

Kid's Café Strategic Business Plan

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Executive Summary

The Kid's Café at Mercy Hospital in Springfield, Missouri is a small café located on the west side of the building near the employee garage. This Café provides food not only to visiting families and some patients, but mostly to the employees. After working long hours at the hospital, many employees walk past the Café to get to their vehicle and know that to-go pizzas are readily available for them to pick up on their way out. These personal pizzas are the top selling item at the Kid's Café. This is due to their convenient size, inexpensive price of \$3.00, and they can choose any meat or vegetable topping they want for \$0.50 and \$0.25 each respectively.

Health is a big topic, especially at hospitals. Providing a healthier alternative than pizzas as a to-go item could help improve the health of customers and employees. Creating four types of healthy to-go salads will enable employees to have the choice to choose lunches or dinners that are less in fat, sodium and simple carbohydrates. Three of the salads will be priced at \$4.79 and the vegetarian salad will be priced at \$4.50. This will not only bring in extra profit, but it is also comparatively priced to the pizzas that have extra toppings on them. To help promote the salads for the first couple of months, each time a salad is bought for the first time by the customer, they will receive a punch card where if they buy 10 salads they get one free.

The budget for this proposal will not increase much because there is no need to buy extra equipment like a refrigerator, create a salad bar, or implement a new display case. There is a weekly budget for food that is \$100,000 per week that the hospital rarely goes over. To buy the extra produce for the salads will cost only \$670 per week. April 1st, 2017 is the proposed date of the new to-go salads. Within the first three months, monitoring sales will be crucial. If sales are

down, new promotions may be necessary for the salads. Creating a healthier choices will help the employees make smarter decisions for lunches and dinners.

Background

The Kid's Café is located on the west side of Mercy Hospital in Springfield, Missouri. The Café itself is very small, but very conveniently located for employees as it is near the employee parking garage. The vision of the Café is the same as Mercy's, "We are the people of Mercy Health Ministry. Together, we are pioneering a new model of care. We will relentlessly pursue our goal to get health care right. Everywhere and every way that Mercy serves, we will deliver a transformative health experience."² The hours of operation for the Kid's Café are Monday through Friday 7 a.m. to 5 p.m. Employees who work there are either PRN, part-time with some benefits, or full-time with full benefits. Each employee works hourly. They range from \$8.50 an hour to \$15.30 an hour, depending on how long they have been working there and which position they are, Cafeteria Technician I, Cafeteria Technician II, Cashier I, Catering Technician I, and Specialty Food Service Technician. Every technician and cashier are all eligible to work in the Kid's Café if they were trained.

Description of Organization

The target market for the Kid's Café at Mercy Hospital in Springfield, Missouri are mostly Mercy employees. The Kid's Café is conveniently located next to the employee garage. Many of the employees leave from work and grab pizza or other food item to-go once they leave for work. Mercy Hospital has nearly 6,000 employees in its facility and the Kid's Café has nearly 439 sales per day, most of which being employees. The average worker is predominantly white, female, ages ranging from mid-20s to mid-50s.¹

Convenience of the location seems to be the biggest reason for business for the Kid's Café. Many employees work long hours and may be too tired to cook dinner for the evening or bring a lunch from home. Walking to their car and passing by the Kid's Café is a perfect opportunity to grab a pizza to go. The Kid's Café serves on average 80 pizzas in a given day. Other top items people buy are sweet potato tots, popcorn, and Icees. The pizzas are the most popular because anyone can add their own toppings, it is a personal size amount, and the price is only \$3.00 plus \$0.50 per meat topping and \$0.25 per vegetable topping. Sweet potato tots is the second top pick. They are just like tater tots, but made with sweet potatoes instead. The other top pick is popcorn. They can get a personal bag of popcorn that is popped fresh. It tastes like movie theater popcorn. Another big seller would be the frozen Icee. Two flavors are being mixed and made constantly and anyone can enjoy the sweet treat on a warm day. Other menu items offered at the Kid's Café is located in Appendix A.

