100th Guild Council

Strategy for Guild Catering

July 2013 and Beyond
Introduction

Guild Catering is a full service caterer. It operates nine retail catering outlets, manages one permanent subcontractor (with another one under negotiation), manages mobile catering vendors, manages vending machines and provides function services throughout the campus. Providing catering services to students is core business for the Guild. The Guild also recognises its fundamental obligation towards the University Community. Guild Council ultimately has a responsibility to set policies, strategies and targets that guide the direction of Guild Catering. The Guild Catering Division is empowered to implement those strategies and policies and is accountable to Council for achieving targets.

The results of surveys, student forums and anecdotal evidence suggests that prior to 2013 Guild Catering had not "kept up" with changes in the expectations of students and the University community as a whole. The Guild acknowledges that there has been a lack of consistent strategic and operational planning and policy guidance over recent years. As a result, the 2013 UWA Student Guild Future Directions paper identified that:

“A full scale review of the front-end and back-end aspects of our operations will deliver a business model which provides excellent food and drink and a balance between student control, competitive market forces and a stable revenue stream.”

In the first half of 2013, this review was carried out under the supervision of a small ‘Catering Review Team’ consisting of the Guild President, the Guild Treasurer and the Guild Managing Director. The review involved two components:

1. A Report from the General Manager of a National Association representing campus service providers: Tertiary Access Group (TAG). This provided insights on national trends in catering service provision at other major Australian campuses and assessed where the UWA Guild Catering services were positioned compared to those trends. The report included feedback from staff and student forums facilitated by TAG.
2. A review into the Guild Catering Business Model options, with a particular focus on our functions model. This review included a report from by an independent catering consultant with relevant experience in the WA catering industry.

The Executive considered information and recommendations from the reports (above) to develop the Strategy for Guild Catering.

This paper sets out and clarifies the future pathway for Guild Catering. It outlines the business model, the principles and the policy settings we are guided by and establishes a plan of action.

Part One - Guild Catering Business Model

The future of Guild functions catering

The independent consultant’s review (mentioned above) considered two Business Model options for the Guild’s involvement in the Functions services business. The two options were:

1. To be an active functions service provider throughout campus *
2. To withdraw from the functions services business

*(Note: after the review commenced in January 2013 the Guild lost functions turnover business of approximately $230K (or 20% of total Guild functions turnover) at the Business School building. This business was transferred to the University Club soon after the Guild’s Business Café business was transferred to the University Club).

Option 1 is the recommended option

The independent catering consultant has recommended that the Guild remain an active function service provider throughout campus. The consultant also recommended
various operational/system changes to effectively monitor and sustain the viability and profitability of the function services operation.

The consultant’s view is that there is a clear opportunity for a viable functions business and that the retention of the functions component can provide enhanced capacity and capability for the whole Guild Catering Business Model.

The Managing and Catering Director support the consultant’s view on the proviso that the Functions business is profitable and therefore effectively contributes to Guild Catering net profit targets. The Directors also support the inherent value and benefits of having the Guild (as a University partner) deliver Function services to the University community and to directly support student related functions/events.

**National Catering Business Models (Retail and Functions)**

Not surprisingly, there are a variety of Catering Business Models throughout national campuses. Each campus is different and there is a wide variety of structures of entities that deliver or oversee delivery of catering services.

The most common model on a national basis includes a student body is as follows:

- Providing some level of functions services business
- Providing and managing the majority of catering retail services (including vending)
- Engaging independent contractors to provide catering services

This model has a variety of weightings of internally run operations and contractor run operations. Over a longer period the overall trend has seen a gradual move to increase the level of contractors used, however the internal operations remain the major proportion. The consistent and successful contractors have been small operators or selected medium size (branded) contractors (such as Subway).

The student and “non student” client groups have some similar and many different catering service expectations. Each client groups requires catering services at different styles, levels and times. The combination of our student and “non-student” clients in both our Functions and Retail businesses generate synergies to Guild Catering that help maintain the capacity and capability to meet the many different catering service requirements.
The proposed business model for Guild Catering is as follows:

1. Full campus catering services including Retail outlets, Functions services and vending
2. Guild managed internal operations with the option to engage contractors for delivery of catering services.
3. Guild manages the independent contractors and coordinates the overall catering services delivered on campus to ensure consistent and coordinated delivery.
4. Maintain majority “weighting” of internally run services but increase contractor provided services from existing levels.
5. “Mobile Retail catering”
6. Vending

“Flexibility to engage contractors (including mobile operators)”

Business Model Benefits:

