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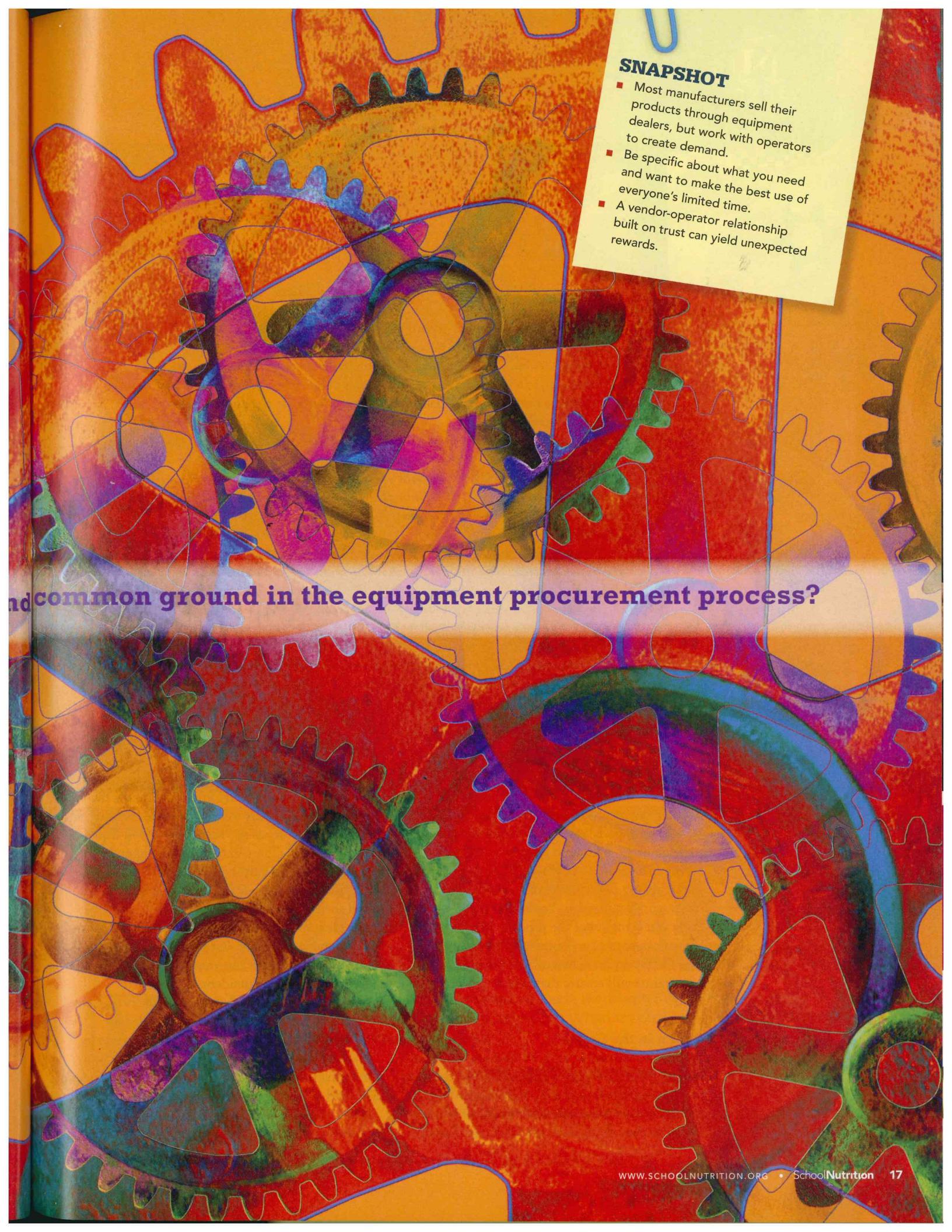


The Buying Game

BY PATRICK WHITE

Can vendors and K-12 school nutrition operators fin

When it comes to buying (and selling) foodservice equipment in the K-12 school nutrition market, the lyrics to an iconic Rolling Stones song might be the best way to sum up the process: "You can't always get what you want...but if you try sometime, you just might find, you get what you need!"



SNAPSHOT

- Most manufacturers sell their products through equipment dealers, but work with operators to create demand.
- Be specific about what you need and want to make the best use of everyone's limited time.
- A vendor-operator relationship built on trust can yield unexpected rewards.

