The Benefits of Running a Self-Operated Foodservice Department in a Hospital
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# Table of Contents

**You Only Have Two Choices** .......................................................................................................................... 1

**Benefits of Self-Operation** .......................................................................................................................... 2
  - Sometimes, Two Heads Aren’t Necessarily Better Than One ................................................................. 2
  - Cut Out Unnecessary Overhead .............................................................................................................. 2
  - Boost Patient Satisfaction ....................................................................................................................... 3
  - Consistency Keeps You, Well, Consistent .............................................................................................. 4
  - Flexibility to Buy Food from Any Vendor .............................................................................................. 4

**Yes! I Want to Go Self-Op! But…How Do I Do That?** ................................................................................. 5
  - Call Your Friends .................................................................................................................................. 5
  - Join an Organization .............................................................................................................................. 5
  - Get Acquainted with an Insider ........................................................................................................... 5
  - Use a Foodservice Software Automation System ............................................................................... 6

**Can You Do It? Yes, You Can!** ..................................................................................................................... 7

**About Computrition** .................................................................................................................................. 8

**Take the Computrition Experience!** ......................................................................................................... 9

**References** .................................................................................................................................................. 9
You Only Have Two Choices

In today’s healthcare world, foodservice operations are handled by the hospital staff (self-operation or sometimes called “self-op”) or managed by an outside company (contract-management). In a survey by a third-party company among 123 hospitals, 78% of who responded said that they were self-operated with 17% being contract managed and the rest using a hybrid of both styles. Though number of respondents may not be indicative of the entire country’s hospitals, the majority in the survey feel that self-operation is the preferred organizational process to run their foodservice operations.

Then what about contract management companies – should they be considered to run your business? There are benefits. At a career fulfillment level, these companies offer individuals a platform to get their careers started and prepare them for the self-operated world, if they choose to go down that route. They also provide an excellent foundation for financial management, benchmarking, and marketing. Additionally, they can provide funding for large projects that the facilities may not be able to afford at the time, such as renovating new kitchens.

But with 78% of the respondents mentioned using self-operation, the question begs asking – why were those operations using this style? Perhaps they feel that the hospital staff are more vested to
the hospitals’ goals than an outside company might be. Maybe the quality of service is superior since the operations were run in-house. Or possibly, it’s just a matter of costs. In the end, the choice is the one that fits best with your hospital. However, if you are considering self-operation, here are some excellent benefits of that style.

According to one foodservice director that worked for a contract company at a hospital said that he felt “conflicted in loyalty” and seemed like he was “serving two bosses.”

Benefits of Self-Operation

Sometimes, Two Heads Aren’t Necessarily Better Than One

With any 3rd-party company, part of their goals is benefiting them and this can sometimes come into conflict with the hospital. How much are they really invested in ensuring that the service they provide you and your patients is the best that they can offer? Some are, some are not. According to one foodservice director that worked for a contract company at a hospital said that he felt “conflicted in loyalty” and seemed like he was “serving two bosses.” He goes on to say that a person could know how much money the management company is generating from the contract but is unable to communicate that information to the hospital. With self-operation, you know exactly the goals set internally by you and the hospital. Your mission is aligned throughout the organization with no competing objectives from an outsider that could impede or distract you.

Cut Out Unnecessary Overhead

Generating revenue is incredibly important, as is the case with any profit-making entity like contract management companies. Let’s face the facts, contractors wouldn’t be asking to work for you if they
couldn’t make money, right? But when a hospital brings in additional services, they also incur additional costs. By having organizations run foodservices with their own employees, the costs involved could be much lower than having a 3rd-party company run it on their behalf. Additionally, the hospital gets to enjoy incentives like rebates and volume discounts that contract management companies would typically get. Since you don’t have additional overhead, this could also help to keep food prices low at your retail locations.

**Boost Patient Satisfaction**

HCAHPS survey scores influence reimbursements and these scores are based on patient satisfaction. Although there isn’t a specific question about food in the survey, hospital foodservice departments can greatly contribute to the organization’s overall goal to achieve high scores. Using a room service-style meal delivery model is a great case in point.

Several of our customers achieved higher marks after they started using this type of meal delivery model. Baptist St Anthony’s Health System went from 54% to 93% and Halton Healthcare Services went from 78% to 96%. As a result, they were also able to respectively save $122,000 and $90,000 because of this service. You can view their customer success stories at our Virtual Reference Tours at [http://www.computrition.com/Learning-Center/Virtual-Reference-Tour.aspx](http://www.computrition.com/Learning-Center/Virtual-Reference-Tour.aspx).
Obtaining high scores is one of the highest priorities for a hospital and it needs to be diligent in achieving that goal, including overcoming any obstacles towards it. According to one article, a contract management company attempted to dissuade a hospital from implementing a Room Service program. The hospital decided to ignore their advice and went on to successfully implement the model. According to the article, patients were “raving” about this style of meal delivery.

**Consistency Keeps You, Well, Consistent**

To no one’s surprise, if you have the same staff on hand for long periods of time in your foodservice, you have consistency. You expect and get the same work ethic, the same ways food are prepared, the same quality, and the same results with many other things. Work flows optimally in this case.

Contract management companies, however, move staff from facility to facility. This inconsistency can lead to lower staff morale and a degeneration of successfully implemented food programs and processes.

