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HOPE VALLEY:

A CASE STUDY IN HOSPITAL FOOD AND NUTRITION SERVICES OPERATIONS

authors

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**References You May Find Helpful as You Complete This Case:**

Foodservice Organizations: A Managerial and Systems Approach 10th Edition

Food for Fifty 14th Edition

**This version of Hope Valley is Open Access. An alternate version of Hope Valley is available through Pearson Publishing that includes all the original Hope Valley content plus 8 additional exclusive case activities (see below). This allows the materials in Hope Valley to align with *Foodservice Organizations: A Managerial and Systems Approach 10th Edition*:**

**Pearson Exclusive Activities:**

1. Compare and Contrast of Operations
2. Cause-and-Effect Investigation
3. The Menu (Menu Design)
4. The HACCP Plan
5. Policies and Procedures
6. Barriers to Communication
7. Composting Program
8. Meal Satisfaction

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# 

# Introduction

Academia and industry have both shown a demand for the inclusion of more hands-on, real-world scenarios that bridges the gap between theory and practice. Case studies are a useful instructional method that helps students develop critical thinking skills through active learning using practical and immersive learning experiences. *Hope Valley: A Case Study in Hospital Food and Nutrition Services Operations* was developed to meet those demands.

**Benefits for Instructors:**

This case offers an immersive approach to imparting real-world hospital foodservice expertise to students. This case provides instructors with many benefits:

1. **Diverse Scenarios:** Hope Valley includes case narratives that cover a wide range area of focus within hospital foodservice operations. This allows instructors to tailor their teaching to match the specific needs of their course and their students.
2. **Rich Supporting Material:** Hope Valley also includes offers supporting materials, such as an organizational chart, staffing information, budgets, weekly operating reports, and more. Instructors can leverage these resources to provide a holistic learning experience.
3. **Realistic Problem Activities:** The case includes problem activities that simulate real-world challenges faced by healthcare foodservice managers. Instructors can use these activities to encourage critical thinking, decision-making, and problem-solving skills among their students.

**Benefits for Students:**

Through this case students will be introduced to hospital foodservice operations and management:

1. **Real-Life Scenarios:** The case narratives establish a real-world connection to the problem activities and financial management scenarios. This helps students to connect what they are learning in the classroom to what they will be doing in industry settings.
2. **Supporting Resources:** The supporting material provided alongside the case narrative, such as organizational charts, staffing information, budgets, and reports, equips students with the tools they need to analyze situations comprehensively.
3. **Hands-On Learning:** The problem activities and financial management scenarios offer students a chance to apply their knowledge and test their skills. These activities bridge the gap between theory and practice, preparing students for the demands of the healthcare foodservice industry.

**How to Use the Case:**

Begin by reading and understanding the case narratives, which will serve as the foundation for each learning activity. Supplement your teaching with the supporting materials provided, ensuring that students have access to the necessary data for informed decision-making. Encourage active participation in problem activities and financial management scenarios, fostering a hands-on learning environment.

# 

# Case Narrative

## Hope Valley Medical Center

Hope Valley Medical Center is a state-of-the-art medical facility located in the heart of downtown. Founded in 1910, the medical center has a rich history of providing top-notch medical care to the local community. With over 450 beds and a staff of highly trained medical professionals, including board-certified doctors and registered nurses, Hope Valley offers a wide range of services, from emergency care to specialized treatments. The medical center is equipped with the latest medical technology and boasts a cutting-edge research department dedicated to advancing the field of medicine and preparing future practitioners. With a patient-centered approach and a commitment to excellence, Hope Valley is dedicated to providing the highest quality care to all who walk through its doors.

The Hope Valley mission is to provide exceptional and compassionate health care services that meet the evolving needs of the community. Staff members are committed to improving the health and well-being of those they serve through innovative and personalized care, delivered with respect and dignity.

