

Don't Leave \$ on the Table!

Challenges we face currently:

- **Less Providers**
- **Fewer Staff**

- **Supply Chain Issues**
- **Limited Bandwidth**
- **Economic Uncertainty**
- **Rising Food Costs**



Disclaimer

- We are Not Legal Advisers
- Nor Financial Experts
- Please know your Local, State & Federal Laws
- Use your own Network of Professionals



Session Overview Objective: Be Open to New Ideas in Pricing



- Charging Correctly And Inclusively
- Understanding Profit Potential
- Bundled vs. Ala Carte Pricing
- Narrative Selling
- Execution Discovery
- Billing - Food, Beverage, Labor
- Fees - Office, Equipment, Delivery
- Out Of Scope Work
- Service Charges, Gratuities, % of Invoice Cost Ideas
- Premium Dates / Holiday Upcharge
- Other Ideas to Consider

Charging Correctly And Inclusively

- Know your Companies Actual Break Even Point
- Identify Ideal Clients for your Operation
 - Remember-Bad Business is **ALWAYS AVAILABLE!**
- Increase Revenue Streams within your Agreements
 - Food and Beverage
 - Labor / Delivery / Rentals (in house & external)
 - Entertainment / Guest Giveaways / Office Fees / Out of Scope Services
 - Coordination / Management Fees
 - What else ... ???



Understanding Profit Potential

7-8% is the National Average

Suggested target is DOUBLE or MORE

Leveraging COGS (Cost of Goods Sold)

Make PROFIT a COG in the proposal - Event production fee? Admin fee?

Strategies to increase profit potential

- Optimize pricing
- Improve customer retention
- Reduce overhead costs
- Diversify revenue streams
- Invest in marketing
- Engage employees
- Implement strong financial management
- Leverage data and analytics
- Foster innovation



Charging Correctly And Inclusively

Be A Creative Thinker (Sell Differently)

Don't Say NO – Charge for IT!

Upsell Concepts

- Farm to Table / Locavore Menus
- Zero Waste / Waste Management / Luxury Restrooms / Centerpieces
- Offer One Stop Shopping (Within Reason)
- Selling to Different Markets with Unique Differences & Outcomes
 - Social / Corporate / Non-Profits / Special Events



INNOVATION:

Finding a better way to meet clients' needs.

The 5 P's Create a better experience for your customers

1. **Product** - Change or update the product itself.
2. **Promotion** - Create a new offer or describe it differently
3. **Place** - Market the product or service in a way that is more convenient, engaging, or accessible.
4. **Price** - Lower it? Raise it? Package deals, payment plans
5. **People** - Change the people presenting

When a company is able to innovate in more than one area of the 5 P's, it creates geometric growth.



Billing Labor Correctly / Finding Additional Staffing

- Port to Port Charges for Off Premise
- Tiered Labor Fees
 - FOH Mgr / Chef or BOH Lead / Bar
 - On Site Support / Servers
- Internal Support Labor
 - Equipment Pulls / Truck Loaders
 - Warehouse/ DW / Set Up Crew
- Staffing Ideas
 - Bring a friend
 - Staff Sharing
 - Part Timers / Side Hustle \$
 - College Students / Teachers / Seniors



Billing Labor - Consideration

STAFFING

<u>Bartender</u>	14 Hourly \$25.00	\$350.00
<u>Bartender</u>	12 Hourly \$25.00	\$300.00
<u>Catering Chef</u>	14 Hourly \$25.00	\$350.00
<u>Catering Chef</u>	14 Hourly \$25.00	\$350.00
<u>Catering Chef</u>	14 Hourly \$25.00	\$350.00
<u>Event Manager</u>	2 Hourly \$30.00	\$60.00
<u>Event Manager</u>	14 Hourly \$30.00	\$420.00
<u>Server</u>	14 Hourly \$25.00	\$350.00
<u>Server</u>	12 Hourly \$25.00	\$300.00
<u>Server</u>	12 Hourly \$25.00	\$300.00
<u>Server</u>	12 Hourly \$25.00	\$300.00

TOTAL \$3430



Billing Labor - Narrative Selling vs. Line item Pricing

STAFFING

Your event team is carefully selected and rigorously trained to take care of your every need. To ensure your event's success we will staff accordingly with an Event Lead, Service Staff, Bartending, and Onsite Chefs

pre-event estimate \$5,145.00

*pre-event estimate, includes staffing for one bar location, additional staffing required for two bar locations



Set Them FREE

- We all have someone who is in our business who shouldn't be there anymore.
- Their energy is a **BLOCK** and weighs on your business like an anchor to the ocean floor.
- They most likely are in a key position and their affects are deeper than you realize.
- Let them go! Their absence will cause a vacuum in your business and your team will pull together to make it work! You business will be so much better off, and so will your TEAM!



