

PRESIDENTS QUARTERLY

The Crossroads of Conversation in the Industry



35 Years of Community

When you received this Presidents Quarterly, I hope that you are on your way to Connecticut and that I will have the opportunity to say hello in person at our 35th anniversary conference. It goes without saying this will be a special event and it is very special to me to have been your President during our 35th year as a Society. SHFM is more than a group of extremely dedicated professionals. It is a tight knit community of colleagues and friends. A community that gives willingly its knowledge and experience, extending the best kind of hospitality long before we added the "H".

It has been my pleasure to serve as your President this year and I hope that you will raise your glass no matter where you are to toast not only the past 35 years of SHFM but also our future.

Sincerely,

A handwritten signature in black ink that reads "Sabrina".

Sabrina Capannola | President



CORPORATE INSIGHT: TRACY KELLY
DIRECTOR OF STRATEGIC PLANNING | SODEXO, INC.

How has your Company incorporated environmental responsibility within recent years?

Reducing Costs by Reducing Waste

Having embraced the mission to positively impact the environment for those whom we serve daily, we have helped companies to improve sustainability performance, reduce costs, and create healthier, more comfortable indoor environments for their employees through our energy and waste reduction services. In fact, 81% of our North American accounts have now successfully reduced organic waste with equipment and process changes. And new food waste tracking methods have helped our teams to avoid more than 400 tons of pre-consumer food waste — that's the equivalent of a 747 airplane ready for take-off! — with recoverable food being given to people in need through Food Recovery Certified.



Supporting Sustainable Products and Environments Domestically

Sodexo has been recognized as best-in-class for social, environmental, and economic responsibility by the Dow Jones Sustainability Index every year for the past 10 years. Our programs work to better people's health, the planet and the communities we serve. Through our efforts to source products in support of our communities, 100% of fish and seafood being purchased for our accounts are now meeting our criteria for sustainable seafood, contributing to the long-term viability of these fishing communities. In addition, the 1,000,000 pounds of coffee that we purchased last year was fairly traded, promoting more sustainable environments and healthier communities where that coffee is grown.

What do you think creates the greatest challenge to corporate foodservice?

The Changing Corporate Real Estate Footprint

Without a doubt, the changing footprint of corporate real estate is presenting a real challenge to corporate foodservice, and a real opportunity, as well. As companies, particularly in major metropolitan areas, re-invent, re-allocate, and re-design their spaces to create workplace environments that are cost efficient, engage employees, and enhance productivity, they are frequently trading foodservice real estate for office space, meeting pods, or in some cases, even opting to embrace a smaller footprint overall.

For companies to attract and retain the best and brightest workforce and keep them operating at their peak regardless of the hours worked, dining and other amenities and services need to target, support, and promote employees' peak functioning and high satisfaction via creative, new solutions.

Our Micro Market Solutions, for example, have become an ideal foodservice solution when space is a constraint, having flexible build-outs from 150 to 4,000 square feet. With their self-automation and customized product ranges and space design, Micro Markets have gone a long way to ensure employee satisfaction and improve productivity and morale at hundreds of Fortune 500 companies, as well as health care, government and campus environments.

Where do you see the most opportunity to grow the industry?

Wellness Solutions

In my experience, industry growth, at any given time, can come from one of two possible opportunities—from the introduction of an innovative or brand new service or solution, or from a range of multiple, appealing choices offered concurrently and at affordable prices. In our industry today, a pressing growth opportunity revolves around the need that employers have to reduce health care costs. We felt it important to take this challenge very seriously, and in doing that, we created Mindful, our award-winning wellness solution focused on helping customers make healthy choices as though it were second nature. Mindful is built for success with hundreds of recipes using fresh, local ingredients; offers easy-to-use educational tools to help customers with modifications for more healthful eating; has interactive, integrated digital tools for wellness effectiveness; and has built a community with access to resources, articles and experts through a partnership with Rodale press (*Prevention*, *Women's Health*, *Running* magazines).

What is the most valuable part of doing business with Sodexo, Inc. for your customers?

Providing Solutions, Driving Outcomes

Our clients tell us that the most valuable part of doing business with us are the solutions that we bring to positively impact their business performance and the outcomes that we deliver for them through those solutions. As we all know, many companies, today, are facing significant challenges — like the battle for talent, employee engagement, human capital performance, the well-being of their workforce, the workplace of the future, efficient use of resources, and energy management.

