



THE RIGHT STUFF

PRODUCT MIX & Pricing

By Shamrock Foods

A group of new patrons sit and begin browsing your menu. You watch their eyes for tell-tale signs of interest, and feel an anxious shiver run up your back as they turn the page.

For them it's a casual experience, filled with opportunities and choices. Deciding between baked lasagna and the catch of the day may cause a moment's consternation, but even that is part of the fun of dining out.

For you, though, the simple perusing of a menu takes on much deeper significance. Do you have the items they're looking for? The variety? Will they order the specials or something with higher food costs? What about appetizers? These loaded questions are impossible to answer (unless you happen to be a mind reader) but they're not impossible to address. It all boils down to taking a critical look at your product mix, pricing and menu placement, and utilizing some of the resources that are available to make it all work together.

Mixing It Up

When asked what drives product mix, Gil Guggisberg, Manager of Business Development at Shamrock Foods Arizona, replied without hesitation: "Customer demand."

This veteran restaurateur offers the benefits of his years of experience to key Shamrock customers and consults with operators to help drive profitability. He's adamant that most operators need to be less concerned with the latest culinary trends and more concerned with an items' staying power and true popularity. Following the trends—ethnic, health

related, exotic, or regional—puts additional pressure on foodservice operators to offer new items at the sacrifice of proven contributors, and often requires negative concessions in food costs.

Staying current with popular new COP options is important, Guggisberg admits, "but make sure the items are something the consumers want before you introduce them." Every menu addition requires an investment in dollars, spoilage and marketing, and

chasing the wrong trend can waste those precious resources.

This is where the strength of Shamrock Foods can be leveraged by the individual operator, he said. Identifying local, regional or national trends and offering products to meet those demands is a key component of Shamrock's day-to-day mission. For example, demand for organic produce continues its aggressive climb, and through Shamrock's





supplier partner network, Markon has the offerings, structure and inspectors in place now to meet that demand quickly and competitively. Having a USDA cutting facility in Arizona (and coming soon in Colorado) is another key resource. It allows individual operators to easily specify custom cuts designed to meet specific product types and/or price points.

“But more than just offering products to broaden your mix, we can make specific recommendations based on the experience of operators across the southwest, and nationally through our marketing associates.” Guggisberg said. Sales representatives are continually updated on the current market and trend data and on the success of specific items; they benefit from a broad base of information and can be viewed as a primary marketing resource. Their recommendations can be as specific as formulating an ethnic sauce to choosing an array of trendy appetizers to analyzing COP alternatives.

Pricing It Perfectly

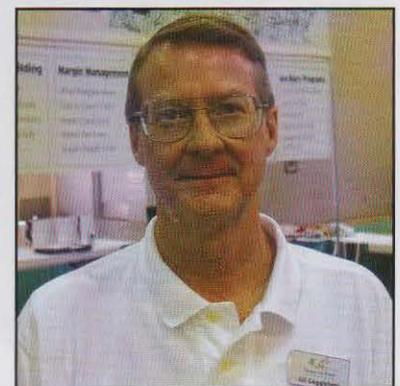
Guggisberg has advice for the independent operator: “Don’t be afraid to charge the price you need in order to be profitable. The public will forget a price but long remember quality; don’t try to compete on price and don’t compromise your profitability.”

A common downfall is trying to be the cheapest on the block. As Guggisberg puts it, “many operators spend too much time shopping price when they should be thinking strategy.” Independent operators don’t have the type of business model to compete with fast food or quick service restaurant (QSR) chains and their low prices; so, they shouldn’t try, he added.

Creating the “perception of value” for the customer is what’s important, whether that perception is upscale “this is worth the price” to sandwich-scale “this is a lunch I can afford.” Having a variety of price points on the menu helps, and Shamrock can offer product guidance and hard numbers for the operator’s decision-making process.

Rather than focus on price, Guggisberg advises independent operators to determine their market niche, be the best in what they do in a specific radius, and offer a high-quality product and excellent service. “Service issues cause more problems than food. Service is where the difference is.”

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Gil Guggisberg, Manager of Business Development at Shamrock Foods.