

Memorial Hospital

Food & Nutrition Department 2013 Budget

Income Budget

Meal Equivalents Sold ₁	Patron Meal Value	Income
225,000	\$ 6.75	\$ 1,518,750.00
Patient Meals Sold	Patient Meal Value	Income
200,000	\$ 1.95	\$ 390,000.00
Total Income:		\$ 1,908,750.00

Operating Budget

Labor Costs

POSITION	HOURS	RATE	WAGE	PTO FRACTION	PTO HOURS ₂	PAID LEAVE BANK
Dietitian, Admin	2080	\$ 27.50	\$ 57,200.00	0.118	245.44	\$ 6,749.60
Dietitian, Relief	1040	\$ 19.25	\$ 20,020.00	0.107	111.28	\$ 2,142.14
Supervisor I	2080	\$ 16.35	\$ 34,008.00	0.142	295.36	\$ 4,829.14
Supervisor II	2080	\$ 14.75	\$ 30,680.00	0.107	222.56	\$ 3,282.76
Supervisor III	832	\$ 14.25	\$ 11,856.00	0.107	89.024	\$ 1,268.59
AM Cook	2080	\$ 14.95	\$ 31,096.00	0.107	222.56	\$ 3,327.27
PM Cook	2080	\$ 15.85	\$ 32,968.00	0.142	295.36	\$ 4,681.46
Relief Cook	2080	\$ 12.50	\$ 26,000.00	0.107	222.56	\$ 2,782.00
Food Service Worker B						
8 employees	16640	\$ 10.75	\$ 178,880.00	0.107	1780.48	\$ 19,140.16
5 employees	10400	\$ 9.35	\$ 97,240.00	0.107	1112.8	\$ 10,404.68
2 employees	4160	\$ 12.45	\$ 51,792.00	0.118	490.88	\$ 6,111.46
Food Service Worker A						
7 employees	14560	\$ 8.90	\$ 129,584.00	0.107	1557.92	\$ 13,865.49
4 employees	4160	\$ 8.60	\$ 35,776.00	0.107	445.12	\$ 3,828.03
12 employees	6240	\$ 7.90	\$ 49,296.00	0.107	667.68	\$ 5,274.67

Labor Costs Con't

POSITION	HOURS	RATE	WAGE	HEALTH CARE	RETIREMENT	SOCIAL SECURITY
Dietitian, Admin	2080	\$ 27.50	\$ 57,200.00	\$ 3,000.00	\$ 42.90	\$ 42.90
Dietitian, Relief	1040	\$ 19.25	\$ 20,020.00		\$ 15.02	\$ 15.02
Supervisor I	2080	\$ 16.35	\$ 34,008.00	\$ 3,000.00	\$ 25.51	\$ 25.51
Supervisor II	2080	\$ 14.75	\$ 30,680.00	\$ 3,000.00	\$ 23.01	\$ 23.01
Supervisor III	832	\$ 14.25	\$ 11,856.00		\$ 8.89	\$ 8.89
AM Cook	2080	\$ 14.95	\$ 31,096.00	\$ 3,000.00	\$ 23.32	\$ 23.32
PM Cook	2080	\$ 15.85	\$ 32,968.00	\$ 3,000.00	\$ 24.73	\$ 24.73
Relief Cook	2080	\$ 12.50	\$ 26,000.00	\$ 3,000.00	\$ 19.50	\$ 19.50
Food Service Worker B						
8 employees	16640	\$ 10.75	\$ 178,880.00	\$ 24,000.00	\$ 134.16	\$ 134.16
5 employees	10400	\$ 9.35	\$ 97,240.00	\$ 15,000.00	\$ 72.93	\$ 72.93
2 employees	4160	\$ 12.45	\$ 51,792.00	\$ 6,000.00	\$ 38.84	\$ 38.84
Food Service Worker A						
7 employees	14560	\$ 8.90	\$ 129,584.00	\$ 21,000.00	\$ 97.19	\$ 97.19
4 employees	4160	\$ 8.60	\$ 35,776.00		\$ 26.83	\$ 26.83
12 employees	6240	\$ 7.90	\$ 49,296.00		\$ 36.97	\$ 36.97
Total Labor Expenses:	\$ 959,175.33					

Other Expenses

1. Food expenses ₃	\$ 1,020,000.00
2. Supplies Expense ₄	\$ 11,220.00
3. Equipment Expense ₅	\$ 36,492.84
4. Continuing Education ₆	\$ 7,500.00
Total	\$ 1,075,212.84

Total Expenses: \$ 2,034,388.17

Operating Statistics

Food Cost Per Meal	\$ 1,020,000.00	425,000	\$ 2.40
Food Cost Percentage	\$ 1,020,000.00	\$ 1,908,750.00	53%
Labor Cost Per Meal	\$ 966,846.64	425,000	\$ 2.27
Labor Cost Percentage	\$ 966,846.64	\$ 1,908,750.00	51%
Total Cost Per Meal	\$ 2,042,059.48	425,000	\$ 4.80
Meal Per Labor Hour	425,000	70,512	6.03
Labor Hours Per 100 Meals	70,512	4250	16.59

MISSION STATEMENT:

To continuously progress Memorial Hospital's food and nutrition department by enabling employees to efficiently serve nutritious meals to the community within reasonable financial means.

GOALS:

1. Provide appealing, nutritious, and well-priced meals through exemplary customer service

Short-Term Goal: Train employees how to accurately set plate presentation.

