

The Role of Foodservice Equipment in **Tackling Supply Chain, Labor and Cost Challenges**

A Hospitality Industry Guide

Customer experience is top of mind for anyone in the hospitality industry. That said, providing guests with an enjoyable, positive experience isn't always easy. As you can probably attest, a challenge or two can always get in the way. In fact, our recent Hatco Customer Insights Survey shed light on this very topic. According to our survey, hospitality foodservice professionals are faced with a variety of hurdles — 67% of which are related to supply chain, labor or costs.[1]

Today, we'll dive into each of these three challenges and explore the role of foodservice equipment in helping you tackle them head-on.



Top hospitality foodservice challenges:[1]

1. **Supply chain**
2. **Labor**
3. **Costs**

1. Hatco Customer Insights Survey, Oct. 2022, distributed to Hatco sales representatives and dealers.

1. Supply chain challenges

War, the pandemic, bad weather, a failed crop, trade restrictions, and on and on — there's no shortage of events that happen in the world that can make it more challenging or expensive for you to source the products you need to execute on your menu and services. Supply chains are complex, interconnected, and often fragile. An event you have no control over can easily send ripple effects through the supply chain, ultimately making it harder for you to provide that tip-top experience your guests have come to expect.

By investing in the right foodservice equipment, you can't stop supply chain issues from arising altogether, but you can minimize their impact. **The key is to prioritize equipment that infuses more agility into your operation.** Can't source a menu ingredient? Products are slow to arrive? Just can't stomach the inflated price of your sustainable to-go packaging? Whatever the case, the right commercial foodservice equipment will allow you to easily pivot to a new menu, accommodate an alternative hot or cold product, change service format, shift production volumes to a different menu item, expand dayparts, substitute packaging and more.

Typical responses to supply chain challenges

- Proactively test new concepts to ensure they are profitable, so you can pivot to a new offering if you run into unexpected supply chain issues.
- If you have to offer menu items that are harder or more expensive to source, run specials to encourage guests to try new, lower-risk options.
- Shift service formats, expand dayparts or roll out new menu concepts based on the ingredients and supplies that are easy and affordable to source.
- Make substitutions or revamp the menu when ingredients aren't available or are too expensive.
- Ask vendors about quick-ship alternatives when foodservice equipment won't arrive fast enough.

Luckily, there is a lot of foodservice equipment on the market designed with agility in mind. Think about the type of equipment you need; oven, toaster, whatever you're in the market for. Then ask yourself how you can get that equipment, but with the features and capabilities that will make your operation more adaptable when supply chain issues arise.



Model: SAL-1

Examples of equipment that promotes agility

Two popular foodservice equipment categories to think about are holding equipment and cooking equipment. These are staple equipment types within the hospitality industry that can offer a number of agility-promoting features and capabilities to combat any supply chain challenges that come your way.

Holding equipment



Convertible wells
Without taking up additional space in your establishment, convertible wells empower you to easily move from hot to cold offerings (or vice versa) to accommodate a new menu plan or daypart.

Model: HCWBIX-2DA



Drawer warmers
Drawer warmers allow you to hold different menu items in separate drawers at varying temperatures and humidity levels. Even add castors for the mobility to accommodate unexpected holding needs in new locations.

Model:
HDWTC-2 with optional castors



Holding cabinets
Holding cabinets come in a variety of styles, so you can select a model that gives you the flexibility you need, whether that's dual capabilities like proofing and holding or the ability to support a range of capacities, temperatures, container sizes and more.

Model: FSHC-17W1

Cooking equipment



Induction cooktops
Induction cooktops facilitate faster cooking than gas or electric alternatives to give you the flexibility you need to accommodate menu shifts that place greater demands than usual on your cooktop station.

Model: IRNG-PC2S-36



Salamanders
Rather than investing in multiple pieces of equipment, get all the cooking capabilities you could ever need with the small but mighty salamander. Grill, cook, toast, caramelize, hold, reheat and more — all from one compact footprint.

Model: SAL-1



Griddles
Great for high-volume cooking, this induction griddle accommodate a variety of menu items and is easy to use. For even more versatility, this model has multiple cooking zones so you can utilize different temperatures to prepare multiple menu items.