Find common ground in the equipment procurement process?



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STRANGE-BUT-TRUE EQUIPMENT TALES

Veteran school nutrition professionals have seen it all!

It was July 2011. A quiet time for most school districts, right? But Leah Schmidt, SNS, director of nutrition services, Hickman Mills C-1 School District, Kansas City, Mo., couldn't simply focus on attending SNA's Annual National Conference in Nashville and being installed as SNA vice president. Oh, no. She had to deal with the theft of copper coils from the compressor of an outdoor freezer unit at one of her schools! Who knew you had to worry about that?! Repairs and the installation of a chain link fence cost more than \$9,000.

That had to be just one of those odd, occasional frustrations, right? Oh, no. Thieves struck again a few months later, while the school year was in full swing. This time, the compressor was completely destroyed, and the replacement cost was \$15,000! Since the fence had proven an ineffective deterrent, the team decided to move the compressor on top of the 8-ft.-tall unit—at a cost of \$3,000.

The new location still had an estimated 10-ft.-length of exposed copper—and amazingly, the thieves went for that, too, in February 2012. Another repair and Schmidt arranged for the compressor to be routed directly into the freezer, without any exposed copper. The three thefts cost the school nutrition operation almost \$30,000—while the crooks likely netted a mere \$300 for the stolen copper.

But the expensive aggravations continue. Thieves stole the catalytic converter from the foodservice delivery truck. They probably got \$50 for it, while it cost Schmidt's budget another \$500.

The top procurement goals of the equipment vendor are quite different from those of the foodservice operator. But that doesn't mean they have to be at odds! After all, there's always more to be gained—perhaps a specific advantage, certainly a greater enjoyment of the experience, plus a lasting relationship or a win-win outcome—when working *together*. You might not get *everything* you want out of the process, but making a commitment to prioritize communication and a shared respect for one another's goals and constraints will ensure that you do get what you need.

Who's in the Game?

Success is impossible without first knowing the roles of the various game players. When it comes to equipment procurement, we all know that the manufacturer, of course, produces the equipment. But after that, things can get a little confusing.

"A lot of times, I don't think our school nutrition directors really understand how the equipment channels work," asserts Mike Burke, SNS, product manager with ITW Food Equipment Group. "They know who the manufacturers are, but I sometimes think they don't understand the difference between the manufacturer's reps and the dealers." Kevin Woods, SNS, vice president of sales and marketing with Globe Food Equipment Company, agrees that the "multi-faceted" equipment sales and distribution system can be baffling to outsiders.

While there *are* some manufacturers that have their own factory sales force, acknowledges Woods, for the most part, manufacturers go to market through independent sales reps. "For a manufacturer, that's great," he explains. "Because instead of having just one sales rep representing your company in a given market, an independent rep firm might have anywhere from 4 to 12 people



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on the street." Such sales reps may act for up to 10 or 15 different, but non-competing, manufacturers. "They might have a refrigeration company, a warewashing company, a food prep company, a serving

line company and so on," details Woods.

As a general rule, the *manufacturer's reps* in a given market are responsible for calling on the end-users (such as school nutrition directors), as well as on equipment dealers and foodservice consultants.

■ Their first goal is to persuade *dealers* to carry their specific products and systems.

■ Then, in their given territory, the manufacturer's rep next would call on the *end-users* in the hopes of generating demand for the product. They might also assist the director in writing procurement specifications so the school district can get quotes or bids from dealers.

■ The manufacturer's reps also visit with *facilities planning consultants* to generate demand on the consultant level. Thus, if a consultant is working on new construction or renovation for a school, she or he could write the specifications to include that particular piece of equipment.

ITW's Mike Burke concedes that understanding how *dealers* alone operate can be confusing. He explains that there are two types of equipment dealers: "First, there is the *traditional showroom*, where the dealer buys the merchandise, takes title of the merchandise and then sells it. Sometimes the dealer takes [actual] delivery of the merchandise, and sometimes they drop-ship the equipment directly to their customer from the factory, without actually taking possession of the equipment."

An alternative to the conventional dealer approach comes from *Internet or catalog dealers*, who don't have a traditional showroom and act more like intermediaries. Almost all of their business is done by receiving an order and then calling the manufacturer's factory to make arrangements to ship the equipment directly to the customer; the dealer bills the customer. "They are never in possession of the equipment during any part of the transaction," says Burke, noting that Internet dealers are usually the low-cost option for most end-user buyers. "But all the responsibility is on the school district in that case," he adds. "They have to be

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responsible for properly executing the purchase order; they have to negotiate with the freight company; they have to make sure they can receive the equipment; if there's any freight damage, they have to sign for it."