Whether the need is tailored menus and services for a specific population, C-Suite dining, reception services, and amenities, a holistic offer for achievement of wellness goals, or customized food waste and energy reduction tools, our approach is client-centric and results- focused. And once a solution is implemented, their employees' experiences are effectively driven and delivered by our diverse team members, through their daily interactions and through their passion for service, team spirit, and commitment to quality.

Please share a good story about your early foodservice career that still serves you well today.

My first role in foodservice was as a Catering Coordinator for a special events catering company. During my first several weeks in that position, I was introduced to a myriad of forms and formats, all of which were designed to guide the costing, planning, administration, and execution of each and every aspect of an event — whether large or small. While some might think that this sounds a bit over-engineered, I quickly learned the value of such an approach.

While preparing for a black tie, 700-guest seated dinner at Lincoln Center, the collection of seemingly endless details to nail down was almost overwhelming. My colleagues, who had already experienced this magnitude and pioneered this formal planning approach, had a favorite phrase: “If you plan an event to the nth degree and share all of the details with the team ahead of time, once at the event, the staff will already be primed and able to move forward quickly to ensure that the event happens perfectly... because without a doubt, the devil is always in the details!”

The devil is in the details — is a concept that I have worked to consistently embrace since the evening of that catered dinner. And over time, whether I have been challenged to plan a client event, a dinner for a Presidential candidate, a shopping center opening, or prepare for an account presentation, a briefing for a client, or a report to the SHFM Board, I have always held onto that first lesson I learned about planning ahead to ensure success. Because, as author, Alan Lakein, has frequently told us, “Failing to plan is planning to fail.” So, let's embrace those details!

Tracy Kelly | Director of Strategic Planning | Sodexo, Inc.

What are your goals as the (still relatively) new President for SNA?

We've just completed a new strategic plan. My goal is to focus on strategies that help SNA achieve its goals and the goals of our members in the process. This includes looking at our current governance and staffing structure to assure both are aligned to achieve our mission of advancing school meal programs through education and advocacy.

Are there any new benefits or features your association has introduced lately?

SNA has launched a new, more robust website to help our members navigate the resources and tools they need to provide excellent programs. We have also launched the new, updated Keys to Excellence that includes an online benchmarking tool to help members see how their program compares to other programs of similar size and characteristics.

What is a common challenge within your industry?

Controlling costs and getting picky kids to choose and enjoy healthy foods.

What legacy would you like to leave from being SNA's President?

I want to be remembered for representing all of our members; for being a leader with a commitment to our programs and the courage to stand up for what's right.

What is the best meal you've ever eaten?

I love to eat and have enjoyed many wonderful meals. The best are the ones that were prepared by mother and enjoyed by the entire family, including my dad, sister and three brothers, each evening when I was growing up!



Julia O. Bauscher, SNS | President | School Nutrition Association

SHFM INSIGHT: NEIL REYER
PRINCIPAL | FOOD FLAIR

What do you see as the biggest challenge facing corporate foodservice and work place hospitality in today's business climate?

When I entered the world of employee foodservice in the late 70's I found no evidence of any operating structure or philosophy to follow. With the exception of some periodic "suggestions" from the folks in HR, I was pretty much left alone. Nobody understood foodservice, nobody knew what I did, and nobody seemed to care.

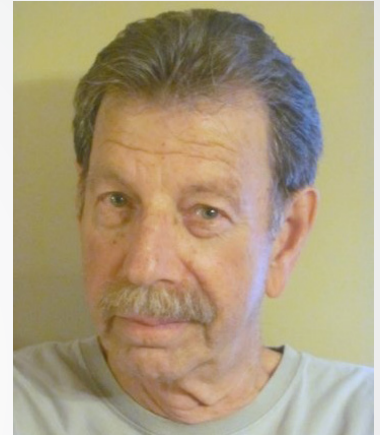
Then the game changer came. It began with a short recession from January to June 1980, followed by a 16 month economic contraction from 1981 through 1982 - making it the longest recession since WWII. This was the wake up call to a new reality that **permanently** changed the way most of corporate America viewed, managed and treated employee foodservice programs.

