The Catering Institute™

Managing the Size of Catering Orders

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When considering the topic of how to manage order sizes, here is a reflection on the advice and observation from a key operational leader expressed during my tenure as Director of Catering for a major fast casual chain. This regional Vice President of Operations stood up in front of company leadership and suggested that if attempts were made to set business rules for all the exceptions out there, the evolution of the catering program would never get anywhere! This wisdom was delivered on the heels of an organizational debate that included questions about how the team could possibly manage production of box lunches for 300, and what happens when an order comes in after closing and a manager opens the restaurant the next day to find a surprise, massive catering order for production.

His leadership and wisdom were key and critical for the organization. It was cumulatively decided, as an aligned national operational execution leadership team, that the program would forgo its standard requirement of 24-hour notice for all catering orders placed.

It was a pivotal point in evolving the program and immediately provided the incremental sales lift the team valued as it set about establishing a set of businessrules that would allow flawless execution given this big change to the catering program.

Know Your Business – It Is Predictable!

Catering customers were polled to find out that 54% of them did not have 24 hours notice when placing orders for their offices. It was also found in processing the survey data that 82% of all orders within the system were for between 10 and 25 people.

In fact, when looking at an average order size of $200 and consider about $9.00 per person average, the simple math yields 22.22 people served per order.

When combining this average order size with the understanding taken from 16 years of experience managing sales development within the catering channel, most catering decision makers that have extremely large orders have enough time to plan ahead. They will place orders days and weeks in advance rather than run the risk of ordering last minute to satisfy an off-premise solution to feed a large group.

> *“Catering customers were polled to find out that 54% of them did not have 24 hours notice when placing orders for their offices.”*

So, take a big deep breath, and ask yourself how average orders meant to feed groups of people in the 10-25 range will affect operations in your restaurant? What are the physical constraints? How many of those orders can be executed each day before really stretching the limitations within your four walls?

In the process of doubling catering sales over three years across a 430-unit chain in the business of delivering catering for both breakfast and lunch, this team was able to achieve a 98.7% rate of flawless operational execution of catering orders and contain the growth pains to a very small number of restaurants, mostly located in very dense urban settings, with very limited, and very expensive restaurant retail space. Less than 20 restaurants in the system were truly pushed to the point where production needs were exceeding production capacity.

How can that be?

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Production Timing and Capacity – When Done Right, It Is Scalable!

Consider that in the case of catering orders for breakfast and lunch, which dominate the large off-premise needs of business administrative and sales professionals, most orders are out the door before the real in-store business crunch occurs. Meaning that most orders are prepped and produced, ready to deliver to offices in the community, slightly ahead of peak times.

Now the catering team is positioned to engineer order execution within the existing assets the organization is invested in. The production crew is there at the restaurant. The production line is underutilized during those off peak times and the prep/ production team can be aligned around assembling catering orders ahead of the crunch! Operational execution converges with optimization of these assets and becomes significantly enhanced with three key components within the Five Pillars of Restaurant Catering:

1. Centralized Catering Support
2. Technology Enhanced Order Communication
3. Production Consolidation Reports

Keeping It All together With These Three Components

When catering specialists are handling the phones and incoming order demand, which by the way, is building and peaking simultaneously within the heart of key production time, restaurant operators are positioned to focus on flawless execution and timing of production.

An example of this was during a visit to an Orlando strategy customer, where, on the production line, the General Manager (GM) took control like a great quarterback, engineering the audible and play calls to the players on the line as the fried rice and stir fried vegetables were all freshly prepared. The GM was calling out the time countdown to departure, guiding the team, and the driver on the sidelines with packaging, condiments, and insulated containers ready. "Five minutes to showtime!" was called out… 4,3,2,1. All order components were quickly loaded and out the door to the lawyer meeting downtown – fresh, hot, delicious! All 40 meals out and $400 in the register ahead of the lunch run. Beautiful!

> *"By leaving order capture and order questions to a relatively small and select few who can function much more efficiently outside the restaurant and service a guest with calmness and kindness while the local restaurant crew has singular focus – flawless execution – the team is positioned to win!"*

Incoming order calls, questions about catering possibilities and future orders, order modifications, and the volume of calls that come from expanding reach and frequency are answered within six seconds by professionals who are skilled and trained to do nothing else than provide a world class phone experience. These calls would have interrupted this General Manager.

When this heat is taken out of the kitchen, operators can concentrate on what they do best – producing and executing fulfillment of food orders. By leaving order capture and order questions to a relatively small and select few who can function much more efficiently outside the restaurant and service a guest with calmness and kindness while the local restaurant crew has singular focus – flawless execution – the team is positioned to win!