Long-Term Goal: Constantly be working on improving customer satisfaction ratings by at least 30% by a years time. Be constantly improving customer satisfaction throughout the year, and maintain the increased satisfaction level once the year has passed. This will be done by teaching employees how to be more friendly.

2. Evaluate foodservice operations to efficiently determine cost effectiveness.

Short-Term Goal: Establish well priced meals that benefit the customer and the Hospital in order to cover food expenditures and create a revenue that overtime will gain a profit.

Long-Term Goal: Eliminate unnecessary costs that do not contribute to the quality of food served. Through contact with food distributors to lock-in lower prices and employee inservices on food and supply waste.

3. Increase employee morale by providing leadership opportunities through adequate training and more thorough communication.

Short-Term Goal: Come up with an incentive program to increase morale. Conduct private, one-on-one quarterly meetings between managers and employees to discuss feedback.

Long-Term Goal: Quarterly meetings are held to highlight specific jobs in the kitchen. By discussing what each job entails, awareness is spread about each other's job duties. Unity will be formed between employees as they gain an understanding of each other's jobs. Also, through quarterly meetings, issues of communication will be resolved by expressing concerns via email.

ANALYSIS:

Certain actions have been made in order to meet our goals which will allow us to attain a progressive budget plan and increase employee morale. First of all, in order to meet our goal to evaluate foodservice operations to improve cost effectiveness, the managers will take classes on budgeting and managing. These classes will allow the managers to work better with the employees and to have a more concise understanding of the mechanics of a proficient budget. A management class is important in order to become someone who is more inspiring and someone who will increase the employees' morale. A budget class is crucial to understand how budgets work in order to make the budget more progressive.

In order to meet our goal to improve cost effectiveness, we will reduce our food costs by working with Sysco. By locking in a contract, we will be guaranteed lower prices on the products we want. We understand that they may not be able to provide every item but we are willing to negotiate because we are also reducing the menu. Reducing the menu will decrease the expanse of miscellaneous ingredients which will make it easier for Sysco to reach our needs. The menu will be cut in order to make it more concise and to reduce excess food costs and wastes. Reducing the menu will also help us attain our goal to increase employee morale by providing leadership opportunities through adequate training and more thorough communication.

By reducing the menu, employee confidence will increase because they will intensify their experience and expertise with each and every food item. To further achieve this particular goal, we also decided to provide a couple in-service classes in order to decrease inefficiency and waste amongst the employees. By holding in-services on proper cleaning, customer service seminars, and feedback meetings, we will decrease wasteful errors while boosting employee involvement. As part of our regular in-service training, we will additionally train employees through online training videos to watch at their convenience. These trainings will teach employees how to be more conservative with cleaning and disposable supplies.

The seminars on customer service will help us meet our goal to Provide appealing, nutritious, and well-priced meals through exemplary customer service. Reducing the menu will also allow the employees to put more experience and dedication in making an appealing and nutritious meal. While we have increased our pricing by an additional \$1.90, we feel it is justified because of the technologically advanced blast chiller and food mixer purchased for our mass food production. This equipment will allow the meals to be more nutritious, appealing, and of higher quality. We know we have a lot of new

plans that may meet resistance, but we are confident that once these plans have been

instilled, goals will be met, the budget will become progressive, and employee morale will greatly increase.

EXPLANATIONS:

1. Income

In 2012, our number of patron meals sold decreased compared to our number of patron meals sold in 2011. Our goal is to earn is to increase our number of patron meals sold and reach the same amount as we did in 2011. In addition, we are increasing prices so that the value of a meal equivalent is \$6.75.

To help bring in more customers, we will make a facebook page for our hospital's cafeteria in order to advertise our menu, pricing, and specials. There will be no extra expense for advertising because facebook is free. In order to display our facility, menu, and food in an appealing way, we will hire a photographer for \$1000 to take aesthetically pleasing photos. To help bring in more customers, we will advertise vouchers and our quarterly promotional theme days. This will help break up the monotony of the day-to-day hospital life. By getting the word out about our facility, we are hoping to increase our number of patron meals sold.

2. Miscellaneous Labor Expenses

Instead of having a separate expense for funeral leave, employees will use their paid time off hours. As our future our future budget improves we may decide to include funeral leave, but for now we are focused on reducing expenses.

Due to further enhance our food, we plan on providing \$1000 for each cook to attend a cooking class. They will learn about improving techniques as well as new menu items. The information that they learn will benefit the entire staff.

3. Food Expenses

Our goal is to spend \$1,020,000 for food in the year 2013 (this includes a 2% inflation compared to last year). We are reducing food expenses in two ways:

- 1) Reducing the size of our menu
- 2) Signing a 5-year contract with Sysco, our primary food supplier, will reduce our food cost from 85% to 53%.

4. Supplies

Our goal is to spend \$11,000 for cleaning, disposables, and other supplies that could be used in production and service. Within our 5-year contract with Sysco, we will receive a reduced price for purchasing supplies through their business. As part of our regular

inservice training, we will additionally train employees through online training videos to watch at their convenience. These trainings will teach employees how to be more conservative with cleaning and disposable supplies.

5. Equipment

For the next three years, we feel that a full-size blast chiller and food mixer will greatly increase the quality and efficiency in producing the large amount of food required. The blast chiller will greatly increase the quality by drastically decreasing the time period in which the food is in the danger temperature zone. Doing so will decrease food wastes because less will spoil, and the texture and taste will reside.

6. Continuing Education

Food service director will take a 15 hours of continuing education in 2013. This includes online finance courses to help improve our short-term budget while enhancing our budget for the future in order to make a profit rather than accrue debt.