

Insights from a post Covid world of the hospitality & foodservice industry

**Part one: Looking back
The impact of COVID-19**



Foreword

There's no doubt that the COVID-19 pandemic has left an indelible mark on our global society. As well as serious implications for people's health and healthcare services, the hospitality and foodservice industry has experienced unprecedented turbulence and change.

As the world looks ahead to the rollout of vaccination programs, and as kitchens slowly begin to reopen once again, the team at Winnow are focused on supporting our clients and the wider sector in this recovery.

We created this whitepaper series to help operators navigate through

this difficult period. In this first part we look back at the impact of the pandemic, and how we might all learn from each other.

It is full of practical tips from the front line of hospitality, supported by data from kitchens around the world. Winnow serves customers in over 40 countries, across the diverse sectors of contract catering, hotels and resorts, cruise ships, casinos and retailers.

We hope you find these insights useful as we look forward to rebuilding a resilient, sustainable hospitality sector.

Marc Zornes,
Winnow CEO & Founder





Part one: Looking back
The impact of COVID-19

1 The re-opening journey brings demand uncertainty

Winnow works with hospitality teams and chefs all over the world to help them measure and prevent food waste. Our technology is used by hotels, resorts, contract caterers, cruise lines and quick service restaurants. It gathers food waste data which is proven

to drive significant cost savings. This global presence presents the opportunity to benchmark the impact of the pandemic on levels of food waste and the strategies that kitchens reopening can employ to guard against it.

Some sectors, such as the cruise industry, have experienced limited or no return. Where kitchens have been able to open their doors again, we have seen significant uncertainty within the reopening journey. Uncertainty over demand

is a consistent challenge for almost all operators. As kitchens reopen, teams struggle to forecast daily consumer demand and changes in consumption patterns.

The re-opening journey

Pre-pandemic

Some slowdown observed prior to government intervention



Full lockdown

Full closure of hospitality sector instated



Partial reopening

Some operators reopen with limited capacity (e.g. takeaway)



Full reopening

Many kitchens operating skeleton staff with reduced demand



Demand fluctuation

40%-60% pre-pandemic volumes with significant demand fluctuation



2 Demand uncertainty brings increased level of food waste after lockdown

Although total levels of food waste have fallen due to closures and reduced demand, Winnow has observed that relative levels of waste increase upon reopening. Data collected in kitchens around the world shows that as a proportion of sales, a typical kitchen could expect relative levels of food waste to increase by as much as 50% in the first month of reopening.

Pressure on margins is already high. Operators are facing

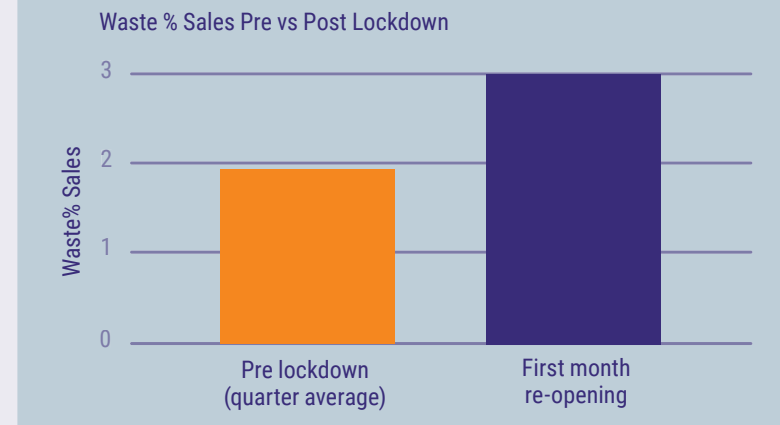
reduced demand, disruptions to supply chains and increased costs from new hygiene regulations. Prioritising food waste measurement upon reopening can ensure that waste and costs remain low.

Feedback from our customers indicates that many are already building food waste reduction plans into their reopening strategies.