SWOT Analysis

Strengths Location is close to employee garage Offers some foods that the cafeteria does not	Weaknesses Currently serves foods high in fat, sugar, and sodium Shorter hours than cafeteria
Opportunities Employee/customer loyalty Newly added hours of operation	Threats Cafeteria that has more variety to choose from Fast food and take-out restaurants

Business Plan

Purpose

The purpose of this business plan is to implement pre-made and weighed to-go salads at the Kid's Café.

Objectives

By the April of 2017, the Kid's Café will begin implementing salads in to-go containers at the price of \$4.79 per box with meat and \$4.50 per box with vegetables.

By June of 2017, the to-go salads will bring in more money than the to-go pizzas at the Kid's Café.

Rationale

The rationale behind the to-go salads is provide healthier to-go options for employees and other customers who utilize this establishment. Promoting a healthier meal can help to nourish employees' bodies with the essential vitamins and minerals they may lack on a day-to-day basis. Ordering a salad instead of pizza at least once a week can lower an employee's total sodium, simple carbohydrate, and fat intake by a significant amount. Nearly 68.8% of Americans in the United States are classified as overweight and 35.7% are classified as obese.³ Finding small ways to implement healthier eating habits can help to change those overall statistics. Time and convenience are both big reasons for eating unhealthy. Adding healthier choices can help those excuses decrease.

Action Plan

Implementing this program shall be done easily and efficiently. There will be four different salads premade each morning. Two of the salads will be the same as in the cafeteria: Cobb Salad

and Chef Salad. The other two salads will be newly created salads from the other available toppings at the salad bar in the cafeteria. The four different salads are listed in Appendix B. New menus will be created to hang on the wall behind the cash register. This will include the four new salads and their descriptions. Pricing for the salads will all be \$4.79, except for the vegetarian salad will be priced at \$4.50. Since the salads are new, a promotion will be created to increase sales. The first time an employee or other customer buys a salad, they will be given a card with one hole punch on it. When the person buys 10 salads, he or she will get the next salad free.

Once the menus, prices, and decision on what the salads should be made of are completed, it will be time to execute. Linda is in charge of retail sales. The Kid's Café is one of her businesses she is in charge of, therefore, she will be the best person to execute and watch over the to-go salads. Each morning, two staff members from the kitchen will create 40 salads, which is about half the amount of pizzas for the day. They will be set in a refrigerator at the Kid's Café. A flyer will hang in front of the register explaining the promotion of buy 10 salads, get one free. If salads begin to run low, an employee at the Kid's Café must notify the main kitchen in order to have a staff member create more. If salads continually begin to run low, the two staff members should increase to 60 salads for the day. This plan will take a total of two months to begin. The timetable below gives dates from beginning to execution.

Description	Who	Date to be Completed
Create idea for Kid's Café to create more sales	Rachel Diener	12/31/16
Create two additional salads to sell	Rachel Diener	1/18/17

Create pricing for salads	Rachel Diener	1/18/17
Create new menus including the salads to hang at the Kid's Café	Linda Gladden	3/1/17
Create promotion cards for the "Buy 10 salads, get 1 free"	Linda Gladden	3/22/17
Execute to-go salads by March 1 st	Linda Gladden + staff in Kid's Café	4/1/17
Follow-up on Sales each week for 3 months	Linda Gladden	4/1/17 – 6/30/17