Model: IGRID-2418-FS

Need another equipment type?

Agility doesn't stop at cooking and holding. When evaluating any type of equipment, think about how well it supports flexibility across key categories.



Food type



Temperature



Volume



Container style and size



Service format



Daypart



Location



Speed

2. Labor challenges

The labor market is tricky. In scenarios where there are more jobs than the workforce demands, foodservice operations are sometimes forced to make concessions, such as hiring less qualified workers or offering higher wages to attract candidates. On the flip side, if there are not enough jobs available (like in the case of a recession), that's not great either. Even if operations are thriving during these times, they may put pressure on their existing staff instead of paying to hire the extra people they really need.


Model: IHDCH-45 with accessory arms

Regardless of the exact state of the labor market, any imbalance in the supply and demand of labor can create issues for foodservice hospitality operations. **The best way to proactively combat these labor-related challenges is to reduce your reliance on people altogether.** Now that's not to say you don't need humans at all; the special experience that comes from friendly, helpful and skilled staff makes the hospitality industry what it is. The point is that if you can reduce your level of dependence on staff and do more with the team you have, you can weather the ups and downs of the labor market better.

Enter: foodservice equipment. By investing in the right equipment, you can automate tasks so employees can redirect their time to the most value-driving work. You can improve the efficiency of your staff, and therefore the productivity of your operation. You can also reduce the complexity of certain tasks, so you can keep your most experienced (and expensive) employees focused on the areas where their skills will really shine.

How one operator uses foodservice equipment to keep labor challenges at bay

Birch, a modern bistro and butcher shop in Milwaukee, Wisconsin, turned to Hatco's Toast-Qwik® Electric Conveyor Toaster for all things toast. The result is perfectly toasted bread products — with the added benefit of greater productivity and less reliance on expensive headcount.



Toast-Qwik® Electric Conveyor Toaster

- **Patented ColorGuard Sensing System** automatically monitors and adjusts conveyor speeds to eliminate human oversight.
- **Intuitive, visual-based LED touchscreen** makes it easy for anyone to use, regardless of native language or skill level.
- **Advanced controls** automate consistent results and deliver 400 slices per hour for greater productivity.[2]

Model: TQ3-400

2. Choose from Hatco TQ3 models that deliver up to 400, 500, 900 or 2,000 slices per hour.

Beyond the toaster: additional low-labor equipment options to consider

A conveyor toaster is one example of foodservice equipment operators can use to automate manual tasks, reduce reliance on staff and increase productivity. But these benefits don't start and end with toasters. There's a great big world of foodservice equipment out there that can deliver all this and more.



Doorless merchandisers keep food warm while converting any café, cafeteria or restaurant line into a self-service, staff-free revenue stream.

Model: FS3HAC-2426



Order pickup stations automate order handoff from staff to customers so employees can focus on more high-value tasks.

Model: MPP-8I



Have a booming pizza operation? Try a locker system designed specifically for pizza holding. Model: F2GP-14-C

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Mini display warmers sit conveniently on a front desk or other customer touchpoint to add an extra special element without a lot of staff effort.

Model: MDW-1X



Heated wells have always been a self-service buffet staple, but models with auto-fill features and automated temperature regulation take labor savings to the next level.

Model: HWBI-3MA



Add a well cover for a turn-key, staff-free grab-n-go station.

Models: COVFUL-1, COVFUL-2

LEARN MORE ▸



Don't see the low-labor solution for you?

There's a lot of commercial foodservice equipment on the market that can boost productivity and reduce your reliance on staff. To discover more low-labor solutions, check out our interactive guide today.

Get the guide ▸

3. Cost challenges

Food, beverages, staff, utilities, rent, you name it — there are no shortage of costs impacting your bottom line. And we get it; the responsibility of juggling these expenditures is a challenge on its own. Introduce outside factors like inflation, budget cuts, rising interest rates, or a struggling economy, and it becomes that much harder to keep stress low and profits high.