Hope Valley’s goal is to create a welcoming and inclusive environment where patients can receive the highest quality care, with their individual needs and preferences at the forefront. Staff members strive to deliver patient-centered care that is both accessible and affordable, while continuously advancing the field of medicine through innovative research and education.

As a leader in health care, Hope Valley’s administrators are dedicated to creating a culture of excellence and innovation, where staff is empowered to deliver the best possible care to patients. Hope Valley’s administrators believe in the power of teamwork and collaboration and are committed to fostering a positive and supportive workplace culture that encourages professional growth and development.

Hope Valley’s vision is to be a trusted and valued partner in the community, providing comprehensive, high-quality health care services to all, regardless of their background or financial situation. The staff members are dedicated to improving the health and quality of life for patients, and are committed to serving the community with compassion, respect, and excellence.

**Hope Valley in the News: A Recent Social Media Press Release**

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Hope Valley Medical Center is proud to announce the opening of our new Outpatient Eating Disorder Treatment clinic, dedicated to providing comprehensive and evidence-based care to individuals struggling with eating disorders. Our team of experienced healthcare professionals is committed to providing a safe and supportive environment where patients can receive the care they need to recover and thrive.

The new clinic is located on the south side of our third floor. It is the only outpatient eating disorder treatment facility in the region and offers a range of services, including medical and psychiatric evaluations, nutritional support, individual and group therapy, and family support. Our approach to treatment is patient-centered and holistic, considering the unique needs and challenges of each individual.

We believe that early intervention and access to quality care are critical components in the successful treatment of eating disorders, and our new unit is equipped to provide the necessary resources and support to help individuals on their path to recovery.

If you or a loved one is struggling with an eating disorder, please contact us for more information or to schedule an appointment. Together, we can help individuals achieve lasting recovery and improve their overall health and well-being.

Charlotte White, CEO

Hope Valley Medical Center



## Hope Valley Medical Center Food and Nutrition Services

At Hope Valley Medical Center, the Food and Nutrition Services (FNS) department is dedicated to providing high-quality and nutritious meals to patients, visitors, and staff. The FNS mission is to support the overall health and well-being of those served, by providing nourishing and delicious meals that meet their unique dietary needs and preferences.

Our professional chefs, dietitian nutritionists, and foodservice specialists (assistant directors, foodservice supervisors) work together to create menus that are both healthy and satisfying for patients, staff and visitors. They are committed to utilizing sustainable practices to reduce their impact on the environment.

The patient room service provides convenient and personalized meal options for patients. The menu features a variety of nutritious and delicious options to meet the unique dietary needs and preferences of each patient. Patients can easily place their order by using the bedside menu and calling the room service hotline. Meals are delivered promptly to ensure optimal patient satisfaction. In addition to patient meal service, FNS also operates a café for visitors and staff, offering a selection of hot and cold items, as well as grab-and-go options. The café is open throughout the day and offers a comfortable and welcoming space to take a break, grab a bite to eat, or just enjoy a cup of coffee.

The FNS registered dietitian nutritionists, termed clinical dietitians, offer nutrition education and counseling to help individuals make informed choices about their health and well-being. The FNS team is dedicated to promoting a culture of health and wellness throughout the medical center and are committed to continuously improving services provided to meet the evolving needs of the community. The FNS vision is to be a leader in providing high-quality food and nutrition services and providing exceptional care to all those served.