From my vantage point the fallout from the recession was intense and immediate as evidenced by the sudden need to scrutinize and value-analyze any and all corporate benefit programs and non-mission related adjunct services. It was a call to action for those of us in targeted areas. Yes, there were draconian actions taken like job eliminations, shedding of marginal businesses, and facility closings, but recessions do that...they force efficiency where it didn't exist and create new and better ways to operate. *This was all good stuff.*

Post-recession job security was dependent upon how quickly we were able to turn our food service program into an efficient, financially viable and responsibly managed business. A retail mindset took root, resulting in what I characterized as the "*de-institutionalization of institutional foodservice*". Years of providing fix priced entrées for under \$2.00 gave way to flexible and realistic pricing. The plat du jour no longer featured round turkey or square fish, instead the employee customers who now voted with their dollars were the recipients of greatly improved quality and an employer that cared about and took an active interest in employee foodservice. It was the start of a transformational era for employee dining. For me and my team it was an opportunity to build a truly outstanding and eventually award winning, *(thank you very much bad economy)* dining service program.

And now the challenge that you face every of day of every year — ***the biggest challenge is to insure that the business you operate is always relevant and cost effective and forever convincing your employer of that.*** You meet this challenge by ***totally embracing, living and confirming the validity of the axiom that the only constant in what you do is change, and that such change is (1) always for the better; (2) is anticipatory not reactive, and (3) aligned with and in support of your employer's objectives.*** Lowe's new motto succinctly says it all: ***Never stop improving.***

That's it. And congratulations because from what I see and read, dining service operators everywhere are making each day of feeding fellow employees better than the day before.



In what ways has the association grown/stayed consistent since your Presidency?

One of the things I cited in question #1 was the need to be *anticipatory* in addressing change. The Society has been a master of that attribute by demonstrating an uncanny ability to see around corners and taking the necessary action to adapt to whatever new environment materializes. Associations are like living organisms that die if they fail to adapt to a changing environment. The Society is unique in that the membership creates the very environment to which it has to adapt. So let restate that corporate America is driven by the economy and corporate dining is in turn driven by corporate America, ergo **anything impacting corporate dining will affect the Society**.

The end of my presidency in 1989 marked the end of the beginning of the great transformational change to our segment of the foodservice industry. I truly believe that the decade of the 80's established the foundation for the current state of the Society and our segment of the foodservice industry. The first ten years of the association marked a period of building an organization with the educational networking capability and capacity to support the professional needs of those who were totally immersed in the recession driven change that was taking place. The Society truly became the prime go-to resource for knowledge based information on every imaginable foodservice subject that the membership might require.

This founding decade was one of great growth in terms of expansive membership and the financial stability that allowed for many more continuing educational networking programs. As I recall, near the end of the decade we had some 1,500 members, most of whom represented the liaison constituency and self-operators with a growing presence of associate members. It was a time when the demand for knowledge was so great that we had two national conferences — one in the spring; one in the fall. In the 90's, corporate dining was still evolving through continuous menu and facility upgrades, and at the same time there was great consolidation among the contract management companies resulting in limited choice for client companies. We also witnessed a period of increased non-foodservice support service responsibilities added to the job descriptions of many corporate foodservice directors, so new programming had to be addressed. More change meant more adaptation; more often. The Society altered the charter as often as necessary to be more inclusive. The organization, like the membership it represents, was and is continually challenged to remain relevant.

Over the last several years the Society has learned that its strength and viability as ever changing organization is not centered in the number of members, but in the quality of its membership as measured by their active participation, dedication and commitment. I credit every past Board and their members for maintaining consistently high standards for educational networking programs despite significant changes to the size of the membership. Future growth will be built on the continuing readiness of the Society to embrace anticipatory *change-for-the-better* and produce programs that will attract quality not quantity during the membership drives.

Finally the Society's ability to favorably time the market when it comes to making bold decisions is a reflection of the continuum of courageous leadership. When it was time to tweak the brand without damaging it, Society leadership offered up a name change for member consideration. The time was right for fine tuning the organization's identity. I believe the new name will increase Society reach into new venues and attract quality candidates as a residual benefit.

Looking back, is there anything you would have done differently?

I was fortunate to have received many kind letters after my time as President. Based on that type of positive feedback and on the joy of the experience, I would have to say "No". I would not do anything differently.

How has your professional role change since your 1988-1989 year of Presidency?

At the time that I gave up the gavel I was 47, and one, if not the oldest departing president in the Society's history. At that age I was well established in my career and realistically had no expectations of climbing up the corporate ladder two rungs at time. Like most past presidents, I got my 15 minutes of fame and went back to work.

Two years later, however, I was in a quagmire of uncertainty and insecurity as I struggled my way through the first of three bank mergers. Nothing, not even the leadership experience I had as the President of SFM prepared me for the anxiety and insecurity that was so much a part of the merger process. I survived that first merger and went on to cause pain to others, who, through no fault of their own were categorized as redundant and thus "packaged out". After a year and a half of consolidation, I celebrated its completion and got back into the real work of running corporate dining services.