1. Student connection - Catering services to students are managed by a student led organisation
2. Responsiveness – Through the Student Representative structure, the Guild is constantly “tuned” into student changing needs/preferences and through this mixed model can respond quickly.
3. Responsibility – as an internally managed service the “expectations” for a variety of catering options can be implemented by the Guild as a direct strategic partner of the University. (eg. Healthy options, dietary requirements)
4. Complimentary services - Catering service delivery is integrated with the delivery of other services by the Guild. (ie. The Guild as a service provider can coordinate the delivery of one service to support the other)
5. Flexibility – the flexibility to engage contractors (including Mobile operators) or to use internal operations. Maintain flexibility and capacity to service special events and take up opportunities for growth.
6. Competition – The use of contractors creates a “competitive” environment for the internal operations.
7. Financial contribution - Several income sources give some flexibility in meeting financial targets. Income from internal operations, contractors, mobile operators, vending, functions and property associated returns (eg ATM’s in catering outlets)

8. Synergies and economies of scale - from conducting both Retail and Function services.

PROPOSAL: The Guild Catering Business Model will have Guild managed Catering Services including Retail and Function services. A portion of these services will be provided via contractors that are managed by the Guild.

Part Two - Framework of the Guild’s Future Business Model

Under the framework of the above Business Model the following items will be outlined:

- The Principles that guide Guild Catering
- The existing operating policy settings
- The Retail and Functions plan
- The Action Plan and timelines

Guiding Principles for Guild Catering

- Guild Catering is run as a commercial and profitable business, subject to policy direction by Guild Council (as per Council resolution passed in February 2013)
- Policy settings are aimed at providing a broad range of Catering Service benefits that are unlikely to be consistently available from alternative providers.
- Policy financial impacts to be continually assessed and monitored.
- Financial targets – Catering Division to provide a net profit (after depreciation) on cash sales of a minimum of 5%.
  - This recognises a balanced outcome where the Guild must establish a Catering Income base to support its financial independence and to ensure it works within policy settings that direct benefits to students.
- Adopting a competitive approach and recognising other operators and their place in the market (eg. Broadway shops, University Club, contractors, other function service providers).
- Listen to and gather student feedback
- Listen to staff (and the whole University Community) and gather feedback
- Manage functions business to maintain a viable and sustainable level that contributes to financial targets and allows opportunity for growth.
- Functions business to “support” student events/functions whilst ensuring financial targets are not compromised.
- Quality to meet the market expectations for the particular catering service delivered
- Value for money catering services – competitive with similar campuses and
“near” campus operators
- Meet expectations of various catering service needs - (eg Healthy options, dietary requirements)
- Best endeavours to adopt environmentally sustainable practices
- Best endeavours to adopt Corporate Social Responsibility practices (eg fairtrade)
- Foodsafe and Workplace Health and Safety as a priority
- Student employment and their skill development as a priority
- Student Welfare – maintain a range of low price meal options
- Responsive and flexible - respond to changing expectations
- Initiatives – new catering initiatives will be presented every semester
- Cyclical outlet refurbishment or development. Target range every 5-10yrs
- Use contractors to expand and/or supplement internal catering services
- Use contractors to provide “specialised” or “branded” catering services
- Use mobile catering services and vending to extent the network of delivery of catering services.

“Focus on delivery of appropriate catering services to meet diverse needs”

Process for Guild Council to provide policy directions
One of the key advantages of Guild-operated catering is its close relationship to student representatives, clubs and societies. However, it is important that policy direction from Guild Council is coherently communicated and made with the benefit of sound commercial advice. The following process is proposed for the governance of Guild Catering
- Unless otherwise provided by Guild Council, the Guild Catering Director will run catering for commercial purposes with the 5% return target in mind.
- Where broad policy direction has been provided, the Catering Director and Managing Director will be proactive in providing proposals to Guild Council and its relevant committees for consideration.
- Detailed policy directions will be discussed at either the Catering Committee
(catering operations) or the Finance and Planning Committee (financial and investment matters with respect to catering) in consultation with the Directors. Recommendations will then be presented to Guild Council for endorsement.

- All successful policy directives will be compiled in a “Guild Catering Policy Schedule” which will be reviewed every year to maximise cost-effectiveness