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Technology enters the picture here. Remember those bigger orders that come in with days and weeks notice? With those big orders in cue and accumulated in the software system, visibility and planning are accommodated and the restaurant team's success is enhanced with the advanced preparation opportunity for product ordering and labor scheduling. Control is in place and the positive outcome is strategically arranged by providing the right tools to the team.

> *"With email notifications or other system alerts built into the best software solutions, the production team is enabled with the best tools that assure all system and processes are in place to flawlessly execute."*

Also, the right software solution should allow for production maximum limits to be set by location. When day parts are maximized and delivery resources applied fully, limits set and order distributed to avoid what is referred to as overbooking to the capacity. Great software systems allow control for orders captured to be distributed to adjacent restaurants when capacity has been reached.

And the third point from above, production consolidation, injects further efficiency as all orders for a day or day part can be consolidated into one report for the prep team and worked into the existing prep load. By plan, then, existing assets are leveraged through a quick-as-a-click push of a button. Contrasted against many existing excel spreadsheets seen out there that produce the same after hours of manual entry and redundant steps.

So, through these steps, it should be evident by now, that companies with centralization and the supporting technology have the edge to scale growth in a way that existing assets can be leveraged and optimized to full capacity prior to other production expansion options coming into play selectively within multi year growth strategies.

Order Tracking From Initial Capture to Fulfillment – The Key to Production Precision

Technology contributes to effective production precision in a variety of ways for the time the order is initially captured, particularly in a centralized environment. That popular 1-800 number set up for ultimate guest experience becomes the hub for order changes, cancellations and last minute add-ons, common in the business of feeding people where they live, work and play. Software systems that store and maintain orders and are efficient for the call center catering specialists to retrieve and modify allow magic to happen in the guest eyes. Particularly when those last minute changes are made, the event host or hostess is put at ease when those modifications, made in the system, captured in an order confirmation, immediately sent to the fretting administrator's inbox. Further significance is brought to the production line when those changes are communicated in real time at the production site.

With email notifications or other system alerts built into the best software solutions, the production team is enabled with the best tools that assure all systems and processes are in place to flawlessly execute.

The ultimate communication network is topped off with notifications sent to the guest such as an email suggesting: "Joe, our baker, just took your breads from our oven and they will be on their way to you fresh and on time for your luncheon."

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Followed with another email notice suggesting, "Our kitchen team has just packed your order with care, and Susie has loaded it on its journey to your office in time for your luncheon today. Follow her GPS progress to your destination by clicking **here**."

Some systems can even send alerts as drivers near the destination of the off-premise site. Connecting guests to the production line and delivery team through technologies available today are contributing to memorable order and delivery experiences that build loyalty and frequency through a level of convenience and execution that is uncommon today in the restaurant catering world today.

So what happens when a unit's demand exceeds capacity? There are a couple of options to consider.

Sometimes a distribution hub may make sense in some of those densely populated aforementioned urban settings. Less than attractive retail space, with lower rents can provide a viable option to create a "virtual" storefront that does nothing but catering. In particular the online consumer is interested in the trust and reliability associated with flawless execution and less concerned about which of your restaurants may have manufactured the food – they are truly ordering from the brand – when the brand experience is consistent across the system – another topic altogether!

Another option is to bring experts into the logistics and production flow, such as the team at Profitality, who will study facilities, capacities and demand, and follow-up with feasible recommendations to solve production issues for a very nice problem to have!
And, remember, with the right systems, the right people and the right technologies in place, the order flow is controlled, and orders are shut off when lack of capacity begins to encroach on the most critical key enabler of accelerated catering sales growth.

It all starts with a vision and a roadmap!
The Catering Institute™ helps organizations think strategically about all considerations covered in the context of this article and bring leadership together to tackle the difficult decisions and investments required to Get Catering and Grow Sales!

Let's talk catering!

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About The Catering Institute

The Catering Institute is a leading educator in takeout, delivery and catering, providing training, certification and consulting to restaurant operators and their teams.

The Catering Institute is a private, independent academic institution. Led by founder and CEO Erle Dardick, the faculty at the Catering Institute is passionate about helping brands excel at feeding their customers where they Live, Work & Play™.

Learn more:
www.cateringinstitute.com

About Wayne Alexander

With 16 years of experience and a hands-on style founded in operations and servant leadership, Wayne has established catering as a sustained accelerated growth platform. Through sales force talent development, organizational alignment in the multi-unit franchised environment, centralized call center management, and program development, Wayne reaches catering decision makers at their time of need.

Get Catering and Grow Sales!™

A Strategic Perspective for the Multi-Unit Restaurant Executive

By **Erle Dardick**

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As a Partners in Education, MonkeyMedia Software, PepsiCo Foodservice, and Catering Insights raise awareness of the Catering Institute's "Get Catering and Grow Sales!" system. Together, they deliver world-class education and training materials to restaurant brands in the takeout, delivery & catering revenue channels.

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