

**2008 SACUBO BEST PRACTICES ENTRY:
24-HOUR MEAL PLAN SERVICE**

George E. Stafford

Associate Vice President for Auxiliary and Administrative Services
The University of Georgia
Athens, Georgia 30602

J. Michael Floyd

Director of Food Services
The University of Georgia
Athens, Georgia 30602

Abstract

Food Services on a university campus, by definition, is a totally self-supporting unit of Auxiliary Enterprises that receives no funding from university, state or federal sources. Food service operations are completely funded by income generated from sales of meal plan contracts to students; sales of individual meals to students, faculty, staff and campus visitors; sales from campus catering events; and sales of a la carte items sold in retail café and eatery operations.

The largest source of income for a food service program is the sale of meal plan contracts to students. The potential customer base for these sales is typically the pool of on-campus residents in campus housing. The campus perception is that the maximum meal plan sales potential is directly proportionate to the campus housing count and that this potential is limited by the available housing bed space. This perception is reinforced on many campuses by mandatory meal plan requirements for on-campus residents.

The University of Georgia Food Service program strives to break this paradigm and broaden its customer base by offering a voluntary meal plan program that attracts both the on-campus and off-campus student. To do so, the program promotes customer satisfaction and offers non-traditional services. In FY 2007, the University of Georgia Food Services' meal plan sales ratio to on-campus housing counts was 120 percent.

The latest innovation in enhanced service by University of Georgia Food Services is unlimited 24-hour dining, introduced in March 2007. The University had previously offered services from 7:00 a.m. to midnight on Monday–Friday, but decided to expand its options to better serve students. With the introduction of this service, the University of Georgia became the first university food services operation in the country to offer round-the-clock dining options. This additional service is of particular benefit to those who study late at night or who desire an on-campus alternative that provides a late-hour, non-alcoholic social environment.

Introduction of the Organization

The University of Georgia (UGA), established in 1785 as the nation's first state-chartered university, is the flagship institution among the 35 colleges and universities in the University System of Georgia. With nearly 34,000 students, approximately 9,000 faculty and staff, and an annual budget of \$1.4 billion, UGA is the largest and most comprehensive educational institution in Georgia and a driving force in the state's economic growth.

The University of Georgia's academic reputation is on the rise, and admission is increasingly competitive. More than 17,000 applicants applied for the fall 2007 class of approximately 5,000 freshmen. For the past nine years, the University of Georgia has been ranked among the nation's top 22 public universities by *U.S. News & World Report*, and the institution is consistently recognized as one of the best values in American higher education.

More than 1,600 employees serve in the University's Office of Finance and Administration, striving to provide the essential support required by the University of Georgia to achieve its ambitious land-grant mission of teaching, research and service. Seven divisions are housed under the auspices of Finance and Administration, managing the University's fiscal, human and physical resources.

The Food Services program at the University of Georgia—an auxiliary unit under Finance and Administration—is nationally recognized as being one of the best in the nation. Since 1986, the department has been awarded 66 national food service awards. These include the Silver Plate Award, presented for the Food Service Operation of the Year by the International Foodservice Manufacturers Association; the Ivy Award of

Distinction, presented by peers for excellence in restaurant/institution operations; 59 Loyal E. Horton Awards, an annual “best in the business” award from the National Association of College and University Food Services (NACUFS) that also recognizes staff expertise and creativity; *Food Management* magazine’s Leadership Award; and *Food Magazine*’s Onsite Best Concept Award. The department also is consistently recognized in the top one percent of college food service programs in a national benchmarking survey.

Statement/(Restatement) of the Problem/Initiative

Food Services, by definition, is an auxiliary service enterprise that receives no funding from university, state or federal sources. Food service operations are totally supported by revenue generated from the sale of meal plans, individual meals and catering events. Any food service program has a limited base of potential customers, due to the fact that a college food service program does not provide services off the institution campus to the general public. For example, a college food service program would not operate a fast food restaurant off-campus that services the general public because this would be outside the scope of its mission and would compete directly with private enterprises in the community. Therefore, a college food service program has a limited customer base of students, faculty and staff.

The largest potential revenue source for food services is meal plan sales. Over 95 percent of colleges require a minimum meal plan purchase from students to generate a revenue base for their college food service programs. At the University of Georgia, however, the meal plan program is totally voluntary. The voluntary nature of meal plans

at the University requires the Food Services program to be managed with a customer service mandate that promotes food quality and excellence. On many campuses the perceived customer base for meal plan sales is the number of students living in on-campus housing. The on-campus housing count is limited in many cases by forces outside the control of the food service department.

Any successful business enterprise promotes financial growth of its operations by expanding its customer base. When a college food service program is limited to the existing base of student, faculty and staff customers, it must expand services to attract more of the existing customer base without increasing the prices of its services to this customer base. For this reason, an innovative 24-hour dining service—the first of its kind in the country—was introduced in March 2007. The new service already has captured the attention of the local press as well as national food service industry publications. In addition, the Food Services Director gave a presentation on the new service, “Anytime Dining—It’s Meal Plan Magic!” at a meeting of the National Association of College and University Food Services in July.

Design

The University of Georgia program has broken the on-campus paradigm by redefining its potential customer base to include not only the on-campus resident pool but also the entire enrollment count. To entice off-campus students—those not living in campus housing—to purchase campus meal plans and return to campus at night for their dinner meals, Food Services previously developed an initiative to extend its dinner service hours and provide convenient, free “after hours” parking close to its dining

centers. “After hours” dining is defined as any time after the close of the business day, typically 7:00 p.m.