Retail Plan
The essential characteristics of the Guild Retail Plan are :-

- The Guild will continue to progressively move away from a homogenous “full cafeteria style” offered at all Guild outlets to more “specialised offerings at each individual outlet”.
- The Guild will present a schedule (Schedule A) to refurbish or develop one existing catering outlet (outside of Guild Village) over the next 3 years (2014 to 2016). The first priority outlet will be Hackett café. The Guild will seek to work in partnership with the University to plan and prioritise these refurbishments or developments.
- The current Masterplanning process will incorporate the Guild Village facilities and acknowledge the Retail Outlet refurbishment plans (see Schedule A).
- The Guild will recognise and support the approach that the majority of catering outlets are not just a place to consume or be served food and beverage, but are an important part of the “social infrastructure” of campus (especially for students) and in many instances are a place of study. Optimise the use of catering outlet floorspace to support this approach and to deliver appropriate financial outcomes.
- The Guild will seek new opportunities for Retail outlets on or around campus, especially those that service students. The Guild will seek to work in partnership with the University in these opportunities. The successful “partnership” model between Guild and University that was used (in 2010) to develop the popular Science Library Café is an option.
- The Guild will selectively use contractors to provide specialised or “branded” catering services where they are assessed as the preferred way to deliver those services.
- The Guild will (where practicable), expand operating hours and/or the provision of catering services that recognise the profile of University “operating hours”.
- The Guild will continue and expand the use of Mobile Catering to extend the catering delivery network, to improve service delivery in peak periods and to provide regular new product offerings.
- The Guild will focus on delivery of appropriate catering services to meet diverse needs - eg. dietary requirements, Halal, healthy options
Functions Plan

- The Guild will provide functions/mobile catering services to the student clubs and university community and incorporate the operational recommendations from the Guild review of function services.
- The Guild Catering Division will conduct feedback surveys using university and or independent specialist contractors to obtain the contemporary food and beverage requirements of the university community on an annual basis.
- The Guild Catering Division will conduct similar feedback surveys using internal resources to assess the contemporary food and beverage requirements of the student community.
- The Guild will invest in feedback mechanisms on a day to day basis on food quality and delivery service and will be proactive to the requirements of students and the university.
- The Guild will prepare standard menus either on a composite or individual basis to service and meet the requirements of students and the University community.
- The Catering Division will be resourced sufficiently to be available to assist in developing and dealing with special events for the students and the university.
- The Guild will consider the university community as a high end user of its services and position itself to meet the demands by investing in modern equipment and contemporary personnel.
- The Guild will look for opportunities with the cooperation of the university, to set up function areas within the retail outlets or university buildings (example satellite kitchens and functions area) to deliver its products and services.
- The Guild Catering Division will use the synergies created from this operation to progressively re-enter 3rdparty corporate functions market to improve profitability.
<table>
<thead>
<tr>
<th>ITEM</th>
<th>ACTION</th>
<th>COMMENT</th>
<th>SHORT TERM (Complete)</th>
<th>MED. TERM</th>
<th>LONG TERM</th>
</tr>
</thead>
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<td>Capital funding</td>
<td>Pursue all possible funding sources to support refurbishment plans.</td>
<td>The Guild Village Masterplan and the 3 priority outlets as per Schedule A have been submitted to University 10 year capital plan.</td>
<td>Part SSAF capex allocation used for new Dentistry Kiosk (2013). Guild internal funding – Refectory Refurbishment (2013)</td>
<td>Pursue funding sources, including Internal cashflow, University sources, Guild Fundraising Foundation option and other external support options.</td>
<td>2014 and ongoing</td>
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<td>Functions</td>
<td>Implement Functions Plan (above) and contribute to Profitability target.</td>
<td>Kitchen/Function Staff numbers have been reduced over last 8 months up to July 2013 via natural attrition or redundancy.</td>
<td>Continual Review to ensure financial and customer service outcomes are being achieved.</td>
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<td>A focus by Student Representatives and Guild Staff at all levels.</td>
<td>Continue close collaboration as we follow Catering Strategy</td>
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<td>Extend operating hours</td>
<td>Listen to client feedback and continually look for opportunities.</td>
<td>Feedback via Guild Student Representatives, UWA staff via surveys and forums etc</td>
<td>Refectory hours have been increased within Semester. Coffee Spot now open in exam periods</td>
<td>Subway will operate extra hours. Including weekend option.</td>
<td>Reid and Hackett expansion in line with development</td>
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<td>University Partnership</td>
<td>Develop closer links and collaboration with the University</td>
<td>A focus by Student Representatives and Guild Staff at all levels.</td>
<td>Regular contact via SLA, masterplan Refurbishment, Mobile Catering strategy, health and well being etc.</td>
<td>Continue close collaboration as we follow Catering Strategy</td>
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<tr>
<td>Use of contractors</td>
<td>Continual assessment of where contractors are best used within Guild Business Model.</td>
<td>Guild Catering to secure and receive all property income generated.</td>
<td>Rocketfuel trial was success and now long term.</td>
<td>Subway negotiation and outlet feasibility underway.</td>
<td>Ongoing. May include some contractor component in Reid and Hackett development proposals.</td>
</tr>
<tr>
<td>Mobile Catering</td>
<td>Develop future operational plans with University to establish designated “Serviced locations around campus”</td>
<td>Also called “pop up catering”. Takes catering “to the people” and complements fixed outlets (especially in peak times).</td>
<td>Mobile Trials – wood fire pizza, Paella, Boost juice and Butty’s burger (2013). Very positive response from Students.</td>
<td>Formalise mobile catering as part of Guild operation and continually introduce new “offerings”</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Providing for diverse needs.</td>
<td>Continual focus on delivering appropriate catering services for diverse needs</td>
<td>Dietary needs and Halal.</td>
<td>Revised Halal product services and upgraded focus on dietary needs (eg staff training and labelling)</td>
<td>Develop options for enhanced Halal offerings (especially in amongst development and contractor considerations.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Healthy options</td>
<td>Continual focus on delivering healthy food options</td>
<td>2012 worked with UWA Health and Wellbeing to conduct “traffic Light assessment” of catering range</td>
<td>New Salad Bar and Made to Order Rolls/ sandwiches (with increased sales) 2013.</td>
<td>Subway has been accredited by UWA Health and Wellbeing as providing Healthy Options.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Catering Division – internal Guild connection</td>
<td>Develop closer connections between Catering and other Guild Divisions</td>
<td>Increased collaboration with other Divisions, mainly Memberships and Communications</td>
<td>Guild Consolidation projects relocates Catering Division Mgmt from separate offices to “whole of Guild” office.</td>
<td></td>
<td>Ongoing</td>
</tr>
<tr>
<td>Continual Review and planning</td>
<td>Regular reviews of progress on Catering strategy. Develop operational plans to support Strategy.</td>
<td>All Guild Divisions will assist in operational planning and provide support during implementation.</td>
<td>National report, Catering Review (mainly Functions), independent consultant report. Student/staff forums conducted.</td>
<td>Student surveys. Develop operational plans to support Catering Strategy implementation.</td>
<td>Review Catering Strategy progress</td>
</tr>
<tr>
<td>Promotion</td>
<td>Improve Guild Catering Client communication systems</td>
<td>Especially “non student” sectors of the University Community.</td>
<td>Promotion to all UWA staff for discounted coffee in Semester break</td>
<td>Develop an awareness campaign on Guild Catering services to UWA staff.</td>
<td>Ongoing</td>
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</tbody>
</table>
## SCHEDULE A - Retail outlet refurbishment plan/development status

