

Inside Industry

INDUSTRY ADVISORY BOARD (IAB) - UPDATES FROM VINNY GIACINTO, IAB CHAIR

- The **SNA-VA Industry Advisory Board** met virtually in June. The board spent the majority of the meeting discussing the updated industry membership levels. The board also welcomed two new IAB members who will be attending their first meeting in October: Tracye Friedman of Rich's Food and Erin Greene of Affinity Group Virginia.
- **Industry Membership:** 2021-2022 Industry Membership registration is now open! Check out more details on the Platinum, Gold, and Silver levels, and sign up on SNA-VAs website > Vendor Connection page.

TIPS ON NAVIGATING SUPPLY CHAIN CHALLENGES - WRITTEN BY BECKY DOMOKOS-BAYS



At SNA's Annual National Conference, a panel consisting of the CEO of the International Food Manufacturers Association, a distributor and two leading food manufacturers discussed the continuing vulnerabilities of the supply chain in our channel. The Covid-19 pandemic revealed all too painfully the vulnerability that existed prior to the pandemic. Because the links in the chain were already weak, the pandemic has made it more complicated than ever. Distributors are the confluence of all the moving pieces in the supply chain, and they have seen significant cost inflation from wage rates, shipping container costs, to product availability. In *many* cases products that

have been discontinued are approaching 15% of total inventory! This can mean dozens of products that once were easily obtained are no longer available and likely will not be. It was discussed that when directors are planning budgets for 2022/23, they should **consider factoring in an 8-10% inflation cost.**

Driver shortages were occurring prior to Covid-19, but they are more challenging than ever, causing serious delays. And several states have distributors who have informed them they will not service their districts THIS year. Even with the emergency procurement flexibility that USDA allows, your own district procurement department may make you adhere to strict guidelines that may prevent you from obtaining a timely bid. Amidst all this seemingly bad news, there is opportunity for forging strong partnerships among the players along the supply chain and improving each link to make it less susceptible in the future. Following is a list of tips that are intended to help operators, brokers, manufacturers, and distributors make the most out of the situation.

1. **Develop trust.** There may be a level of belief that manufacturers and distributors are "making the most out of the pandemic to increase their profits" which is highly unlikely given the low margins already existing in the SN channel. More profit is generated from retail sales, and some manufacturers are having to consider whether they can even remain in the school channel. Now that things have begun to open, the whole industry is opening, creating strain on industry.

2. **Anticipate issues.** Your broker is usually the first one to know what is happening with their lines. Communicate well with them. Perhaps weekly calls would be helpful so that if there are issues with supply, your menus can be adapted.

3. **Cycle Menus.** Instead of a long cycle menu, choose the most popular items and go to a 2-week cycle. Consider

"Commit to the bid items you request and honor the bid. Find out how to use a product even if it is not going well."

products that are flexible and can be used in a variety of ways. There is a saying that 10% of items generate 90% of sales in our channel. Can you make a chicken strip into fajitas, alfredo, soups, etc.? It was also recommended NOT to request Individually wrapped items; these add to production time and slow the whole process. Of course, if a district is still doing off site service, there are fewer options. Make sure to give extra lead time in weeks, not days. Talk with your distributors to determine their given lead times to get food and supplies into their warehouses. The more that directors ask for at this point, the more challenging it is for those who manufacture and distribute.

4. **Bids.** At best, many directors are not proficient in writing good bids and specs. This is a skill that needs to be honed. Commit to the bid items you request and honor the bid. Find out how to use a product even if it is not going well. There are lots of recipes online from most manufacturers, and your broker or manufacturer rep is a good resource.

5. **Orders.** Make **firm** orders 4-5 weeks in advance. Firm orders drive supply and demand. Know that even if you forecast well and order in advance that food and supplies may not be available. Supplies that are shipped from China are taking extraordinarily long to arrive.

6. **Direct delivery commodities.** Contact VDACS and see what direct delivery (brown box) items are available and utilize these products if they are available for delivery.