The good news is — this isn't a new challenge. People have been dealing with the effects of costs and financially challenging environments since the dawn of time (or at least since the shekel was first introduced in ancient Mesopotamia). In other words, there's been enough time to develop proven strategies that can help. For one, **when you need to spend money, ensure it benefits your overall return on investment (ROI)**.

Paying a premium for the high-grade tuna that goes into your famous tartare recipe only makes sense if guests keep buying it at the price you need to charge to ensure it's profitable. The same is true with foodservice equipment. If you invest in a piece of equipment, you need to know it will deliver a positive ROI over the course of its life. To ensure this is the case, look beyond the price tag and think about the various ways commercial equipment can drive savings and revenue for your operation.



Four ways foodservice equipment drives ROI

While all equipment is different and delivers ROI in its own unique ways, there are key areas you should explore when evaluating the long-term value of an equipment purchase.



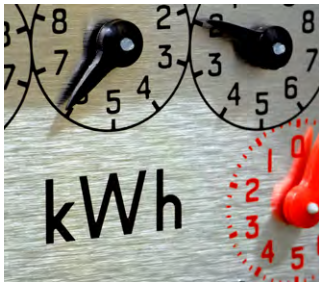
1. Labor savings

We've already dedicated an entire section in this resource to labor-related challenges. That said, it's worth bringing up again. Labor expenditures are often the highest costs associated with running a foodservice operation. Therefore, if you can find equipment that saves time, automates tasks and reduces your need for highly skilled, high-cost equipment operators, you can save on labor costs. Drive greater ROI with equipment that offers speed-inducing technology, programmable cook cycles and temperatures, self-service capabilities, or even robotics that do everything from cleaning to making drinks, flipping burgers, greeting guests and more.



2. Waste reduction

According to one study, 4-10% of the food restaurants purchase never makes it to customers, resulting in a loss of approximately $1,000 per 3.3 pounds of food waste.[3] To help combat food waste, look for equipment with features that automate cooking tasks to prevent burnt or inconsistent menu items from ending up in the trash. Also think about volumes; if you routinely toss a lot of unused items at the end of service, maybe equipment that supports small-batch or on-demand cooking is the ticket. Lastly, make sure you have a holding solution that keeps your food at temperature without compromising its safety, integrity or quality. This ensures food actually ends up in customers' bellies, rather than the waste bin.



3. Energy efficiency

According to a National Restaurant Association survey, almost two-thirds (63%) of foodservice operators say energy utility costs are a significant challenge they need to overcome.[4] Thankfully, quality, eco-friendly equipment can help; you just need to know what features and capabilities to look for. From energy efficient technology to zone heating, automatic on-and-off functionality, power save modes, solutions with high-quality insulation, LED bulbs and more, there's a number of cost-saving areas to explore across any equipment type.



4. Revenue growth

While foodservice equipment has a number of cost-saving advantages, it should also help you drive revenue — whether that's by opening up new opportunities or helping you get more out of your existing offering. Exactly how this looks depends on your goals. Want to keep up with demand better? Bring on equipment that will infuse more speed into your operation so you can turn more tables and get more to-go orders out the door. Interested in testing a new menu item? Opt for versatile or multi-purpose equipment that will give you the flexibility to stray from (or return to) your regular offering. Whatever the case, before you purchase any new equipment, ask yourself how it will help deliver greater ROI by driving more sales.

3. International Journal of Applied Management & Technology, Ways to Reduce Restaurant Industry Food Waste, May 27, 2020, https://scholarworks.waldenu.edu/ijamt/vol19/iss1/1/.
4. National Restaurant Association, Restaurant Business Conditions Survey, Dec. 2022, https://restaurant.org/NRA/media/Downloads/PDFs/business/2023/Restaurant-Business-Conditions-Survey-Key-Findings-Dec-2022.pdf.

Checking the box on ROI

There are many equipment types that can help deliver greater ROI in the form of labor savings, waste reduction, energy efficiency and revenue growth.

Labor savings



Frost tops
Reduce reliance on staff with self-service stations that allow guests to help themselves to a cold beverage, snack or meal.