## Food and Nutrition Services Organizational Chart

A diagram of a company

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|  |  |
| --- | --- |
| Food and Nutrition Services | |
| Position | **Description of Duties & Responsibilities** |
| Food and Nutrition Director | Oversees and manages all aspects of food and nutrition services operations. |
| Food and Nutrition Office Secretary | Provides administrative support to the Food and Nutrition Services department. |
| Dietetic Internship Coordinator | Manages the dietetic internship program within the healthcare facility. |
| Dietetic Intern(s) | Completes supervised practical training program as part of the education to become a registered dietitian nutritionist. |
| Assistant Director for Patient Services | Oversees the delivery of food and nutrition services to patients. |
| Diet Office Supervisor | Supervises and coordinates the day-to-day operations of a diet office. |
| Diet Clerk(s) | Communicates with patients to receive meal orders and coordinate with kitchen staff for preparation and delivery of patient meals. |
| Kitchen Supervisor(s) | Oversees and manages the daily operations of patient meal services. |
| Trayline Employee(s) | Assembles patient meal trays in accordance with dietary restrictions, physician orders, and patient preferences. |
| Nourishment Aide(s) | Maintains cleanliness and assures floor nourishment rooms and cafeteria vending machines are adequately stocked with food and nourishments. |
| Host(s) | Delivers and serves patient meals, ensuring that meal temperatures are correct and that patients receive the correct meals. |
| Clinical Nutrition Manager | Oversees the delivery of nutrition care services to patients. Supervises a team of registered dietitian nutritionists and other nutrition support staff. |
| Clinical Dietitian(s) | Assesses patients' nutritional needs, medical history, and lifestyle, and developing individualized nutrition care plans. |
| Dietetic Technician(s) | Works under the supervision of registered dietitian nutritionists to provide nutritional care to patients. |
| Assistant Director for Non-Patient Services | Oversees the delivery of non-patient food and nutrition services, including cafeteria and catering services. |
| Production Supervisor(s) | Oversees the production of food and kitchen sanitation. |
| Chef(s) | Oversees assigned food production stations within the kitchen (e.g., Executive Chef, Pastry/Baking Chef, etc.,). Responsible for quality control, meeting nutritional guidelines, and food safety. Collaborates for menu development and planning. |
| Production Worker(s) | Prepares and cooks food for patient services and cafeteria services. Other responsibilities include warewashing. |
| Storeroom Clerk | Manages the inventory, ordering, and distribution of food and supplies in the food and nutrition services department. |
| Cafeteria Supervisor(s) | Supervises and trains cafeteria staff, including cashiers, food service workers, and dishwashers. Ensures that food is prepared, served, and presented in a safe, efficient, and appealing manner. |
| Cafeteria Worker(s) | Prepares and serves food, operate a cash register, and cleans and maintains the cafeteria. Providing excellent customer service to patients, staff, and visitors. |

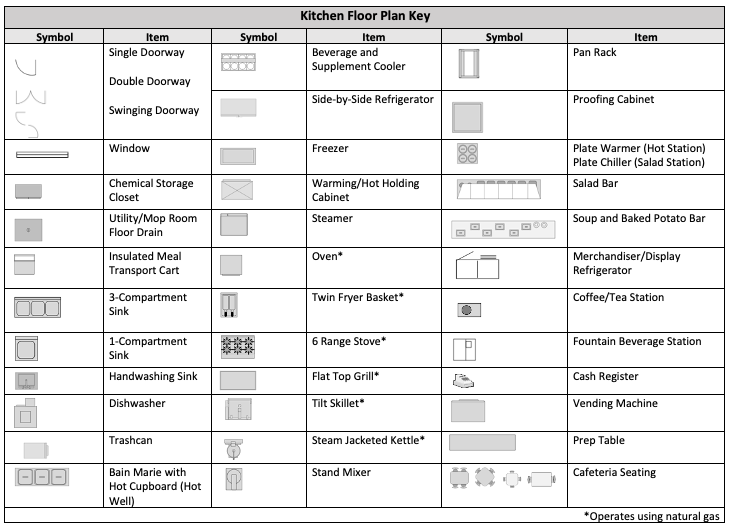
## Positions and Description of Duties & Responsibilities

