

Restaurants
Also Serve Food



Peter
Backman.

Contents

Introduction.....	1
1. Bright New Dawn.....	4
2. Looking both ways. It's all about food. Isn't it?....	10
3. What's in a name?.....	21
4. 'Magic'. Is the brand king?.....	27
5. Cogs and levers.....	35
6. Who is in the money?.....	43
7. The Rule of One Third.....	57
8. How to get your supplier to pay you.....	63
9. Contract caterers are the same as distributors..	71
10. "Is everything OK"? And what is the cost?.....	74
11. What is it?.....	77
12. Complexity. Where will you hunt?.....	82
13. Question your motives.....	90
14. Managing a category.....	101
15. Compliant customers.....	104
16. When will you deliver?.....	107
17. Let the people rule.....	112
18. Appetite for apps.....	117
19. Your factory – right or wrong.....	124
20. Who decides?.....	128
21. If it's not this, it's that.....	135

22.	There is no information.....	142
23.	Consumer information? Trade information?.....	149
24.	A happy medium.....	153
25.	Experience and expectations.....	158
26.	Lessons from the Covid pandemic.....	162
27.	Another lesson from the Covid pandemic.....	166
28.	Where is the future?.....	170
29.	Should you give up?.....	174
30.	And while you are lingering over your coffee.....	178

An Introduction – What you can expect from this book

This book is for you if you sell successfully to multiple retailers like Tesco or Waitrose or Aldi, but make a real hash of selling to foodservice operators – to restaurants, pubs, hotels, schools, contract caterers and all the rest. After all, they buy food don't they? Yes they do but there's a big difference. Multiple retailers buy food and then sell food; foodservice operators buy food and then sell an experience. For them, food is a much smaller part of their success. This book is about why this matters. So let's find out.

Just imagine you are flying over the Alps in your air-conditioned plane. It is cloudy down below – in fact all you can see are the peaks of mountains that have punched their way through the clouds. You try to guess what it looks like beneath the clouds. But the peaks you can see are no guide to the valleys below. They won't tell you about the raging torrents and the gentle grasslands; the cities and small towns; the wooded valleys and the impenetrable forests; the people and the farms.

So it is with the restaurant business. The mountain peaks you can see are like data we can find on the eating-out market. While this information is available and may be accurate, it is not necessarily very helpful in identifying what's happening.

This book is intended to provide ground rules on the wider view below. It's not a 'How To' book. It offers something altogether different – an explanation of the currents and flows of the foodservice sector and its supply chain, and insights into how the various sectors interact. With these insights you, the reader, will be better able to make the decisions that matter to you.

When you get into the book, you may be asking yourself after a few pages, 'Why all this emphasis on the retailing market?' The answer is that the media, and many suppliers, create a single entity that combines foodservice (eating out in restaurants, at work, in hotels and more) and food retailing (through grocers, supermarkets, independent food stores and the like). After all, they both provide food, don't they? Well, yes. But foodservice is perhaps more accurately called 'serviced food', a term referring to all meals provided outside the home. It's an ugly phrase, not easy to understand, which is why the Americans invented the word 'foodservice' twenty years ago or so. That term captures the spirit, if not the complete picture, of this diverse sector.

Food retailing is different as we shall see. And that's why suppliers who have a foot in both retail and foodservice camps need to be fully informed about their differences.

I have been researching the foodservice market for over thirty years. And I have been advising suppliers for almost all of that time. Although there are many people in the foodservice supply chain who know much – and in their chosen spheres they know more than me – the foodservice market in its totality, including its supply chain, suffers from a lack of knowledge and consequently suppliers have too many unreal expectations

of what they can expect from foodservice, and how to make progress in the sector.

Consequently, investment gets skewed and commitments get pulled prematurely. As a result, what is needed is clear analysis and, as I argue throughout this book, accurate information about what foodservice actually is and, given its nature, what results can be expected from it. From the early months of 2020, covid upended the restaurant sector, along with the rest of society globally. Although it did not change my views about the sector, and what makes it work, I have learned a bit more and I have added those learnings in the following pages.

Over the years, I have attended network sessions, conferences, client meetings, and presentations without number. I have read articles, academic papers, magazines, blogs, and tweets. I have been involved in phone calls and briefing sessions beyond counting. I have spoken to journalists, consultants, TV broadcasters, and academics. Each experience and each contact has contributed something to the store of my knowledge. And the names of the people I have worked with over the years, as colleagues, clients, and competitors are far too many to mention, but I have learned something from each of them. Individually I have learned small things – collectively I have learned much; my thanks go to everyone I have learned from. And in the pages that follow I will be sharing with you what I have learned.



The more you know about the foodservice market, the more likely you are to make a success of selling to it. This book will increase your knowledge significantly.

Peter Backman has decades of experience in the food service industry, helping companies sell as successfully to restaurants as they do to retail outlets. This book is based on his experience working with executives in fast-moving consumer goods companies who succeed in selling to retailers but struggle to replicate that success when they sell to restaurants and other operators in the foodservice sector.

While both retailers and restaurants buy food, only retailers sell food – restaurants also sell something else. Here, Backman goes into detail about the nature of this ‘something else’, why it is so fundamentally important and what it means for people who supply food and the myriad other products that foodservice operators buy and use every day.

About the Author:

Peter is an expert on the structure and dynamics of the foodservice sector and its supply chain, in the UK, and across Europe and north America. He runs his eponymous consultancy in London from where he enlightens senior executives and other people around the world who make significant decisions in the foodservice sector including investors, operators, and suppliers.

His forthright and challenging views are based on data-driven insights – as a former scientist his view is “if you can’t measure it, it doesn’t exist”. Involved as a researcher and consultant within the sector for over 30 years, he has a deep understanding of the trends, key players, and challenges of organisations with an interest in foodservice.

www.peterbackmanfs.com

political  animal
P R E S S