The department aggressively markets its current meal plan choices to this expanded customer base. Instead of offering a meal plan with a reduced level of service for off-campus residents, the department employs the “McDonald’s” sales concept of upsizing purchases to increase value, not downsizing the purchase to reduce the price. To better define this concept, a customer at a McDonald’s restaurant is always encouraged to upsize a purchase by either purchasing the combo meal or upsizing a combo for only an additional \$.39. The customer is never encouraged to downsize a purchase. The same concept is valid for meal plan sales. At the University of Georgia, the customer is encouraged to upsize from the Five-Day Meal Plan to the Seven-Day Meal Plan for only an additional \$101 per semester (providing weekend service for 16 weekends during the semester). This approach has resulted in 85 percent of the department customer base purchasing the Seven-Day Meal Plan.

Before proceeding further, it may be helpful to explain the meal plan choices at the University of Georgia:

- A. Seven-Day Meal Plan – Unlimited food and access into four dining commons Monday through Sunday, excluding Sunday dinner; \$1551.00/semester (daily contract rate – \$12.36).
- B. Five-Day Meal Plan – Unlimited food and access into four dining commons Monday through Friday; \$1450.00/semester (daily contract rate of \$16.11).

The department has designed its meal plans to provide value to its customers.

However, to attract off-campus students, convenience became one of the critical marketing components. With 24-hour service, both the convenience and value factors were realized. A third critical component to attract the off-campus customer is accessibility. The availability of campus transit bus routes until 1 a.m. and an adjacent parking deck, open for students to park after 5:00 p.m., provide “after hours” accessibility. Therefore, with the three key components of value, convenience and accessibility in place, the introduction of a 24-hour meal plan service became a reality.

Implementation

A critical element for the successful implementation of any new service is timing of its introduction. One of the department’s marketing strategies is always to introduce new service features during spring semester; this reinforces to students that change is occurring. When new service features are introduced in the fall semester, they do not resonate with customers because many of the customers themselves are new and therefore, do not perceive the new services as enhancements, but simply the status quo.

The Food Services department introduced 24-hour dining on the Monday that students returned from spring break in order to maximize impact. This is the critical time period when students are making housing decisions for the next year. The goal of the department was to encourage the students who chose to live off-campus for the next year to remain on the meal plan and benefit from these new services.

The strategy worked. As of September 2007, the department has realized a record number of 1,963 off-campus students purchasing meal plans. This record is a direct result of implementing the new 24-hour meal plan service. Nightly customer attendance

between the hours of midnight and 7:00 a.m. averaged 506 students for spring semester. During the overnight hours students enjoy food choices that include a full breakfast menu, omelets cooked to order, pastries, cereal bar, a make-your-own Belgium waffle station, cookies, and a full complement of beverages. The most popular item on the menu is biscuits, with more than 500 being served nightly.

Another implementation issue was security for both customers and staff. To address this concern, security measures were enhanced on the interior and exterior of the single dining area that offers the service, Snelling Dining Commons. These measures included the installation of video cameras and backdoor biometric access locks, the enhancement of exterior lighting, and an increase in nightly public safety patrols inside the facility. (The latter was achieved by offering free overnight food service to campus police officers, thus increasing their presence and visibility in and around the dining commons.) In addition, no cash is accepted for the overnight service; only those who participate in the meal plan or who use debit cards or credit cards for payment are served.

Snelling Dining Hall was chosen for the overnight service due to its central location on campus and the convenience of a parking deck directly across the street. Access normally would be an issue in the establishment of 24-hour service. However, recall that Food Services already has an agreement with Parking Services to offer free parking to customers in this deck after 5:00 p.m. The existence of this established partnership rendered the issue of access moot. At this time, UGA has no plan to introduce 24-hour dining at its other dining halls because access is not as readily available.

To entice staff members to work the overnight shift, a pay supplement was added. Within one week of the posting of the new positions, all of the jobs were filled. A

wireless network and additional power outlets were installed in the dining commons to facilitate late-night studying. Students can now use their laptop computers in the dining commons, which reinforces the important concept that campus food service facilities can enhance the student learning environment. True to our expectations, peak usage of the overnight dining service occurred during final exams for the spring semester.

Benefits

The benefits of 24-hour service are multifaceted. First, customer satisfaction is increased by a service that responds to student demand. Second, an on-campus alternative has now been provided to accommodate a late-hour, non-alcoholic social environment. Third, the student learning environment is supported. Thus, building a campus community through social interaction directly impacts the quality of life for our students and contributes to their academic success. Hopefully, the affinity for this popular service—the only one of its kind in the country—will help to strengthen fond memories and loyalty to the institution as alumni (a fourth potential benefit).

Finally, an important and obvious benefit is to the bottom line of the Food Services operation. The introduction of the 24-hour dining service provides an increased source of revenue for an auxiliary enterprise and thus enhances its ability to be self-supporting.

Retrospect

What would Food Services have done differently in retrospect? Because this service has been so widely accepted and appreciated by students, the department would

have increased its coordination of this program with other campus entities in order to offer a wider variety of round-the-clock services. Campus Transit is an example of a campus service provider with whom the department should have collaborated regarding service extending past 1 a.m. In addition, the Student Government Association has successfully lobbied the administration to extend service to 24 hours at the Student Learning Center—the campus’ main hub of study and research—in a pilot program this fall.

The introduction of 24-hour food service at the University of Georgia has proven to be a trendsetter, both in the realm of other national food service operations and in the potential expansion of additional round-the-clock services at the University. The service demonstrates the University of Georgia’s commitment to respond to the needs of its students and to enhance the overall student learning environment on campus.