„Amadeus’ focus is on making sure that we come out of this bigger, better and stronger. If we focus our efforts on reducing food waste, our operation becomes more sustainable which naturally has positive impact from a cost point of view.“

Marc Frankl, Director Food & Beverage, Amadeus Food

We have observed relative levels of waste increase by 50% after lockdowns

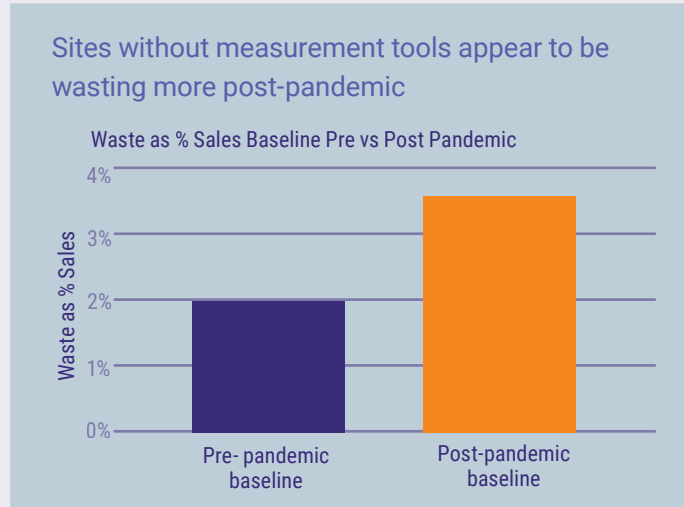


As the sector starts to come back to life, customer expectations are also changing. However the most important thing will remain: to offer a great value for the customer. Technology will play an important role here in providing better demand and forecasting insight.

Demand is always a challenge to get a grip of. Kitchens have more opportunity to react to demand

when they shift away from the mindset of preparing a certain amount of food for the entire breakfast or lunch period. For instance, a huge lever to reduce food waste is helping teams to focus on those products where demand is more volatile. By producing those products in smaller batches throughout service, significant reductions can be made.

3 Sites that measure both the weight and value of food waste have increased efficiency post pandemic



The old adage, “what gets measured gets managed”, has never been more true than in a kitchen environment. The pandemic has resulted in even higher staff turnover and changes to menus and costs. Each of these areas can significantly impact the profitability of the kitchen.

„Food waste is still on the top of our agenda. We want to focus on tracking, measuring and managing our food waste to reduce it. This is in line with our 2030 goals to cut food waste sent to landfill by 50% in our managed operations.”
Sebastian Nohse, Senior Director of Culinary, EMEA Hilton

By measuring and managing both the weight and value of food waste on an ongoing basis, kitchens have an opportunity to greatly enhance the efficiency and productivity of their operations.

Not all kitchens are created equal. The impact on sites who had adopted food waste measurement tools pre-pandemic vs those who had not is different. At Winnow we set a ‘baseline’ at the beginning of every reduction program - this is a measurement of the levels of waste in the kitchen before any interventions are made. Post-pandemic we are seeing sites that we would have previously expected to have a waste value of around 2% of their sales total now recording upwards of 3.5%. This shows the impact the fluctuating demand is having on sites without measurement tools in place.

This finding underlines the importance of as you start opening up, if you were not measuring food waste before, getting serious about measuring it.



4 Increase in overproduction & spoilage as a proportion of total waste

In the past years we've worked with hundreds of kitchens and identified the four main areas where food waste happens:

Overproduction - Food that was prepared but not sold; it can also be mise-en-place

Plate waste - Food that was taken on to plates and what was not eaten

Preparation waste - Food that actually could be better utilized from a yield perspective but it is not