## Hope Valley Food and Nutrition Services Floor Plan

A floor plan of a restaurant

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## Floor Plan Key



## Patient Room Service

Arlene (she, her, hers), the director of Food and Nutrition Services (FNS) has been in her position for nearly ten years. About five years ago she was at a food and nutrition conference and attended a presentation on the benefits of patient room service. After the conference she identified a need for change in the Hope Valley FNS. Once she returned from the conference, she researched more about patient room service and then took the steps to transition the FNS from a centralized trayline patient meal assembly and meal cart service model to a patient room service model. After the transition, Arlene has been happy to report seeing higher levels of patient meal satisfaction, increased meal consumption from patients, increased meal accuracy, meals being served at the appropriate temperatures, and decreased food waste. The clinical dietitians have shared how it has improved their patient outcomes. Additionally, during the interdepartmental meetings, several nursing managers have voiced their appreciation for the transition as it has reduced the workload of nursing staff having to distribute the patient meal trays and allows them to focus more on direct and indirect patient care. While the transition has been relatively smooth, there are still some remnants of the previous trayline system found throughout the kitchen. One of the first steps Arlene took was to convert the steamtable and beverage cooler in the trayline assembly station into a hot and cold holding station to keep many of the more popular items ready and available for when patients order them.

Kelly (she, her, hers), the assistant director for patient meal service, has asked Arlene about either repairing or replacing the steamtable because two of the heating elements quit working causing the two individual hot wells near the end of the station to also quit working. According to Kelly, the remaining hot wells are functioning well, and, in the meantime, she has been using the two broken hot wells to hold cold foods instead, by filling them up with ice. However, Arlene is cautious of fully replacing the equipment as it will eventually be phased out to better suit the needs of the patient room service design. Additionally, based on the production and service numbers the amount of the available and functioning hot wells are adequate to meet the current needs for patient room service.

Once the patient has been checked into their room by nursing staff, a welcome package containing a paper menu is given to the patient, unless the patient has been ordered NPO (nothing-by-mouth/no food or beverages) by their physician. In which case, once the patient receives a diet order, nursing will provide them with a copy of the menu. The paper menus are disposed of at the end of each patients stay or replaced as needed by nursing, if they become soiled.

Carson (he, him, his), the diet office supervisor, has asked Arlene if he can work with the IT department to get the menus uploaded to the patients’ TVs, so that patients only need to change the TV channel to view the menu. Paper menus will still be available on request, but Carson thinks having it on the TV will greatly improve sanitation and decrease the amount of paper resources being used. Arlene told Carson she will talk with the IT department and let him know what she decides.

Patients may order from the menu anytime between the hours of 6:30am-8:00pm by calling a diet clerk. Once the order has been placed, FNS staff will deliver the meal within 45 minutes. To assist patients in making their decisions and meeting their nutrition goals, symbols have been placed next to menu items that indicate if the food is low fat, low sodium, or vegetarian. Additionally, depending on a patient’s specific diet order some items may be unavailable, but patients are able discuss their meal requests with the diet clerk and that clerk will assist them in navigating the menu to best meet their diet order and personal preferences.

Once an order has been placed by a patient with a diet clerk, the clerk will forward the order to the kitchen. Most items can be readily assembled from the hot and cold tray assembly station, termed a trayline, but some items are made to order, such as the hot sandwiches which are prepared in the hot food production station and typically take between 5-10 minutes for preparation. Once the order has been received by the trayline employees, they begin assembling the order and will pass the fully assembled tray to hosts. After the hosts perform a final check of the orders and the trays to ensure accuracy, they will deliver the trays to the correct patient room. If delivering to multiple patients, hosts may utilize one of the available insulated meal transport carts. Every two hours, hosts will make rounds to retrieve the dirty trays from patient rooms and will return them to the warewashing station to be cleaned.

According to the kitchen supervisors, the tray assembly station is busiest between the hours of 6:30am-9:00am, 11:30am-1:30pm, and 5:00pm-7:00pm. These time periods require three extra employees (two trayline employees and one host) to keep up with the orders. Often these extra employees will come from the bakery or cold food production stations as they have already completed the stations’ prep work and are less busy during those peak hours.