While the price often may be higher with a traditional dealer, the school district assumes less risk and gains more control over the process, Burke asserts. "I just saw a rather large bid where [the customer] wanted the dealer to take possession of all the equipment and then bring it to the school and install it and remove the old equipment. All of those steps have costs, but the school district basically doesn't have to worry about anything, because the dealer will perform those functions." According to Burke, some school nutrition operators may not be aware that they can write procurement specifications that include these types of services.

Get It? Got It. Good.

Recognizing the wants, needs and constraints of each player in the game is essential information for a successful procurement partnership, say both equipment manufacturers and school nutrition directors. But it takes a commitment to communication by all parties to bridge that comprehension gap.

Connie Little, SNS, student nutrition supervisor with Beavercreek (Ohio) City Schools, says

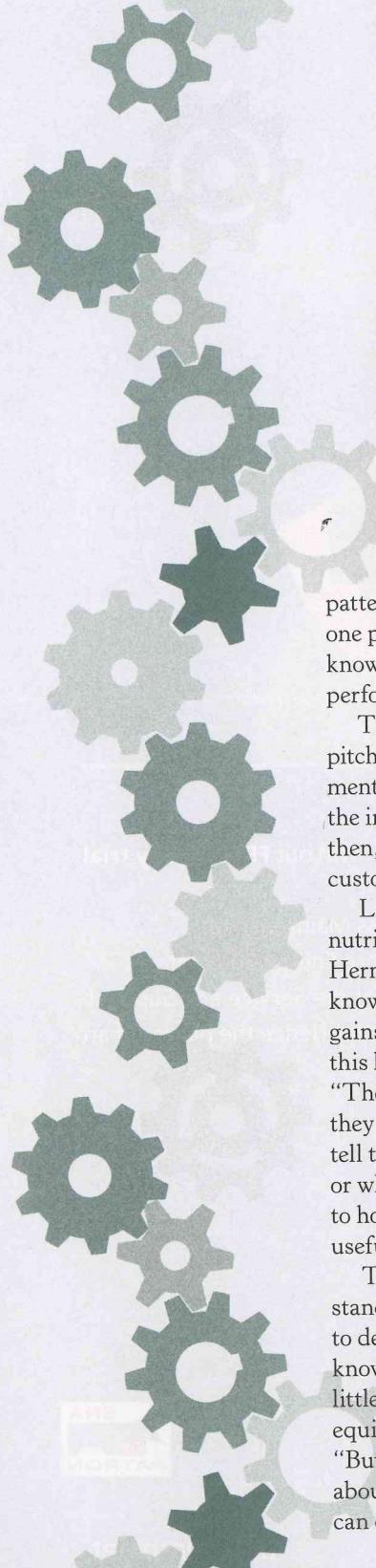
manufacturer reps check in with her on a regular basis. "Mostly I talk with them about what's new on the market and tell them what I need and what I don't need," she explains. "Sometimes I hear about things like vegetable scrubbing machines. Well, most of our vegetables come in all ready to rock and roll."

While new technology may be one purchasing consideration, there are other real-world considerations that most school nutrition operations are more likely to focus on, asserts Little: "I want equipment to do what I need it to do. Just give me a refrigerator that holds food at the right temperature and one that's smooth and easily cleanable. Because those are the things you're going to hear from the health department," she says. "Usually, the fewer bells and whistles it has, the happier I am. That's fewer things that can go wrong. Bigger and better may not always be a good thing. Sometimes it can be a real pain in the neck."

Mike Burke affirms that he's learned this particular lesson from years of talking with school nutrition directors, and he tailors his equipment presentations accordingly. "As a general rule, directors look for equipment that's simple to operate. I really try to show them equipment with simple controls that's rugged and durable," Burke explains. "I try to always remember that the directors are dealing with HR issues and menu



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In June 2012, Beverly Blough, director of child nutrition, Wood County (W.Va.) Schools, was helping the American Red Cross provide meals to victims of a severe storm that crippled much of the state for several days. Blough was doing hands-on cooking and cleaning at one of her district's newest kitchens, one she'd worked closely with consultants to design, featuring state-of-the-art equipment. But she discovered that sometimes the best-laid plans overlook certain elements—like the height of the cook! "I had to stand on a step-stool to cook pasta in a steam-jacketed kettle," she recounts. "Being short can be hazardous!" From now on, she promises to choose equipment "that can accommodate those of us who are vertically challenged!"

patterns and 100 other things, so equipment is just one piece of the puzzle for them. They just want to know that it's going to work and how it will perform in their operation."