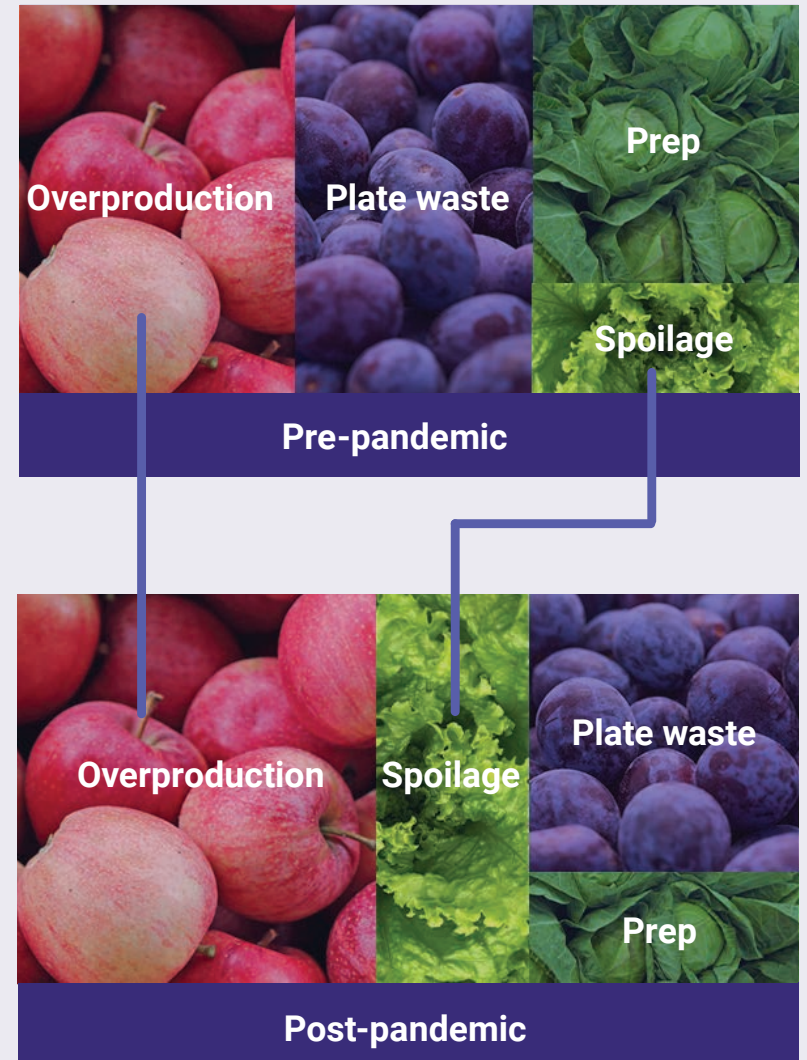
Spoilage - Food gone bad

We find that, as a proportion of total waste, the levels of overproduction and spoilage waste are higher post-pandemic. This is caused by the factors we have touched on before - demand uncertainty, lack of staff experience to manage

the evolving situation and a change in consumer behaviour.

Overproduction issues result in significant economic loss for these outlets because it consists of higher value food such as beef steak, fish fillets, desserts or salads. It also has a negative impact on both food security and the environment.

The majority of the kitchens we are working with have demonstrated that it is possible to cut overproduction waste by 40% or more. This is possible without impacting the quality of service through the use of quality, granular data and coupled with strong leadership and high levels of staff engagement.



Tips to prevent food waste

By bringing sustainability, innovation and control to your kitchen production practices, you can do your bit for the environment, stay ahead of your competition, and improve your financial performance. The best tactics we found from around the world to prevent food being wasted are:



Measure food waste on a daily basis

Measurement is key. It both alerts staff of the scale of the challenge and crystallises the business case for management. With management support, kitchens are then empowered to set targets to reduce their waste and work together to achieve the target over time. Many foodservice businesses run tight margins. Reducing food waste can be the difference between a profitable or loss-making business.



Increase supplier delivery frequency

How often is your inventory delivered? Consider whether smaller, more frequent deliveries from any of your suppliers would save waste and money. Make sure you've got the right products coming in at the right quality.



Simplify your menus

This is driven in part due to pressures on the supply chain. With fewer dishes on your menus, your operation's inventory becomes also much simpler. It is easier to keep track of how much you need of any given ingredient or to figure out which ingredients can be cross-utilized in multiple dishes. This helps prevent food waste.



Plan for re-work

As long as food is safely stored, you have an opportunity to reuse it or re-work it into a new dish. Get creative with ingredients that would otherwise go wasted such as upcycled items from buffets or food trimmings.