Bundled vs. Ala Carte Pricing Ideas

Bundled Examples

- Service ware (Place settings)
- N/A Beverage Stations
- Small Plate Stations
- Pre-Pack Meals
 - Simpler Menu Plans
 - Boxed Lunches
- Equipment Packages
- Staffing



Ala Carte Pricing

- Custom Created Events
- Out of scope work
- Event Services (i.e. Garbage removal)
- Diversifies Profit Opportunity
- Additional Services (i.e. Rentals)
- Food Cost Protection Clause Inclusions
 - Supply Chain Disruptions
 - Substitution or Upcharge?
 - Market Conditions
 - Seasonality

Food and Beverage Billing Terms

- Specialty Menus - GF/ Vegan / DF / Vegetarian
- Catering Management Fee -
Special event for Tillamook Creamery
- Managing others commodities (Food or Beverage Management fee)
- When client provides some or all the ingredients- We should make the same margin or BETTER



Cost Plus Pricing Models

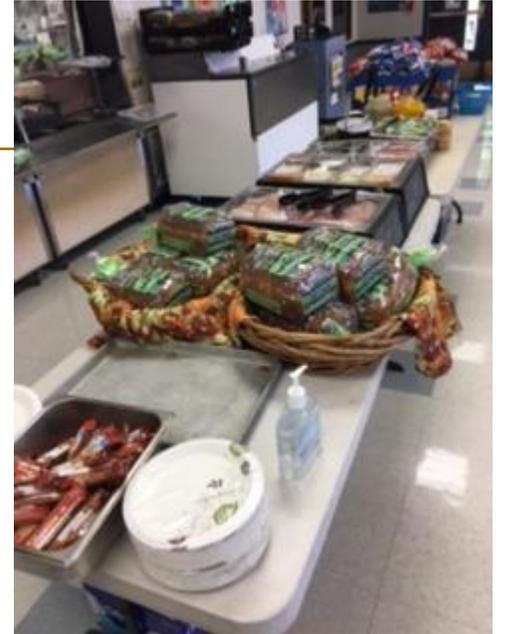
Greater Profit Potential because client assumes all COGS

- **Cost Plus Ideas** – i.e. Food Services for Large Cycling / Running / Sporting Events
- **Advantages Include:**
 - Client enjoys buying at your cost to help them meet budget
 - We Sell leveraging our purchasing power
 - Vendor Relationships (i.e. 10k Banana Request)
 - Client Outsourcing Food Services allows them to focus on their expertise (course management, rider safety, permitting, routing, first aid, hydration)



Cost Plus Billing Concepts

- Lunch Stops/ Finish Line Services for 300-1200
 - Cost of Product plus 25%
 - Office Time @ \$50-\$100 / Hour
 - Kitchen Time for Production @ \$50-150/Hour
 - On Site Labor Fees
 - Delivery Fees
 - Management fee of .50 -5.00 / Guest
 - Equipment Fee
 - Cleaning Fee
 - Event production Fee on all the Above @20%



Beverage Billing Ideas

- Bar/ Beverage Management Fee - Ice, liquor license, liability insurance, etc.
 - Corkage fee? **OR** Per Person Bar Management Fee?
 - Bar Management Fee Client Providing Beer & Wine
 - Bar Management Fee Client Providing Beer, Wine & 2 Specialty Cocktails
- **FIVE HOUR UNLIMITED BAR---FULL BAR \$39.99**
 - 5 Hour Service - Featuring West Coast and Pacific NW wines, local and domestic beer from our rotating selection, and standard liquor and mixers.