<table>
<thead>
<tr>
<th>Retail Outlet</th>
<th>Refurbishment Plan/Development status</th>
<th>Timing</th>
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</thead>
<tbody>
<tr>
<td>Dentistry Kiosk</td>
<td>New outlet due to open. Replace mobile coffee cart.</td>
<td>July 2013</td>
</tr>
<tr>
<td>Hackett Café</td>
<td>Identified priority for development</td>
<td>2014/15</td>
</tr>
<tr>
<td>Reid Café</td>
<td>Identified priority for development (Guild is active in development discussions with the University for catering facilities on the northern side of Reid library ground level)</td>
<td>2015/16</td>
</tr>
<tr>
<td>Nedlands Café</td>
<td>Identified priority for development, pending precinct planning advice from the University</td>
<td>2015/16</td>
</tr>
<tr>
<td>Science Café</td>
<td>Successful and relatively new outlet with differentiated offering</td>
<td>In 2010</td>
</tr>
<tr>
<td>Refectory (main servery)</td>
<td>Differentiated offering - Refurbishment of servery areas – new burger section, new kebab section, new made to order rolls/sandwiches, new salad bar</td>
<td>In Feb 2013</td>
</tr>
<tr>
<td>Refectory (Coffee Spot/Sushi Bar)</td>
<td>Differentiated offering - New outlet – Separate branded Sushi area, new Bubble Tea, Coffee Bar upgrade</td>
<td>In Feb 2013</td>
</tr>
<tr>
<td>Rocketfuel (contractor)</td>
<td>New “branded” coffee and juice bar outlet. (This location was previously a Guild coffee bar)</td>
<td>In April 2012</td>
</tr>
<tr>
<td>Guild Village Café</td>
<td>Not recently refurbished **</td>
<td>In 2003</td>
</tr>
</tbody>
</table>

**Guild Village Facilities Masterplan – The Guild commenced a masterplanning process for the Guild Village precinct in May 2013. The future development of the outlets within this precinct will be determined in line with this Catering Strategy paper and the facilities masterplan. A pre-emptive move has been made in the Refectory - negotiations are underway with Subway to create an outlet within the Refectory. The Subway outlet is included in the Masterplan considerations. The Masterplan will consider the format and extent of any further “foodcourt” style development in the Refectory.**