There are occasions when Burke focuses on pitching more detailed aspects about the equipment. With steamers, for example, he discusses the importance of water treatment. "But even then, I try to stick with the basics that the customer can relate to," he states.

Lori Drenth, SNS, director of food and nutrition services with the School Board of Hernando County, Fla., appreciates the good knowledge base about the equipment that she gains after initial talks with manufacturer's reps; this helps speed the procurement process along. "There are some who want to sell me whatever they can sell me," she acknowledges, "but if I can tell them what type of equipment I'm looking for or what I need or what I want, then I can get them to hone in on something that could actually be useful in our kitchens."

The key to cutting through some of the standard sales pitches that can be time wasters is to demonstrate that you already have some knowledge, she advises. And it doesn't hurt to be a little abrupt, should they start talking to you about equipment that you don't need or want, she adds. "But it works both ways: You need to be specific about what you need and what you want, so they can cut to the chase. Otherwise they'll try to sell

you everything under the sun, and spend three hours doing it."

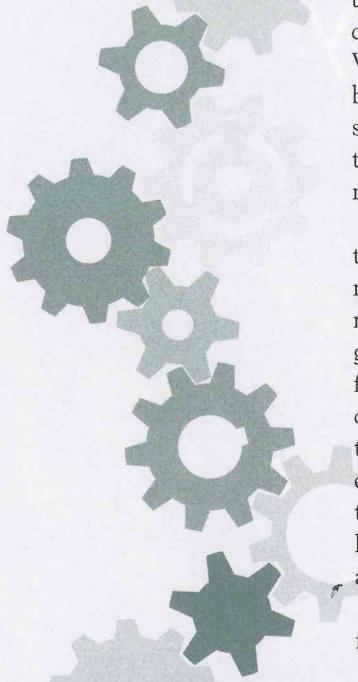
According to Drenth, a good manufacturer's rep will evaluate the needs of each operation individually, rather than taking a one-size-fits-all schools approach. "If there's a new director, giving them more information is probably better," she notes. "But if you have a director who's been on the job for 30 years, I'm sure [that individual] can provide more specifics about what they like or don't like for any piece of equipment—or any line of equipment, for that matter."

Kevin Woods with Globe says he tries to put himself in the director's shoes when talking about equipment. "We understand, as manufacturers, that equipment is a very small part of a school nutrition director's job. They're dealing with menus; they're dealing with HR; they're dealing with parents; all kinds of different things," he points out. "We live and breathe equipment, but they usually only think about it when they have a need to repair or replace a piece of equipment, or during a kitchen remodel or construction project."

To help better understand the needs of directors and school nutrition programs, Woods earned SNA's School Nutrition Specialist (SNS) credential. The process of studying for and taking the exam, he says, helped deepen his appreciation for how school kitchens operate: "Obviously, the menu drives equipment selection, so if you can understand what the program is serving and how



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they are serving it, then you can help guide the director in getting the right piece of equipment." While most manufacturer's reps likely know the basics of school meal programs, Woods is skeptical that many truly understand the minutiae. Their knowledge might be a mile wide, he notes, "but probably an inch deep."

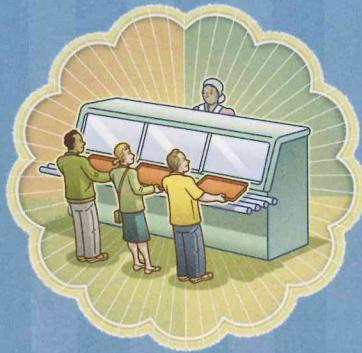
For the pitch men and women who want to win the equipment game in the K-12 foodservice market, Lori Drenth stresses the need to *know* the market. "Be knowledgeable about schools in general and the types of food being served." Next, find out the specifics of each potential school district customer. After all, it doesn't make sense to try to sell a district with a 2,000-student enrollment four brand new \$30,000 ovens. The trick is to get the manufacturer or dealer to think like a foodservice director—and vice-versa, she asserts.