The Impact of COVID-19 on the Contract Catering Sector

Interview with Jess Tausig, Managing Director Europe at Winnow



Jess Tausig,
Managing Director Europe
at Winnow

The impact varies by sector with greatest effect felt in largest sectors

	Sports & Leisure	B&I	Education	Defence	Healthcare	Mining
Today	100% closed	65% closed	65% closed	<5% closed	<5% closed	<5% closed
2022 prediction	50% closed	10-50% closed	10-40% closed	<5% closed	<5% closed	<5% closed
Impacted by	Vaccine reliant	Change on working patterns and reduction in real estate	Mainly tertiary and secondary affected	Limited covid impact	Increased activity but less retail	Limited impact

Share prices declined on average initially by 50% and now by 35%

Which sectors within the contract catering industry were hit the hardest by the pandemic?

Sports and Leisure lost their market place and have immediately had to pivot their business. They had to close down sites, furlough staff and support new locations such as vaccination centres. B&I white collar and

blue collars were affected differently. For white collar workers, onsite food disappeared or drastically reduced as working from home became the norm. New offsite solutions and revenue streams needed to be created -similar to Deliveroo and other related food delivery models. Education has been also disrupted throughout the pandemic. The business pivoted to meal

packages delivered at home. Often this is outsourced to contractors, adding more pressure on margins.

What main interim and systemic changes have the pandemic caused in the industry?

From a systemic change perspective, contract caterers had to create new revenue

models to sustain their business. The way food is produced and delivered to consumers has evolved to be more digitally driven in terms of accessibility, ordering and delivery. There is a structural shift to how food is prepared and delivered onsite. Menus are frequently less diverse and pre-plated meals became the norm. This approach brings greater control on costs and margins as well as managing H&S in a covid world.

What are the most useful lessons the industry can learn from this global lockdown?

The most important lesson for the future is the importance of putting flexibility and resilience in the forefront. The pandemic sped up the transition of the traditional sector into a new, diverse one. Leveraging new ways of operation and digital acceleration with H&S is the key, with consumer needs and workplace experience at the heart.

The industry is currently in crisis management mode. If you look to the future, post-Covid, what trends do you see?

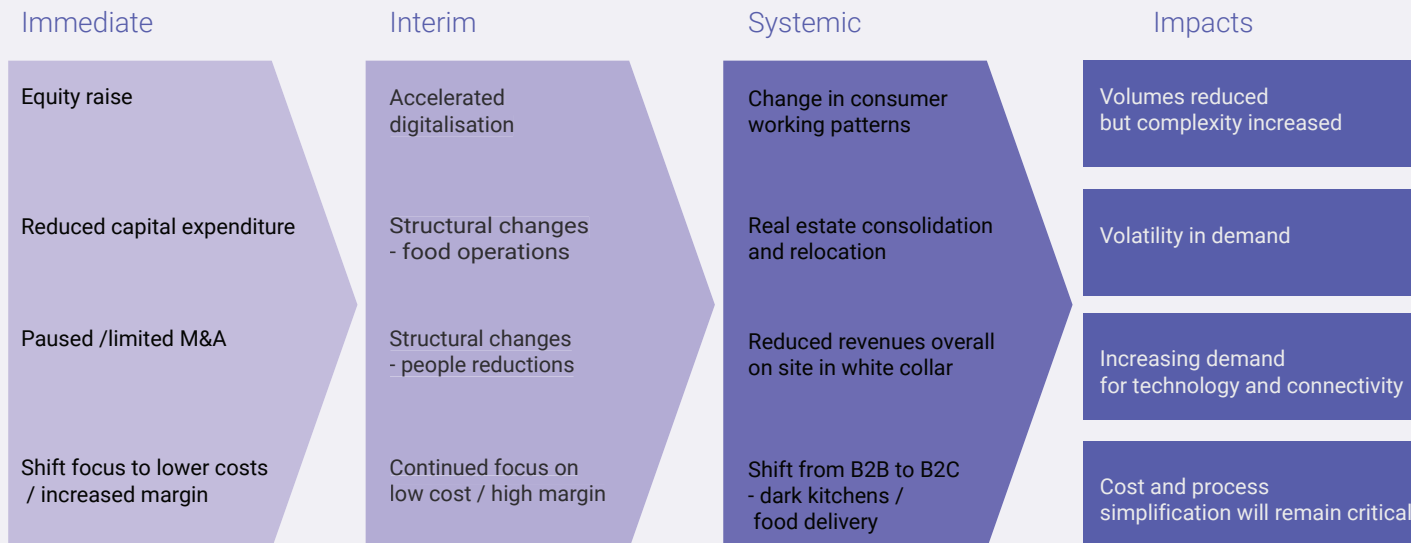
The digitalisation of the food service deli-