7. **Deliveries.** With the critical driver shortage, consider flexible delivery times. Some districts have gone to “dark” deliveries, meaning distributors deliver in the evening or very early morning hours.

8. **Communicate.** Keep your administration, building administrators, and community informed so they are aware of the issues. Consider doing a video update detailing the reality and that menus may be changed. Above all, keep your managers and staff well informed. Keeping your best people is key in today’s tight labor market.

9. **Work Around Plans.** If directors have learned anything during the pandemic, it is how to be flexible. Have contingency plans made and ready to implement as necessary!



Top: Cafeteria Manager Edna Thompson Chesterfield Schools, where she worked for 17 years. Edna is now going to travel the world with her husband.

Bottom: The great employees of Hopkins Elementary, Chesterfield, celebrate National Dairy Month.

Shelley Begoon from Pleasant Valley Elementary, Rockingham, prepares vegetables from the school gardens. The students harvested squash, zucchini, tomatoes, and basil.



[Photograph by Martha Tabor. Working Images Photographs.]

Nutrition **archives** as well as other sources on the internet.

Since then, the bake oven has been replaced with convection ovens and now combi-ovens are becoming more common. The 10-burner range has pretty much disappeared. The popularity of steam jacketed kettles and tilt skillets for cooking waned with the introduction of convenience foods, but they are making a resurgence since the passage of The Healthy, Hunger-Free Kids Act of 2010 and the move back to “scratch cooking.” The cafeteria line went from tables with pans of food to hot and cold food wells, and some manufactures have wells that can be converted from hot to cold with the flip of switch. Service lines have breath protectors too. Microprocessors have entered foodservice equipment controls which have eased operations and maintenance. Some combi -ovens have pre-programmed controls. There are temperature monitoring systems for your walk-in coolers and freezers. Some schools are using apps to allow for an accurate count and pre-order grab and go.

Looking at the future for foodservice equipment is always fraught with peril, but here goes. The easy; the continued resurgence of volume cooking equipment like tilting skillets, smaller (20-gallon and smaller) steam jacketed kettles. You will find more blast chillers in more school kitchens to properly cool down foods for storage and use next day. I think you will see more technology introduction in ovens to speed up the cooking process without degrading the food. Now “out of the box” looking in my crystal ball - with the raise in wages and shortage of labor, will robotics and artificial intelligence (AI) enter the foodservice industry? Yes and no. To automate a process, one needs to have a “long run” operation. What does “long run” mean in foodservice? Think of an operation like making grab and go salads; you would set up your work area, “mise en place” with the containers at one end of an assembly table and the ingredients along the table so that the containers are filled from stations until the end where the lids and labels are placed on the containers and then transferred to a holding cart. Quick Serve Restaurants (QSR) have many operations that could be automated such as the fryer station, cooking hamburgers or filling to go drinks. Each of those have few variables. One company **Miso Robotics** has developed Flippy for griddle and fry stations. Another use of AI is **Dragontail Systems** to automate kitchen flow and order prioritization, computer vision control, pack and dispatch. Although these systems sound cool, will they work for school lunch programs?

Where will YOU find the future of school foodservice? By attending conferences and trade shows and watching what is happening in the commercial foodservice world. There are several “equipment only conferences.” The major food service equipment exhibition is **NAFEM** which is held every two years. One state association, Georgia SNA, has a very successful “Equipment Academy” that is open to all school nutrition professionals. Manufacturer reps and dealer also hold equipment conferences for the equipment they represent.

One thing to think of is your level of risk acceptance. **Everett Rogers** wrote a thesis in 1962 titled “Diffusion of Innovations and How We Adopt New Ideas.” Are you ready to work through the ‘bugs’ and accept when something just doesn’t work out? If yes, then be that early adopter and blaze the trail for others, but it is okay to let the new technology evolve and mature before you bring it into your foodservice operation.