

Time for a hot beverage program tune-up

Hot dispensed beverages are one of your best opportunities to improve foodservice performance. A strong focus on this destination category consistently projects the right image and positions the entire store.

You may know how your hot beverage program is performing, but do you know how well it *should* be performing? Bottom line, Americans consume more coffee than ever before. Gourmet coffee shops aggressively target your consumers, expanding to more convenient locations with distinctive brands that benchmark double-digit growth and margins of 70%-plus. Clearly the opportunity exists, but it isn't easily translated into reality. The greatest danger for most of us isn't that our aim is too high and we miss it, but that it's too low and we reach it.

Leaders share an "execution excellence" mentality. They know that contract negotiations, Band-Aids and last year's ideas aren't enough to compete long-term. To be successful, the entire organization must take responsibility for key variables.

Vision. The toughest choice you have to make is deciding what you can and want to be to consumers. Develop a crystal clear vision, a solid execution plan—and the core competencies to turn that vision into reality.

Commitment. Successful innovators are ready, willing and able to be serious about quality and brand execution, setting high expectations and accountability. People are your best resource. If you don't spend enough time on operating systems and training up front, you'll end up wasting *all* your resources.

Quality. Quality is paramount, from roasters, beans and distribution to packaging, equipment, presentation and service. Being priced right is simply an ante into the game. Become a procurement expert: Get to know bean and roaster standards; audit shelf life/weights; implement preventive maintenance; take Specialty Coffee Association of America Gold Cup quality and freshness standards seriously; test beans/grinds with a third party semi-annually. Choose reputable roasters (see reference list).

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Product Source Reference List

Coffee Enterprises (coffeeent.com; 800-375-3398, Dan Cox).

National company offering basic bean quality and grade testing to full cupping analysis, taste profiling and coffee bid specifications/comparisons.

White Coffee Co. (whitecoffee.com; 800-221-0140, Jonathan White).

One of the nation's largest roasters. Offers specialty Arabica products and proprietary/private label.

Hubbard & Cravens (hubbardandcravens.com; 800-545-2009, Rick Hubbard). Nationally recognized roaster specializing in product formulation, equipment maintenance and water filtration.

Coffee Bean International (coffeebeanintl.com; 503-227-4490). Reputable national roaster with a signature line of specialty coffees and proprietary blends.

C-Store Stuff (coffeejacky@cs.com; 859-879-6939, Jack Young). National buying group coordinating volume buys.

Food Concepts (foodconcepts.com; 608-831-5006, Julie Pedretti). Design company specializing in concept development, from name creation and design to material fabrication.

Tazo Tea (tazo.com; 800-299-9445). One of the nation's fastest-growing tea companies, offering high-quality green and black teas in unique flavors.

Oregon Chai (oregonchai.com; 888-874-2424). The leading chai manufacturer of tea concentrates, latte mixes and ready-to-drink soy-based bottled teas.

Xcell (xcellint.com; 630-323-0107). Manufactures high-quality powdered flavorings for gourmet coffee drinks, sold under the name *Accents*.

Monin (monin.com; 727-461-3033). Leader in high-quality, natural bottled syrup flavorings for coffee and fountain.



Profits. Maximizing profit requires the right program structure and systems. With green bean futures in the 60¢ range and quality powder cappuccino under \$1.30/lb., margin benchmarks (after waste, packaging, condiments) are 70%-plus. Strip down costs, get educated, network and join reputable buying groups. Develop daily systems and brew charts, including holding times and maintenance checklists. Implement early intervention sales, waste and profit tracking. Inventory costly edibles vs. cups!

Marketing. Focused promotions sell more stuff to more people, more often for more money. Constantly remind consumers of your brand, and reward frequency. Offer bundling and size upgrades rather than devaluing the brand by lowering prices. Present a consistent image using loyalty cards, branded equipment and POS such as signs, menus and beverage “accessories.”

What's in store? What key trends are going mainstream? Fat-free French vanilla cappuccino; green/black designer tea bags; Chai tea; condiment powdered flavorings; natural syrup shots and fresh milks; 20-oz./24-oz. cups; disposable to-go coffee pots; stainless refill mugs; pre-infusion brewers; reverse osmosis (RO) filtration systems; minimum Arabica, grade 1-3 standards.



Food for Thought

Be distinct—or be extinct. You are the storyteller of your own brand, and you can create your own legend. If you don't, be confident your toughest competitor will.

Coming in November's Food for Thought: Just-in-time tips and advice for boosting food sales and profits during the winter—the slowest sales period of the year.

International Paper (internationalpaper.com; 800-223-1268). The nation's largest paper cup producer offers a wide range of styles, designs and private label.

LBP Mfg. (lbpmfg.com; 708-652-5600). Quality paper, plastic and corrugated take-out containers for coffee and fresh foods. State-of-the-art design support.

Whirley Industries (whirley.com; 800-723-6847, Brandon Towne). Specializes in refill containers, from plastic to stainless. Full design support capabilities.

Grindmaster Crathco Systems (gcsworld.com; 800-695-4500, Keith Enscoe). Full-service provider of the leading grinder (Grindmaster) and American Metal ware brewers, cappuccino machines and Crathco beverage dispensers.

Wilbur Curtis Co. (wilburcurtis.com; 800-421-6150, Kevin Curtis). Full-service provider of leading cappuccino machines, coffee brewers and grinders as well as cold and frozen beverage equipment.



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