Be sure you know and understand federal K-12 foodservice procurement rules—and how these

might differ at the state *and* district level. An equipment manufacturer's reps might know these complexities even *better* than a school nutrition director—especially one who is new to the profession or in districts where procurement responsibility falls to a purchasing specialist, who might not have *any* foodservice experience, but buys kitchen equipment along with books and computers.

For example, "There's a common misconception, especially in districts that don't buy equipment a lot, that they must have three *brands* make bids," says Globe's Kevin Woods. "But the federal procurement guidelines say a director actually can get the brand they want, as long as they get three bids from three different *dealers*," he explains. Check how local rules might supersede these, and note that another complicating factor is determining if the money is coming from the child nutrition budget or a separate fund earmarked by the district for new construction.

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Who Ya Gonna Call?

"I recommend to our reps that they build a relationship with school [customers] long before it's time for [that director] to buy a piece of equipment," asserts ITW's Mike Burke. "That's the real key. And there's no better way to build those relationships than supporting the School Nutrition Association, including at the state level. Sometimes, I don't think reps do enough of that."

While it may be a challenge for a busy school nutrition director to make the time to keep in touch with manufacturer's reps, Debbie Mobley, SNS, child nutrition director with Clarksville-Montgomery County (Tenn.) Schools, believes that the process of building that relationship can pay big dividends along the road. They want you as a customer for the long haul, she notes, so building trust and cultivating open, honest communication is essential.

"For example, I had an issue with an oven at a new school," she recounts. "The manufacturer's rep came back out and worked with it and worked with it, but I still wasn't satisfied. So, the next time I needed to buy an oven, he said, 'I'm not even going to recommend that you use my line of ovens, because it's not working for you.' If you have that type of relationship, and they respect your program, they'll also give you honest feedback about what they are hearing from other schools."

In the meantime, she also appreciates how such respectful relationships lead to proactive communication about available rebates or newly announced recalls.

Kevin Ponce, SNS, child nutrition director for Mid-Del Public Schools in Midwest City, Okla., also relies on the trust he's built with equipment reps. "They'll say, 'I see what you're asking, but have you also considered this, too?' or they might point out that the inside of one of their models is galvanized instead of stainless steel," he relates. "Someone you don't know probably wouldn't tell you that; they would just want to sell it to you."

Has that trust development led to a reverse invitation to visit? Directors absolutely should request opportunities to make site visits to manufacturers! "I really like when I can go to where they actually build the equipment and see the ins and outs of it. That helps more than somebody just bringing in a corporate chef and showing me how the equipment can make a fancy meal," Mobley says. Seeing the equipment being built and learning the processes and materials used can raise the comfort level in your buying decision.

Finally, while the procurement buck might (*might!*) stop with the school nutrition director, Mike Burke encourages manufacturer's reps to build relationships among those who will be using and servicing the equipment on a daily basis. "I've



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Linda Eichenberger, SNS, school foodservice director, Oak Hills School District, Cincinnati, Ohio, recalls the occasion her team ordered a new gas convection oven. Upon arrival, the manufacturer's rep was onsite to help set it up and train staff on its use—at least that was the plan. After struggling for about 30 minutes to get it to work, the rep was finally ready for the demonstration. Staff gathered round as he explained the various controls—and then flames started shooting up the back of the unit! It turns out, he had left the paper instructions inside the oven and they caught on fire! "Several days later, we received the specifications and instructions—in the mail," she reports. "Needless to say, this was the talk of the district for the rest of the year."

heard a number of directors tell me that they send their managers and kitchen staff to trade shows to talk to the reps about equipment, because *they* are the ones using the equipment every day," says Burke. He also advises keeping district maintenance staff in the loop—especially as they might have their own questions about new equipment.

Don't Dither

School nutrition directors agree that, even when working with capable, knowledgeable manufacturer's reps, getting the *right* equipment takes a proactive approach. Often, that process begins inhouse. "I start by meeting with the managers and assistant managers and asking them what *they* want," says Beavercreek's Connie Little. "They are going to be the end-users, so it pays to find out what will make their lives easier." As part of that conversation, they identify the exact size, power and other specifications of the equipment that's needed. It's a process that builds morale, by making sure the team is involved.

