

# Foodservice

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## Catering Systems

<a href="#">Catering Systems</a>	2	<a href="#">Catering Systems News</a>	11
<a href="#">Operators' Views</a>	8	<a href="#">Hostec Show Calendar</a>	12
<a href="#">Exclusive Interview</a>	10	<a href="#">Featured Vendors</a>	13

Editor's Note:

This week's FTA focuses on **Catering Systems**, and includes a leading article by Accuvia's consultants, as well as insight from a selection of vendors and operators. We also caught up with Michael Roman, Founder of **catersource** tradeshow and magazine, and feature an Exclusive Interview with Erle Dardick, CEO of **MonkeyMedia Software**.

Accuvia Publishing decided to investigate the subject of catering systems due to the upsurge in catering business offered by US restaurants, and the fact that the definition of "catering" has evolved to also mean 'just a large order.'

It seems that the industry has recognized that there are potential sales to be had by offering on-premise and off-premise catering, which is a welcome boost in these unstable economic times. By branching out into these new territories, foodservice operators can balance out the slowdown in traditional restaurant sales.

*...According to the NRA, catering sales are expected to exceed \$6.4 billion in 2008...*

Our research finds that Catering Systems need to be more integrated, and be better equipped to handle the various processes of future orders. They are also moving onto the Internet and into call centers.

*...Technomic estimates the U.S. Catering industry to be worth around \$18 million...*

Trends within this industry include a need to attract the biggest potential market — the corporate sector, which increasingly equates to a need to hire dedicated marketing staff to seek out this business. Vendors also talk about a 'lack of expertise' in

terms of understanding this relatively new vertical, and all its nuances.

Our next FTA will look at **Self-Service Systems & Kiosks**, so please don't hesitate to contact me should you wish to be included in this issue. I welcome any related news, and would be happy to feature vendors of this technology or operators using these systems in an interesting way.



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# Catering Systems

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Nowadays it seems there are two definitions of Catering. Traditionally, catering is defined as a meal prepared for a large group using bulk recipes or special items not on the regular menu which are easier to prepare en masse. A per head charge is set, as opposed to a per item charge.

The new type of catering is being offered by many QSR and Fast Casual companies, which is actually just delivery or pick-up of large orders. These sectors have the ability to handle such orders, and so are always prepared. Companies ordering in lunch, for instance, offer growth opportunities for many restaurants. This type of catering could involve a limited menu, or not – it could just be a sizeable order of regular menu items.

*'The corporate drop of lunch catering has been experiencing a boom. It is more effective to bring food in rather than going out in public.'*

Michael Roman, Founder of **catersource**

As Brenda Parker notes, additionally, some companies have used catering applications to facilitate commissary type or "en masse" preparation of bulk recipe items to cut down on cost for labor, storage, kitchen space and equipment. Mark Ozawa agrees. 'Now, in foodservice, it seems catering is loosely defined. In QSR it is evolving differently; catering in the hotel sense is different again.'

John McDermot stresses how catering in foodservice has become to mean 'just a large order': a large amount of people to feed at a specific time in a contained environment. Large orders now equates to 'catering.'

Ozawa notes how the Denver-based chain, **Qdoba**, pushes catering quite heavily at the door. 'Surely this means increased revenue for the same sized kitchen' he notes. McDermot stresses that QSR and Fast Casual companies are able to handle these large orders. 'The problem is getting the word out,' he says.

The industry is quickly realizing that it needs to find more effective ways to attract potential customers. As the US economy slows, in particular in foodservice, it seems the corporate sector is the most viable target, and so operators are finding that the marketing of their catering services is a crucial element.

*'Catering sales people are increasingly working for the Marketing Department... as they primarily perform a sales function. Catering staff need F&B knowledge, but should report to Marketing, in order to push the image and agenda of the organization.'*

Bill Schwartz, CEO of **System Concepts, Inc.**

When interviewed for this issue, Joe Gagnon, CEO of **Exit41, Inc.**, told us how one of the company's clients can only do three catering orders a day in their various locations. He says in this case, the kitchen is not the problem, because if the order is known in advance it can be planned and prepared ahead. 'We find that the impediments in these situations are order-taking, delivery, and insufficient knowledge to facilitate the whole process.'

Ozawa also questions how such chains cope if they have too many orders for lunch?

McDermot suggests that there are often certain conditions attached to catering menus, such as place your order by 9.00am, for delivery at noon. 'With orders in advance, operators can dictate capacity. Also, some Back Office systems have catering functionality built in,' he adds.

Parker agrees, and mentions that **MenuLink** used to have a catering add-on. It was extra functionality to add into the back office system.

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'At the time, you didn't see many stand alone catering systems used in the fast food or casual dining sectors,' she says. Now they are usually add-ons, or offered through a call center, such as the system set up by Exit41. 'If the operator can find an isolated way to publish its call center, consumers can call directly to place their orders,' she explains.

Call Ahead orders can be set up weeks ahead. These are known as "future orders" and can be used for catering, or just a regular, pre-planned order.

McDermot then recalls how many restaurants have private dining rooms or other banquet facilities and need more "traditional" catering software. These applications handle advance bookings for events and allow the restaurant to reserve space and facilitate the special catering menus.

'Yes, many foodservice operations do this,' says Parker. They want to provide a certain "ambiance" and pricing structure for private parties in a separate room from the regular

diners. 'There are special catering systems to deal with this. Moreover, some chains have special menu items and pricing set up in the POS system.'

In other cases, the restaurant provides off-premise catering services, which varies from just delivering prepared food to an outside location to providing staff, mobile kitchens, tables, chairs, etc. In these latter examples, software can help manage all of the logistics, labor, and supplies required at the site.

McDermot tells how the functionality of traditional catering software, such as that provided by **Caterease**, **Caterware**, or **CaterEdge**, is used for banquets, large meetings, events, etc.

To conclude, it seems that catering in foodservice has evolved to be much more than just feeding a wedding party; it is no longer merely a question of taking an order over the phone, using pen and paper, and pricing the event with a large dose of guesswork.

Catering systems need to be more intuitive; they need more functionality and more integration. They need savvy staff to operate them and they need to be capable of handling the various nuances of this new type of "catering".

*'To survive as a caterer, most of your business will be corporate. As a result, your selling process is "business to business". It's true that your retail customer will also want to order catering; however, your survival will depend on the relationships you develop with the administrative assistants in the corporate world.'*  
 Erle Dardick, CEO of **MonkeyMedia Software**

Following her research of this interesting topic, the Editor feels that perhaps Ordering Out is the new Dining In – or is that Eating In is the new Dining Out?

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