Transportation and Delivery Fees



- Consider Distance / Size / Complexity
 - By Zip Code
 - By Mile
 - Adding Fuel Surcharges
 - Specialty Use Delivery Fees (Refer Truck / Tapped Beer Trailer)
 - Time of Day (Traffic)
 - Support Staff Meeting on Site (Shuttle Cars)
 - Secondary or Supporting Vendors (Subs, Food Trucks, Restrooms, Garbage Removal)



Execution Discovery thru Site Visitations

- Know the Scope and Objective of the client
- Problem Solve Logistics / Offer Solutions
- Make Site Visits an Opportunity to Sell More
 - Charged or Inclusion?
 - Travel Time / Various Routes
- Beware of Challenging Spaces
 - Stairs / Vehicle Access / Secured Areas
- The Need for Food Quality Control (Field Kitchens)



Office Time Fee Considerations

- Beware of Time Traps (Weddings)
- Write Language that Supports Excess Billing (Transparency)
- PITA Factors
- Out of Scope / Specialty Work
- Valuing Administrative and Coordination Time
- Full-Service Event Planning



Out Of Scope Work (New Profit Centers?)

- Event Management / Coordination
 - Site Management
 - Food Trucks + Catering
 - Bussing, Bar Services, Garbage Etc.
- Servicing Specialty Events
 - Fun Run Hot Water / Soup Provider
 - Beer Garden (MGMT FEE) Sponsorships
 - Event Comptroller (Entry Gates)
 - Flat Fee based
 - Volume Bonus
 - Per Diem/Paid Parking
 - Bilingual Food Vendor Settlements



Out Of Scope Example (PDX Reopening)

- Event Management / Coordinate 3 events
 - Pizza & Beer Contractors Event (300)
 - Prepackaged Meal (600) Trials
 - 4K Bottled Water & 4K Snacks (1500)
- Challenges (Access)
 - Airport Security
 - Tarmac Delivery
 - Load In / Out
- Rewards
 - 65K of High Profit Revenue



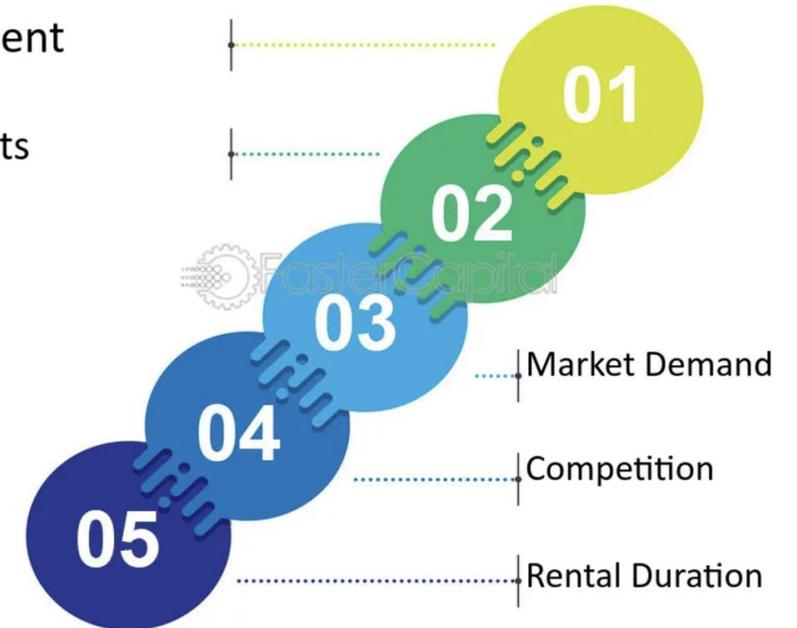
Equipment Fees / Rental UpCharging

- In House Equipment Charges
 - Added to Each Order
 - Per Item or Bundled
 - Pricing Models you can SET
 - 10's of Dollars to Thousand's!
- Rental Coordination Fees
 - Discount from Vendor (ASK)
 - Adding Coordination Fee %
 - Inclusion such as Delivery Fees
 - Where it sits on Your Invoice

Factors to Consider When Setting Equipment Utilization Fees

Type of Equipment

Maintenance Costs



Service Charges, Gratuities, and % of Invoice Cost (Event Production Fees)

- Know the Law!
- Could you Use ALL the Above?
- Clients Perceptions
- Can the House Keep Some of the Generated Revenue?
- What about Management?
- Where on the Invoice does this sit (What Inclusions?)
 - F&B / Entire Invoice / Certain Exclusions



Premium Dates / Holiday Upcharge / Minimums

- Using the Calendar to your Advantage
 - What is **YOUR** High Season
 - Do you Charge More for Holidays?
 - What is a Holiday - YOU decide!
 - Why or Why Not?
 - Do You Have the Staff Available?
 - Can you take Advantage of this?
 - Prepack Holiday Meals?
- Minimum Order Requirements
 - Are you getting enough \$ to put that Truck on the Road?
 - Do you Offer at your Location P/U?