According to Mid-Del's Kevin Ponce, when it's equipment procurement time, "As a director, you have to be involved and, really, you have to be aggressive. You have to let [reps and dealers] know: 'This is my area of expertise, and *this* is what I want.'" All sales reps will want to sell you their equipment and will tell you that their equipment is the best, he reports. "So I ask a lot of questions, and I ask for references of other districts currently using the equipment," explains

Ponce, adding that he and his team make site visits to see the equipment in operation. "That helps us a lot." And it's a different experience than seeing the unit at a trade show. "The equipment is all nice and shiny at a show. I really want to see the equipment in a kitchen."

In West Hartford (Conn.) School District, Nutrition Services Operations Manager Trish Molloy, RD, also starts by requesting references and seeking out the opinions and experiences of other school nutrition directors already using the equipment she's considering. She's also found her equipment repair company to be a valuable source of information at this stage. "They are out in the trenches repairing equipment every day, so they're a great resource to compare one manufacturer to another to find out what's reliable and what has a good track record," she explains, noting that she took this step for a recent convection oven purchase.

One of the key things for Molloy to ascertain when shopping for new equipment is its life expectancy—including maintenance costs. "Unfortunately, they don't make equipment like they used to. When I started this job, there was some equipment in the kitchens that was 40 years old—stuff that was built to last. But now when you bring in new pieces, you might be putting money into repairing them within just two years," she laments. Molloy also asks about energy costs, and seeks options that have earned the ENERGY STAR™ rating. Still, the single most critical



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You buy your equipment according to *your menu*, so you need to make sure it works for you.

elements are "reliability and efficiency," she emphasizes.

Kevin Ponce does some advance research before the first conversation, creating a list of specific information he wants to know prior to any discussion with a sales rep in order to avoid getting the stock sales pitch, with the details sort of glossed over. "You have to be a little bit smart about it and dig a little bit to know what questions to ask, because the rep will probably be able to give you all the 'right' answers, sort of like a car salesman," he warns. "What I hear a lot is, 'This district is using it and they love it, so you'll love it, too.' But it doesn't work like that all the time."

That's particularly true with newer types of equipment. For example, when combi ovens first hit the market, Ponce had several reps tell him that he absolutely *had* to get one. "But some folks like them and some folks don't. It just depends on what your operational needs are. You buy your equipment according to *your menu*, so you need to make sure it works for you."

Connie Little also uses a detailed shopping list for equipment purchases. "I really look at warranties. That's huge, and it's right at the top of my check list," she explains. She also wants to find out: Who will deliver the equipment? Who will set up the equipment and make sure it's running correctly? How will we get rid of the old equipment, and will I get a credit for that? Like Molloy, "I also check on energy efficiency and how much energy will be needed to run it. That's becoming a bigger thing," she reports.

In Tennessee, Debbie Mobley's list of priorities also starts with warranty details. In fact, she wishes manufacturers and sales reps would provide more specific information on warranties, especially regarding parts that are (and are not) covered and who, exactly, is responsible for repairs and replacements.

From a manufacturing perspective, Mike Burke also would like to see more attention paid to warranty coverage during the purchase process. "Generally, the specifications I see for equipment are written fairly well. There may not be quite enough emphasis on warranty, though," he notes. "In school nutrition, the equipment gets used much less than in a restaurant, so most manufacturers today have extended warranties. I've had

some directors tell me how valuable that is, but I wonder if *everyone* recognizes the value that we, as manufacturers, give to child nutrition [through those warranties]."

Beyond the Bill of Sale

The procurement relationship shouldn't end just because the equipment has been delivered and installed. Indeed, for directors, the process is truly just beginning. "Make sure you specify that the manufacturer will provide training on the new equipment," urges Ponce. Even—and perhaps especially—with the most high-tech, automated pieces, you will require employee training to achieve the best results. "You have to depend on the manufacturer's rep to come in and do that training," Mobley asserts.

Trish Molloy has found that some manufacturer reps state upfront that the equipment purchase comes with a free demo. Take them up on that offer, she urges: "They actually *want* to come in and make sure we know how to use it properly, because that saves them headaches down the road. If we're doing something wrong, we could damage the equipment or just be unhappy with it," which means you won't recommend the unit—or the company—in the future. **SN**

Patrick White is a freelance writer in Middlesex, Vt., and a former assistant editor of this publication. Illustrations and photography by **Nick White**, Dynamic Graphics 2007 and Thinkstock.

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