Just when I thought everything was back to normal, a second merger happened in 1996; then a third in 2000. I began to feel that I was going to work for every bank in New York City without ever leaving my office. I promised myself that I would not go through any more mergers, and was confident that the government would not allow any more anyway, so I relaxed.

Wrong! In 2004 it happened it again; this was one merger too many for me. I decided that at the age of 62, having spent 40 years in almost every facet of the food service business, from hotels, to airlines, to restaurants, that it was time to retire.

I was out of there like the Road Runner in a cloud of dust. No fanfare, no good-bye gift, no good-bye party...just good-bye. I retired after 27 years in the hospitality business.

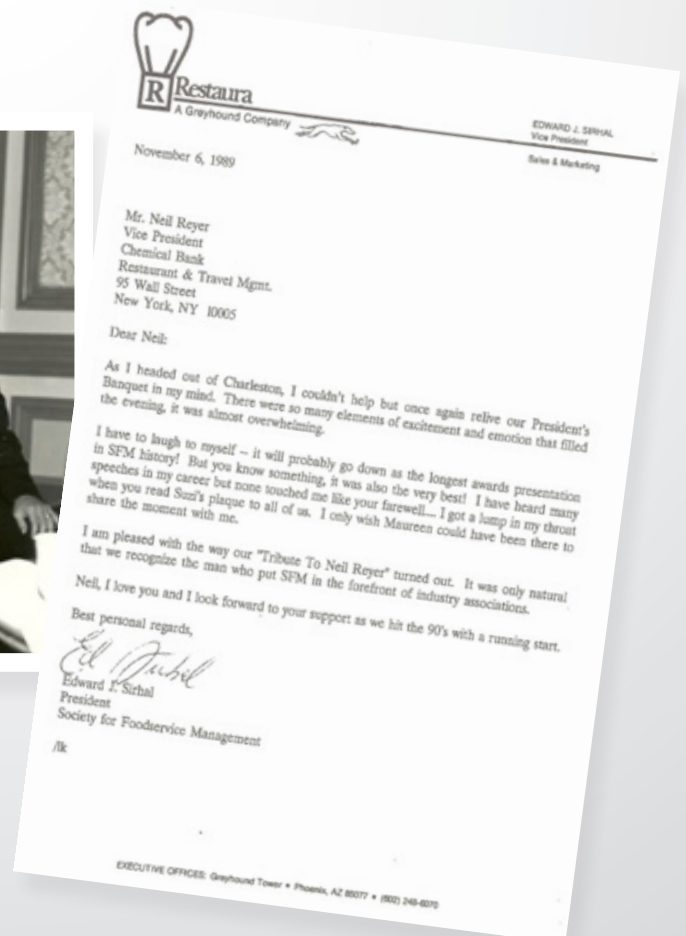
As Frank Sinatra so wonderfully put it... *I did it my way.*

What is your most fond memory that year?

This is an easy question. During my last formal banquet at the 1989 national conference, which was held at the Omni Hotel in Charleston, South Carolina, I was honored to receive an exceptional, surprise gift from a great friend and industry colleague to whom I was about to transfer the Presidential gavel. It was an honor that no previous outgoing President before me or since has ever received.

The person that presented the gift is someone I've respected and admired for years -Ed Sirhal, President of Restaurant Associates. And the gift, well- you had to be there, but Ed had secretly contacted my wife who supplied him with almost every family photo of my existence from infancy to the Presidency. With a packed ballroom, Ed raised the curtain on an incredible multi-slide video presentation of the life and times of Neil Reyer. It was, for me, an over-the-top tribute and a teary eyed moment to be honored in such a fashion. Ed's letter and photo of me watching the presentation with (L-R) Mike Barclay, David Schick, Dan Maye, my wife Suzi and of course, the very special Ed Sirhal, speaks volumes about this unforgettable evening.

Neil Reyer | Principal | Food Flair





UPCOMING EVENTS

NATIONAL CONFERENCE

November 4–6

Mohegan Sun, CT

NAPLES 45 – INDUSTRY NETWORKING RECEPTION

Monday, November 10

New York City, NY

HOLIDAY NETWORKING PARTY

Tuesday, December 9

New York City, NY

CHARLOTTE HOLIDAY PARTY

Wednesday, December 10

Charlotte, NC

