FEATURED ARTICLE

Better Back-of-House Keeping

*Foodservice software systems help grocerants grow beyond retail mode
to meet the demands of daily restaurant operations.*

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Enticing consumers with on-trend menu options in an inviting grocery store setting is just part of the recipe for a successful grocerant operation. As restaurant operations create new challenges for a retail-based business, the industry must look at current supermarket retail software systems and find ways to aling them with both retail and restaurant operations. Without the proper tools, waste and uncontrolled costs can drain profits from a grocerant operation.

"These [retail and foodservice markets] are two different businesses, so supermarkets have to be careful how they handle their grocerant operations," says Bill Schwartz, CEO of System Concepts, a Scottsdale, Arizona-based software firm. "The more prepared food options they offer, the more complicated the business becomes, and the more retails stand to lose if they aren't managing the business properly."

The right tools

"Anyone who is operating a grocerant business with retail software is using the wrong tools," says Schwartz. "Since retail stores aren't high-margin operations and can't afford to subsidize their grocerant business, back-of-the-house systems are really important."

Controlling waste, calculating pricing and costing, storing menus and generating nutrition and allergen data should all be top priorities for grocerant systems. "Adding grocerant operations expands informational needs, as well as business process controls. Current systems are ot naturally built to do that," says Jerry Dewberry, VP of Symphony Gold, an international software platform company with U.S. headquarters in Atlanta, Georgia.

Dewberry emphasizes that a grocerant system should interface with point-of-sale (POS), scales, catering and mobility options, among other foodservice operations, so a sophisticated, system makes the most sense in that complex environment.

Supermarkets often add restaurant software on top of their existing systems and then attempt to integrate the two, which creates a kind of complexity that rarely succeeds.
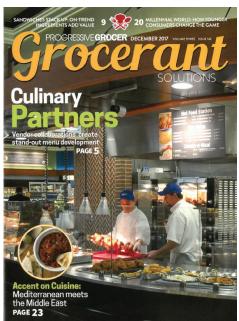
"Retailers are adding new systems in a piecemeal fashion to support new theaters of operation, but they are layering these systems on top of antiquated, existing systems. It's like building on a shaky foundation, and it costs them their ability to react," says Dewberry. "Ultimately, retailers have to decide if they want to run their grocerant operation like a business, and then address it like a business and take control of menus and recipes."

Precision Planning

Foodservice-friendly software systems can help grocerants quickly and precisely calculate ingredient amounts needed for any recipe in any size and then generate accu rate pricing for finished products. Tony Zuco, food house production manager at Weaver Street Market, confirms that using FOOD-TRAK software from System Concepts Inc. helped him price more effectively. Weaver Street Market's commissary facility serves the grocerant operations at the three natural-food grocery stores the banner operates in North Carolina's Durham and Chapel Hill markets.

The kitchen staff prepares fresh food daily for breakfast bars, hot bars and salad bars, as well as packaged sandwiches and soups for

grab-and-go cases. The hot bars feature weekly culinary themes, like Middle Eastern cuisines, as well as standards such as kale salads and sweet potato hash.

Software-driven menus allow the chain to generate exact orders, a big improvement over estimating batch sizes. "When we want to produce chicken salad, for example, we use our sales data and menus to produce exactly what we want, and we have the flexibility to adjust based on any variable," says Zuco. "We are able to produce exactly what the stores need, no more, no less."

Leslie Peterson, director of foodservices at Outpost Natural Foods Cooperative, with four units based in Milwaukee, Wisconsin, believes back-of-house software is critical for a grocerant operation that -includes daily soup specials, four cafe menus, in-store bakeries and custom catering.

"We can track costs in real time for all of our recipes, so we know exactly what the margin is for each offering and make adjustments in the retail price, if necessary," she says.

Reducing waste is also a key component for profitability, since waste is one of the biggest profit drains on grocerant operations. "Typical waste is around 30 to 40 percent, so anything you can do to shave those numbers is a huge savings," says Dewberry.

Keeping food costs in check

Grocerant operators also use inventory-management software to keep food costs under control and ensure an optimally stocked supply room or commissary. A strong in-stock position is particularly important when fill-in from store shelves can be tempting.

"Taking product from store shelves creates a store inventory issue, since there's no mechanism for tracking a few potatoes or several cans of tomatoes," says Dewberry. Using ingredients that cost more on a unit price cuts into the bottom line. POS platforms with inventory-manage ment functionality not only track and monitor inventory in real time, but they also generate automatic alerts and purchase orders.

"Foodservice businesses take inventory every week," says Schwartz, who urges grocerants to do the same. "There is no restaurant that doesn't have foodservice software controlling inventory. They know they need it to be profitable."

Improving food labels

Information on nutrition and allergens has become a necessity for any foodservice operation, and software systems can can help grocerants provide the information consumers need.

"Our customers want to know [ingredient] in formation; as a result, we have been supplying nutritional analysis for years," says Peterson. "We started by providing it on all new products that we introduced, and then worked back wards to include our existing offerings."

What was a challenging task at first hasbecome easier over time and with the right technology. Now, Outpost Natural Foods Cooperative can be as transparent as possible in alerting customers to possible allergens.

When retailers harness back-of-house tech nology to improve efficiencies, they can boost profitability and increase customer satisfaction. "The supermarket business is an industry under siege, and it's also an industry that lags on the technology front," says Dewberry. "If we can bring better technology to the industry, we can vastly improve business operations."