



# **Making An Informed Decision**

A healthcare executive's guide to evaluating management options for core competency foodservice operations



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## **MAKING AN INFORMED DECISION—EXECUTIVE SUMMARY**

Patients, staff and visitors deserve quality food and nutrition services during their stay, shifts or visits, many of which can last hours, days, months, and even years. Providing high level support systems, such as foodservice, not only increases patient satisfaction rates, but it also leaves a lasting, positive impression about the facility in both patients' and staffs' minds that can encourage them to come back. Foodservice is an important, integral part of the overarching healthcare facility mission, just as much as clinical services.

Positive financial results, enhanced core competency, and improved services are important objectives that healthcare executives must meet in order to ensure a successful, fully integrated, foodservice operation. Yet in order to define these objectives, executives must decide what type of management they seek for their operation. Almost always, that task involves wading through the vast, conflicting information in the foodservice industry regarding on-staff (self-operated) versus contract managed (outsourced) foodservice programs.

The purpose of *Making An Informed Decision*, provided by The Association for Healthcare Foodservice (AHF), is to help healthcare executives understand, analyze and apply this information in order to more effectively evaluate the pros and cons of on-staff compared to outsourced foodservice operations. The decision a given administration makes should be one that suits the particular nature of its operation and financial situation, and one that takes into consideration both short-term needs and long-term goals. In addition, it remains imperative for healthcare facilities to summarize the risks they face, determine steps for improvement, and know the rewards that come with either decision.

### **The Benefits of On-Staff Foodservice**

Independently operated foodservice programs tend to have greater control over their decisions and creative capabilities. They can also help avoid the hassle of contract processes and the fees contractors charge to make a profit, which can add up during the course of contract. In many cases, on-staff operations consist of teams with an expertise and passion that may or may not be matched in equal terms by an outsourced, contract management firm.

A survey conducted by *Hospital and Health Networks (Hospital and Health Networks 1995)* listed the following reasons as to why healthcare CEO's choose to maintain an on-staff management team versus a contracted one:

- On-staff runs the department better by themselves..... 77%
- Contract management adds another layer of costs..... 71%
- Bad previous contract experience..... 25%