Model: FTB-2

Waste reduction



Electric bakers
Bake as many or as few fresh items as you need to reduce costly food waste at the end of the day.

Model: SNACK-1

Energy efficiency



Induction cooktops
Replace gas or electric cooktops with induction, which use 85-95% of the energy they produce to lower air conditioning costs by 10-20%.

Model: IRNG-PC1-18

Revenue growth



Merchandisers
Showcase popular and high-profit food items to boost impulse sales and open additional revenue streams.

Model: GRCMW-1DH

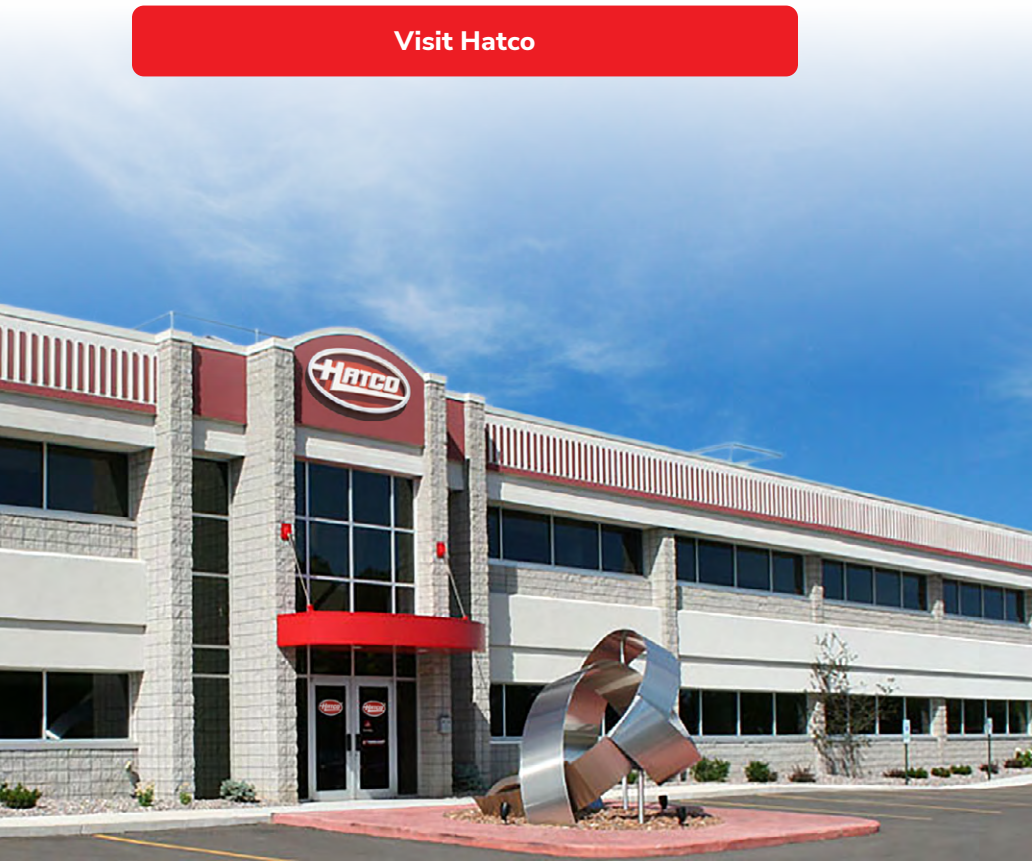
Discover More ROI-driving Solutions



Put your trust in Hatco

Since 1950, Hatco has proudly partnered with restaurants to provide quality, reliable foodservice equipment and knock-your-socks-off customer service. Trusted as a premier commercial foodservice equipment manufacturer, Hatco stands by its commitment to excellence and goes above and beyond to provide customers with innovative equipment needed to tackle the hospitality industry's greatest foodservice challenges. To learn more about Hatco and to check out the latest product offerings, visit **hatcocorp.com** today.

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Not sure which equipment is right for you?

Hatco has foodservice equipment experts all over the globe that are eager and willing to help you navigate your options. To learn more about how Hatco can help, find a local Hatco representative near you at **hatcocorp.com/find-a-rep** today!

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