very model will continue. The use of dark kitchens, click and collect services and off-site delivery is bound to be a common trend. In future we will see Real Estate consolidation and a move towards a more flexible co-working space. With new working patterns emerging, the overall Real Estate footprint is likely to reduce on-site catering needs. Caterers will need to consider both on and off-site food service models to sustain their business.



Jess Tausig,
Managing Director Europe
at Winnow

Changes caused by the pandemic in the Catering industry

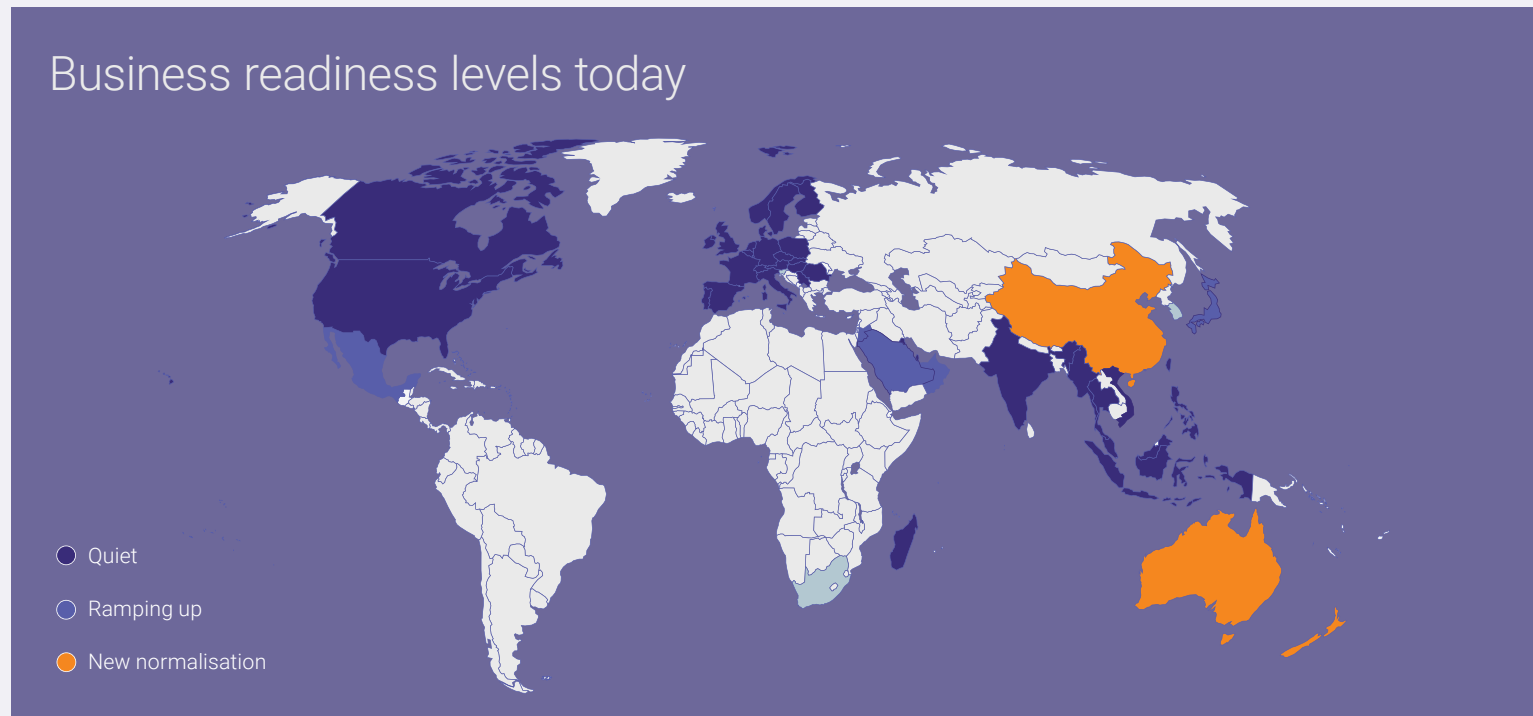


The Impact of COVID-19 on the Hotel & Resort Sector

Interview with Brad Weller, Managing Director APAC & Global Head of Hotels and Resorts at Winnow



Brad Weller,
Managing Director APAC &
Global Head of Hotels and
Resorts at Winnow



Which markets are emerging earlier from COVID-19 and see an increased culinary activity and why?