**Flexibility to Buy Food from Any Vendor**

There are times that you want to purchase your food from a large corporate vendor; other times, you want to buy from a local purveyor. There are many reasons for the latter. Possibly it’s the freshness of the food, its sustainability, or because the food just tastes better.

For whatever reason operators purchase food locally, at the core, it’s that freedom, that ability to buy food wherever they please. Accomplishing this would be much more difficult when using some contract management companies because they could lock operators through contracts that force them to purchase food from “preferred vendors.” Contract management companies also have guidelines and procedures that could be rigid and prevent hospitals from accommodating new food trends or applying different food policies to different hospitals in a multi-site organization.
Yes! I Want to Go Self-Op! But...How Do I Do That?

So you’ve been thinking about being self-operated. If you’ve never run self-op before, the task of making this switch can be intimidating. Luckily for you, there are resources that can help.

Call Your Friends

Do you know of colleagues who have done the switch at other hospitals? If you do, then they could be your best resource. Contact them and draw upon their experience to learn how they were able to transition, including challenges that they were able to overcome and how they have been able to continue being self-op.

Join an Organization

Associations or organizations have more resources than individuals do. Participate with these groups and take advantage of their offerings to further your knowledge. Take, for example, the Association for Healthcare Foodservice (AHF), a professional association that is dedicated to self-operated healthcare foodservice professionals. They provide webinars, networking meetings, and an annual conference – all focused on self-operation. You can learn more about them at http://www.healthcarefoodservice.org.

Get Acquainted with an Insider

Many of those who have worked for years at contract management companies hold vast amounts of experience and knowledge that could be valuable to a hospital foodservice operation. Hard-nosed financial accountability, shrewdness at cost reduction, inventory expertise, marketing savviness, ordering know-how, stringent standards – these are just some of the attributes that some contract management employees possess. Some of these individuals even went on to become employees of hospitals where they were able to apply the skills they learned from their previous employers. Hiring these individuals could be an option for some.
Use a Foodservice Software Automation System

Computation once ran a survey asking recipients at hospitals if software automation was crucial to run a Room Service-style patient meal delivery model and an overwhelming 87% said yes. This is not surprising, because automation inherently makes anything better. But to put into detail, the beauty of an automation system is that it can further strengthen the day-to-day processes of your self-operation, especially in those areas that could be filled in by contract management companies or vacated by them when they are removed.

For example, contract management companies are data-driven and bottom-line oriented. They make sure that the foodservice is financial fit. If those skills were taken away, software automation systems can help put it back. If ordering the right amount of food is a challenge, automation software can help you overcome it. If patient satisfaction is important to you and contract management companies couldn’t help you raise scores, then implementing a foodservice system might be a worthwhile initiative.

Here are just a few areas that software can be beneficial to a foodservice operation:

- Food costs
- Standardization
- Inventory
- Production
- Ordering
- Forecasting
- Patient satisfaction
- Tray tracking
- Bedside ordering
- Call center
- In-room TV meal ordering
- Point-of-sale
- Historical information
- Efficiency
- Accountability
- Benchmarking
Can You Do It? Yes, You Can!

Many considerations have to be verified in order to ensure that the decision will eventually benefit the operation in the long-term. It will take the collective effort and dedicated contributions of everyone, from the management to the chefs, to make this decision. The transition could take months or even years and you may find out that it may not be right for you at that time. But if you have come to the realization that self-operation is the right choice, then your team must collectively strive to implement that goal.

Self-operation is possible and we have many customers who successfully manage their foodservice using this style. These customers include UCSF Medical Center, Geisinger Medical Center, UNC Health Care, and more. In the case of Geisinger Medical Center, they removed a contract management company and saved $200,000 in the process. You can learn more about our customer success stories by reading our case studies at http://www.computrition.com/Learning-Center/Customer-Case-Studies.aspx and viewing our customer success videos at http://www.computrition.com/Learning-Center/Virtual-Reference-Tour.aspx.

Computrition wishes you the best and we hope that in whatever decision you make, it will be the right one for you and your team.
About Computrition

Since its inception in 1980, Computrition’s core objective has been to provide industry-leading, comprehensive solutions to support food and nutrition professionals and to promote the quality, efficiency and safety of their operations in the healthcare industry.

Our flagship solution, Hospitality Suite, is a powerful automation system that is being used by over 900 customers to decrease costs, improve revenue, and increase patient satisfaction.

Computrition is based out of Los Angeles, California with satellite offices throughout the United States and Canada.

We are composed of dietitians, former foodservice directors, IT professionals, and former clients that understand the needs of our customer base. In short, we know what you are looking for in an automation system because we are a company of professionals who are just like you.
We offer automated solutions for the following:

- Foodservice
- Nutrition Service
- Point-of-Sale
- Room Service
- Tray Tracking
- Touch Screen Menu Selections
- TV Meal Ordering
- Web Recipes and Web Menus
- Food Labeling
- Tablet-Based Beside Meal Ordering
- Call Center

Call us at (800) 222-4488 or go to http://www.computrition.com/contact-us to find out more about our solutions.

Take the Computrition Experience!

Go to the following for more on our products and customer successes:

- Products: http://www.computrition.com/our-products
- Demos: http://www.computrition.com/see-our-demos
- Case Studies: http://www.computrition.com/read-our-case-studies

References