



Getting the Most from Your Cooking Equipment



Removing Barriers for Improved Profitability

by Tom Stroozas - CFE, RCGC, CFSP
Manager – Commercial Marketing
Piedmont Natural Gas

Have you ever heard the old saying, “We have met the enemy and it is us”? Often a hard pill to swallow, but many times so true, as we get caught up in the old routine ways of doing things just because they have become habits, and as we all know, sometimes old habits can be hard to break. Then one day someone approaches us with what seems to be an epiphany, and we find that change can indeed be good. Realizing this, we find ourselves embracing these changes and removing barriers for improved profitability!

At a recent gas industry sponsored conference, breakout sessions were facilitated for the national account foodservice market segments. The breakout demographics consisted of gas utility representatives, foodservice operators, equipment manufacturers and end-use consultants. This format constituted a good mix to share ideas and discuss ways to develop synergies for improving mutual profitability.

Identifying key barriers for business improvement has a tendency to take on “false reasons”, depending on what side of the fence you’re on. But, with this varied mix of participants, we were able to identify the biggest barriers and discuss possible solutions to removing them. So, for the sake of this article as an executive summary, let’s focus on the top four, as these common barriers provide some real challenges.

Top Four Barriers

1. Aversions to trying new types of equipment and technologies due to existing corporate specs and/or uncertainties about the element of risk involved.
2. Questions on equipment performance data.
3. Split incentive programs within national accounts relative to their internal construction

department’s objective to build at lowest cost and the operations department’s charge to manage day to day costs of operating the facility.

4. Return on Investment (ROI) uncertainty.

#1 – New Equipment Aversions

- Communication is the key to removing this barrier. Gas utilities can take a lead here by helping to share success stories about what they do with national account foodservice customers within various service regions of the country. If, for example, a utility in the Northwest assists a customer to develop a better and more profitable way of doing a prescribed task, let it be known to the rest of the industry so that best



practices can be shared with other national accounts. In much the same way, operators of chains need to inform their internal peers of changes they’ve made that improved their operation.

- Since utilities are more apt to have ongoing relationships with the Department of Energy (DOE), they can help increase awareness of DOE and its programs that benefit end-use customers, such as the Energy Star criteria for energy

efficient equipment. This can go a long way to fostering better customer relations.

- Establish a joint foodservice customer and utility consortium. This group of customer and industry experts can provide that important “customer component” to help validate (or invalidate) projects and technologies. This may lead to greater acceptance by other risk adverse customers and can save time and other valuable resources for manufacturers as well.

- The gas industry (LDC’s and related trades) can opt to fund new equipment technologies in select “test store” markets. This type of funding is not a new approach as many equipment field tests in various forms have been commonplace for years. But solid and reliable results have not always been shared as a potential best practice for the industry to promote.

#2 – Equipment Performance Data

- Through the gas industry's National Accounts Energy Alliance (NAEA), www.napartners.com and the Gas Foodservice Equipment Network, www.gfen.info, meetings can be orchestrated with national accounts to determine what types of equipment performance data is needed and then provide it. The Food Service Technology Center, www.fishnick.com, in conjunction with the ASTM International (ASTM), www.astm.org, has done much in that arena to substantiate the performance issues of numerous types of foodservice equipment.

- Create a “gas industry approved” equipment program that will provide data relative to equipment performance. This can enhance the current third party certification that addresses product safety issues. Although safety is certainly paramount, the issue of how well a piece of equipment stacks up in terms of performance and production is equally important to the bottom line.

- Equipment manufacturers can improve their credibility with end-users by having their equipment performance certified by third parties, within various performance categories, and then have that data readily available for consumer review.

- Standardize equipment testing by using ASTM test methods and provide easy consumer access to performance data for various pieces of cooking and other in-store systems (HVAC, POS, energy management, water heating, etc.). Across the board collaboration here will help improve data performance integrity.

#3 – Split Incentive Programs

- Incorporate a benchmarking system to review equipment performance data that will help elevate energy efficiency standards for all types of facility equipment, i.e. cooking, water heating, HVAC, lighting, refrigeration, etc.

- National account foodservice customers can incorporate realistic incentive bonuses, above or below the line, within their organizations, to provide greater synergy between the construction phase and the operation phase. This may help improve ultimate long term profits for the operator.

- Educate the internal operations group as to why they may experience higher day-to-day operation costs due to construction team decisions. What looks like a good idea at the “foundation level” may prove to be an operators’ nightmare due to production problems, equipment logistics, etc.

#4 – ROI Uncertainty

- Standardize the equipment return on investment formula using inputs for utility rates (gas and electric) for different regions of the country. In this way customers can easily conduct up-to-date energy analysis to improve forecasting and budget issues.

- Improve the methods of identifying the advantages of new equipment and technologies and then sharing with other internal business partners; i.e construction, accounting, purchasing, energy management, etc. So often key decision-makers within a large national account see and believe in the merits of a particular product or service but are “shot down” by others within their organization who do not share the same long term vision of new ideas.

So, what does this all mean? Simply put, if we all work together as a team, even though we are on different sides of the fence, we can remove these barriers and improve our profitability – utilities, manufacturers and foodservice operators alike. Remember what it means to be on the same TEAM — Together Everyone Achieves More.



If you are interested in learning more about how GFEN can assist you with bottom line improvements, log on to www.gfen.info and look for the directory of participating natural gas companies or you may email tom.stroozas@piedmontng.com or phone me at 704-731-4357.