Budget and Discussion

Since there is no need to make additional room, such as creating a salad bar, display case, or bigger refrigerator, the budget itself for making additional salads is quite small in retrospect. The average price to make one of these salads is near \$1.45. In order to make a close 70% profit, the salads need to be priced at \$4.79. To make the additional 200 salads per week would be near \$670. Tyler is the head chef at Mercy. He oversees most of the ordering done at the facility. Toward the beginning he will need to make sure that produce is being ordered properly. The biggest competition for the salads will be the to-go personal pizzas. They are priced efficiently and have been the main purchase of the Kid's Café for many years. To-go salads in the main cafeteria are priced at \$4.79 therefore, it would be a wise decision to keep that price for the salads at the Kid's Café in order to not make any more competition. The vegetarian salad will

be priced at \$4.50 since it does not have meat to increase product value. With pizzas only being \$3.00, plus \$0.50 per meat and \$0.25 per vegetable, the salads are priced comparably. The to-go salads are not only a sensible decision to promote healthy eating, but they will also bring in sales for Mercy. If they were sell all 40 of the salads in one day-30 at the price of \$4.79 and 10 at the price of \$4.50-that would increase the total sales up to \$188.70 each day. For the month that could be almost \$6,000 per month.

Contingency Plan

When planning a new project, it is crucial to have backup plans in case something does not go completely as planned. The biggest problems that could occur for the salads would be there was not enough produce to create the salad properly, the salad sales were not doing well, or there are not enough salads each day. All three issues could be very hurtful toward the salads and the Kid's Café business. In order to prevent these from happening, a response should be planned ahead of time.

Ordering produce is key to making the salads exactly like it says on the menu. If Mercy was not to order enough produce, the salads will not meet the customers' expectations. Tyler is the main chef and oversees the ordering. Once other employees get the hang of the ordering, he allows them to do it. For the first month Tyler must be in charge of the ordering to understand what works best. If he trains an employee to do it and something goes wrong and there was not enough ordering, he should watch over what they do and change the amount if needed.

If salad sales are not doing well, then additional promotion may be needed. Possibly hanging flyers in the cafeteria to promote the Kid's Café is one way to promote the salads. Another way is to have a sale on the salads, for example taking \$0.25 per salad or change the

promotion of buy 10 get one free to buy 7 get one free until sales increase again. The problem of not having enough salads per day is almost a good problem to have. However, this will also mean increasing ordering and creating more salads a day. If needed, another employee should come help create the salads in the morning to ensure there are enough made. If the Kid's Café constantly does not have enough salads, it could turn customers and employees away from wanting to buy salads and instead will buy the pizzas. Planning efficiently will be the best way to ensure the Kid's Café to-go salads will be a success. Creating healthier options for employees and other customers is a wise decision in helping increase overall health at Mercy Hospital.

Appendix A

Menu for Kid's Café

Small Coffee

Fruit Pizza

Cinnamon Sugar Breadstick

Skim Milk

Water

Small Muffin

Krispy Kreme

Sweet Potato Tots

Cheese Pizza (both meat and vegetable
toppings available)

Icee

Popcorn

Nachos and Cheese

Chips

Man and Cheese Wedges

Ham and Swiss Pretzel

Italian Panini

Beef Cheddar Panini

Caprese Panini

Turkey and Cheese Wedges

Breakfast Pizza

Deli Special Sandwich

Deli Special Wrap

Fresh Fruit

Salami and Cheese

Rice Krispy Bag

Fresh Fruit Cup

Chef's Entrée

Packaged Cookies

Pudding Parfait

Andy's Plan Ice Cream

Andy's Mixed Ice Cream

Pretzel

Appendix B

Kid's Café To-Go Salads

Cobb Salad

Lettuce
Hard Boiled Egg
Cheddar Cheese
Swiss Cheese
Chicken
Bacon
Tomato
Olives

Veggie Salad

Spinach
Hard Boiled Egg
Sunflower Seeds
Edamame
Mushrooms
Artichoke Hearts
Onion
Feta Cheese

Chef Salad

Lettuce
Hard Boiled Egg
Cheddar Cheese
Swiss Cheese
Ham
Tomatoes
Cucumber

Kid's Café Salad

Spinach
Hard Boiled Egg
Tomato
Onion
Carrots
Broccoli
Chicken

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