

Hillcrest- ACC Coffee Cart Analysis

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DI 4.10 Develop a business plan for a product, program or service including development of a budget, staffing needs, facility requirements, equipment and supplies
□ Complete S.W.O.T. analysis with Assistant FS Director, present to management staff (4.10)

DI 4.7 Prepare and analyze quality, financial or productivity data and develops a plan for intervention
□ Discuss productivity data with FS Controller, create plan to reduce waste (DI 4.7)

Problem:

The ACC coffee cart is one of two operated at Hillcrest, located outside the Medical Offices South building. In the two years they have been open, both coffee carts have not been profitable. The month of August 2010 was the first month that a small profit was made— around \$1200. In an effort to decrease and prevent the waste of resources and labor, the coffee carts are being examined for ways to cut costs and increase revenue.

To cut costs, hours for the baristas have recently been cut. Exploring options for increasing revenue is now a priority.

Observations:

I observed the ACC coffee cart over the course of two days, looking for ways in which presentation as well as the food/drinks offered could be improved with the goal of increasing sales and revenue. I watched customers to see what they bought and talked to the barista to find out what the customers are asking for.

Appearance: Overall, the coffee cart set up is very clean and attractive. One of the major drawbacks is the small amount of space available. In addition, the cart is kept locked inside a tall gate (to prevent theft at night), which obscures the coffee cart somewhat.

Set-up/Presentation: Although the space and location issue is not really possible to remedy, there are some small, simple changes that could be made which would improve the overall appearance of the cart.

- Menu/special boards: As a customer approaches the coffee cart, the first thing they see is the Coca-cola whiteboard sign which advertises the specials. Switching this sign for more of a classic, chalkboard type sign would seem more fitting for a coffee cart than one which advertises soda.
- Chairs & seating area: In front of the coffee cart there are about four plastic, white lawn chairs set up. It seems that these chairs could easily be upgraded to something that looks nicer. If possible, adding a small table or two would greatly add to the ambiance.

- It would be helpful to add a sign to the cart so people walking by know what the cart is selling. The first time I walked by the ACC cart I thought it was just a soda/snack kiosk. Adding a large, attractive sign to the outside of the cart that says at least 'Coffee' would help.
- Food containers/baskets: The baskets holding the chips are located at about knee levels. These could be raised a little higher to put them more in the line of vision of the customers and easier for them to reach.

Menu options:

- Alternate beverages: Especially as the weather gets colder and rainier, it would be good to consider adding hot cocoa to the drinks offered. This could be advertised on the 'specials' board to inform and attract customers. Fruit smoothies would also be a great addition to the menu. The coffee cart already has a blender that could be used to make the smoothies.
- Hot menu items: According to Tess, the barista at the ACC cart, customers most often say they would like to have hot foods offered at the cart. Although, the limited space prevents doing preparation of hot foods, this request could still be met. Hot, pre-made, wrapped items from the café could be offered at the coffee carts such as the breakfast burrito or bun-on-the-run. These could be kept in a warmer. Another simple addition would be a small microwave where the bagels and pastries could be warmed when purchased.
- Offer the foods on the menu: Items such as brownies and cookies are listed on the menu but were not stocked at the cart. Having a variety of small food items offered is likely to increase the chance that someone will purchase something with their coffee.
- Fruit basket: Tess had some bananas out on the counter which she says sell really well. This could be expanded to a fruit basket with a variety of fruit. These could be kept in baskets like the chips are in instead of crowding the small space on the counter.

Marketing:

- Offer coupons to different departments in the hospital (buy coffee, get a brownie free; 50% off one coffee) to help bring in new customers.
- Occasionally, free samples could be offered to passersby.