Resorts in southern climates have always

been attractive hubs for western tourists.

How quickly these markets return is dependent on a number of factors. Firstly,

increased activity is likely to come from the

more active and open economies. From

these, countries that underwent sustained

lockdowns are showing signs of returning

faster to pre-pandemic life. Lastly, the rate

at which countries are able to regenerate their hospitality industry is linked to the speed of successful vaccine rollouts.

What main interim and systemic changes have the pandemic caused in the hotel and resorts sector?

In terms of interim changes, buffets have been either discontinued or highly modified. There are servers to present and serve the food instead of self service. All you can eat moved towards all you can eat a la carte. From a systemic point of view, the main change is the realisation of how much was wasted pre-pandemic. The culinary plenty that people had access to before is no longer available to them and by default waste has dramatically declined. It remains to be seen whether the more managed approach to food presentation and serving will survive normalisation of travel.

What are the most useful lessons the industry can learn from this global lockdown?

We've learned that you can achieve a very high level of culinary creativity and offering while wasting less. It is important to realize that it was largely accomplished because of the practical impact of margin pressure and the government intervention and on how we live, interact and dine. It is reasonable to assume that governments have a role to play in setting targets and investing in our industry to encourage a continuation of balancing guest experience, environmental responsibility and financial health.

The industry is currently in crisis management mode. If you look to the future, post-Covid, what trends do you see?

Diners have become accustomed to social distancing which in some way offers a

more private dining experience. The architecture and layout of certain culinary environments may change to accommodate the appreciation of more private space. Also, during the pandemic the education of consumers has accelerated through the consumption of media materials that relate specifically to the unsustainable practices in the food supply chain. People will be more aware of what is truly sustainable and what is greenwashing.

There are several markets in Asia where F&B revenues broke pre pandemic levels over the winter holidays. And this happened alongside the "smarter" food serving models necessitated by Covid hygiene measure. This bodes well for new F&B models that find a balance between people, planet and profit. We have exciting and creative days ahead of us.



Brad Weller,
Managing Director APAC &
Global Head of Hotels and
Resorts at Winnow

Can Winnow help you?

- Are you interested in reducing food waste and cost?
- Are you interested in gaining better understanding of food waste in your kitchens?
- Do you prepare some or most of your food in advance?
- Does your organisation have more than 10 sites with kitchens?
- Are you spending ~100k\$/year on food in each of your kitchens?

If you answered yes to all of the above questions, speak to one of our food waste experts to find out what reducing food waste could mean for your business.

[Get a free consultation](#)



About Winnow

Winnow was founded with a simple belief that food is too valuable to waste. Yet measuring food waste is a challenge for all commercial kitchens with up to 20% of all food purchased going to waste (typically 5%-15%).

Our mission is to connect the commercial kitchen, create a movement of chefs, and inspire others to see that food is too valuable to waste. Winnow develops Artificial Intelligence (AI) tools to help chefs run more profitable and sustainable kitchens by cutting food waste in half.

From city centre hotels to casinos and cruise ships, Winnow offers a solution for every kitchen. Our

analytics platform and reporting suite helps teams pinpoint waste quickly, allowing enterprises to drive significant waste reductions at scale. Our hardware options range from simple digital measurement tools to our AI-enabled Winnow Vision which 'learns to see' food being thrown in the bin.

We understand that achieving and improving profitability in a professional kitchen can be a challenge. We will work with you every step of the way.



We'd love to hear your thoughts about using
AI in the kitchen please get in touch to
continue the conversation:
info@winnowsolutions.com





www.winnowsolutions.com