Three Ways to Grow Your Business

10 / 10 / 10 or 20 / 20 / 20

1. Increase the number of customers (clients).
2. Increase the average transaction value.
3. Increase the frequency of repurchase — get more residual value out of each customer.

	# of clients	Average \$ per sale	Repurchase frequency	TOTAL
	100	\$1000	2	\$200,000
10%	110	\$1100	2.2	\$266,200 33.1%
20%	120	\$1200	2.4	\$345,600 72.8%

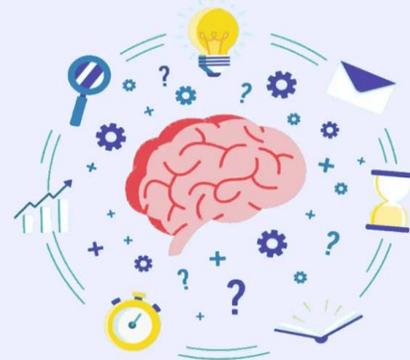
Other Ideas to Consider = More Profit!

- Collaborative Ventures with Other Caterers
 - Referral Fees or Reciprocal Arrangements
- Offer a Sustainability Charge for Eco Minded Clientele (Zero Waste)
- Interactive Classes or Culinary Experience Pricing Tiers based on Service levels (Simple to Elaborate)
- Product Lines of YOUR Brand
- **Pay Days and OT**
- Pop Ups
- Paid Consultation w/o Execution
- If We Touch it - Line Item it!



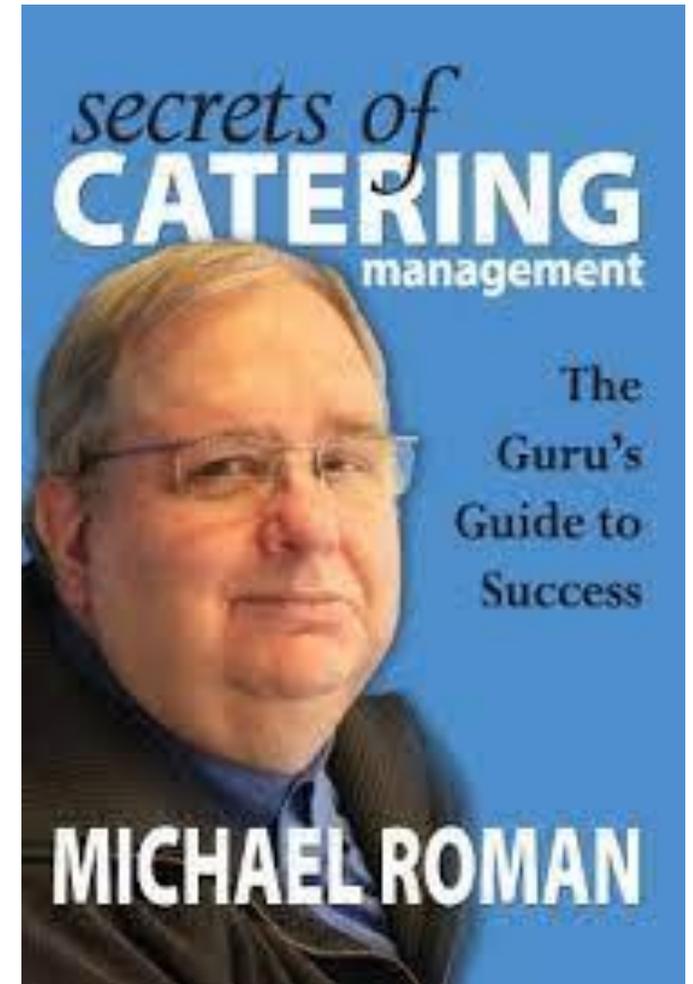
80% of Success is Psychology 20% is Mechanics / Strategy

- Where is your mindset?
- What you focus on - YOU GET!
- The quality of answer you get is determined by the quality of your question!
- Ask a bad question - Get a bad answer



Audience Participation - Share your ideas!

- What are you doing?
- How are you doing it?
- What is the benefit?
- How is it different?
- What sort of strategic alliance has paid off?



CONTACT US - Available for consulting projects

Need more time to chat? Hit us up!



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