a Choice Criteria

⃝ TOTAL OPERATION
Cut Across 1, 2, & 3

- **Heightened Focus on Cost Management & Price/Margin Maximization**
- **Expanded Employee Engagement, Retention, Culture, Diversity and Inclusion**
- **Re-Imagined Allocation of Human Labor for Efficiency & Maximum ROI**
- Greater Adoption of Automation, Technologies & Systems Across the Business Model

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BUSINESS & INDUSTRY SEGMENT PROFILE

• On-site cafes, dining, catering, grab 'n go for offices, manufacturing and warehouses
• Typically, highly demanding diverse customer with resources/power to impact change
• High utilization of contract management companies with the resources and expertise to deliver the variety and experience for the client
• Captive audience in some cases
• Uncertainty/flexibility of daily on-site population

TRENDS SHAPING THE FUTURE OF BUSINESS & INDUSTRY

01 SERVICE MODEL
Consumer Engagement

• **Highly Differentiated, Targeted & Flexible Concepts that Rotate**
• **Expanded Data Analytics**
• **Desire for Better Quality and Faster Speed of Service**
• More Community & Local Engagement
• Improved Customer Service and Experience
• Broader Multi-Faceted Customized Consumer Digital Engagement
• Expanded & Optimized Off-premise Service Options
• More Automated Ordering & Self-Service

02 PRODUCTION MODEL
Back-of-House Operation

• **Greater Adoption of Sustainable Products & Practices**
• **Optimized Technology for Menu and Waste Tracking, Prep, Purchasing, and Labor Scheduling/Management**
• **Greater Cross-Utilization of Staff**
• **Smaller More Flexible and Efficient Kitchens**
• **Decreased Complexity, Greater Efficiency**
• Greater Assembly, Less Scratch, Increased Use of External Centralized Production
• Optimized Use of RTU / Plus-One / Frozen / Pre-Cooked / Pre-Prepped Ingredients
• More Online & At-station Training
• More On-site Training, in Multiple Languages

03 SUPPLY CHAIN
& Supplier Interaction

• **Importance of Sustainability/ESG as a Choice Criteria**
• **Better Communication & Visibility/ Traceability Throughout Value Chain**
• **Increased Collaboration, Education & Accountability with Suppliers**
• Greater Use of Predictive Analytics
• Continued Supply Chain Risk & Expanded Tactics to Minimize
• Greater Reliability & Trust
• Improved Data Standardization
• Enhanced Food Safety & QA Mapping

⊙ TOTAL OPERATION
Cut Across 1, 2, & 3

• Expanded Employee Engagement, Retention, Culture, Diversity and Inclusion
• Greater Adoption of Automation, Technologies & Systems Across the Business Model
• Re-Imagined Allocation of Human Labor for Efficiency & Maximum ROI

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RESTAURANT SEGMENT PROFILE

- Stand-alone, independent & chain, for-profit restaurant operations

- Representing diverse segments: QSR, Fast-casual, midscale, family casual, polished casual & fine dining

TRENDS SHAPING THE FUTURE OF RESTAURANTS

01 SERVICE MODEL
Consumer Engagement

- **Expanded & Optimized Off-premise Service Options**
- **More Multi-Faceted Consumer Digital Engagement & Automated Ordering & Self-Service**
- **More Targeted, Personal In-store /At-Home Experience**
- **Expanded Data Analytics**
- Highly Differentiated & Targeted Menus
- More Community & Local Engagement

02 PRODUCTION MODEL
Back-of-House Operation

- **Decreased Complexity, Greater Efficiency**
- **Greater Cross-Utilization of Staff**
- **Better Use of BOH, Greater Throughput, More Storage**
- **Optimized Mix of Scratch / RTU / Plus-One / Frozen / Pre-Cooked / Pre-Prepped Ingredients**
- More Locally Sourced Ingredients
- More Online & At-station Training
- More Digital, Smart Connected Equipment
- Adoption of Sustainable Products & Practices

03 SUPPLY CHAIN
& Supplier Interaction

- **Better Communication & Visibility/ Traceability Throughout Value Chain**
- **Continued Supply Chain Risk and Expanded Tactics to Minimize**
- **Improved Data Standardization**
- **Increased Collaboration, Education & Accountability with Distributor/Suppliers**
- Greater Reliability & Trust in the Supply Chain
- Greater Use of Predictive Analytics
- Enhanced Food Safety & QA Mapping
- Importance of Sustainability/ESG as a choice criteria

TOTAL OPERATION
Cut Across 1, 2, & 3

- **Expanded Employee Engagement, Retention, Culture, Diversity and Inclusion**
- **Heightened Focus on Cost Management & Price/Margin Maximization**
- Re-Imagined Allocation of Human Labor for Efficiency & Maximum ROI
- Greater Adoption of Automation, Technologies & Systems Across the Business Model

Top Six Common Drivers of Change

1 Highly Differentiated & Targeted Menus

2 Decreased Complexity, Greater Efficiency

3 Greater Cross-Utilization of Staff

4 Increased Collaboration, Education, & Accountability with Suppliers

5 Improved Communication, Visibility, & Traceability Throughout Value Chain

6 Expanded Employee Engagement, Retention, Culture, Diversity, Equity, & Inclusion

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