## Cafeteria and Dining Room Service

The cafeteria is located on the first floor and is just a short walk from both the main entrance of the medical center and the giftshop. The cafeteria operates for three meals each day from 6:30am to 8:00pm. Breakfast service is available 6:30am-11:00am and lunch/dinner service is from 11:00am-8:00pm. However, similar to patient service the busiest service periods are between the hours of 6:30am-9:00am, 11:30am-1:30pm, and 5:00pm-7:00pm. The customer ratio is 75% medical center staff and 25% visitors. The average total meal counts for breakfast is 225, lunch is 350, and dinner is 300.

The cafeteria operates a two-week cycle menu that includes a variety of dishes to cater to different dietary preferences and requirements. The menu features healthy options such as salads, sandwiches, wraps, and soups, as well as comfort food favorites like burgers, pizza, and fries. The new soup, salad, and baked potato station has been especially popular. There are also vegetarian and gluten-free options available. Specials tend to be popular with customers but are only offered on occasion and they do not follow a set schedule, with sometimes going several weeks without offering a special. Typically, a special is only offered when items need to be used because they are close to expiration or when testing out a new recipe. Whenever possible, the cafeteria also tries to use many local foods purchased from local farmers.

The cost and price of meals are affordable, with the average meal price around $7.50. Payment options include cash, credit cards, and mobile payment apps. Arlene recently switched from cash registers to a point-of-sale (POS) system. After the change to a POS, Arlene also introduced a payroll deduction program where the cashier scans the staff members badge, and they are charged, and it automatically deducts the charge from the staff member’s paycheck during the next pay period. Some medical center staff have enjoyed this option because they sometimes forget their cash or credit cards and it has made the process of going through line faster and more convenient. However, Arlene has noticed that it only gets used by a few staff members and when she asked other staff members if they had tried using the new payment method yet, many didn’t even know it was an option. Arlene has asked Caleb, the internship director, about having the dietetic interns develop a marketing plan to promote this new payment method, perhaps in the digital monthly newsletter and signage throughout the medical center.

The cafeteria staff works diligently to keep up with the high volume of customers, ensuring prompt service, but the cafeteria has only one main service line that tends to get busy during peak hours, especially during lunchtime. The new self-service soup, salad, and baked potato station that is opposite the main service line has decreased the congestion some by pulling some customers to that side of the line, but the single entrance and exit have been the main issues. To expedite payment, customers can use one of two cashiers that are available. There are also vending machines located outside of the service line and they are stocked with a variety of items including, pre-made sandwiches, wraps, fresh fruit, chips, nuts, candy, and drinks. The vending machines are owned and operated by the FNS department. These machines are usually the most popular when then kitchen is closed.

Cafeteria staff will check the dining area frequently to keep the dining area clean, stocked, and running smoothly. As soon as a customer leaves a table, cafeteria staff will wipe down the table, chairs, and surrounding area with disinfectant spray. The cafeteria workers sweep the floor and check the trash cans to ensure they are not overflowing. Customers can dispose of their garbage in one of the trash cans and return their dinnerware, utensils, and trays at the tray return station.

While the kitchen has set hours, the dining area is open 24/7 and customers may use the available vending machines and dining room seating. Additionally, there are several quick-service restaurants located near the medical center that also serve many of the medical center’s staff and visitors both during and outside of the cafeteria operating hours. As part of the dietetic internship, the dietetic interns will design many of the visual and educational displays that are found hanging throughout the dining area.

## Procurement

Elena (she, her, hers), the assistant director for nonpatient services, is responsible for both food and non-food purchases for all areas of FNS, including patient room service, cafeteria dining, floor stock, and vending. Aaron (they, them, theirs) is the storeroom clerk that manages the storeroom and reports to Elena. Aaron’s schedule is 6:00am-2:00pm Monday through Friday. The supervisors often will leave the storeroom open for anyone to access during the hours when Aaron is not working (evenings/weekends). Aaron uses a perpetual system to determine purchases and they try to do a physical inventory once a month. However, there have been times they missed because they were busy or simply forgot, in which case they usually wait until the following month to complete the next physical inventory. However, the last physical inventory was over four months ago, so Aaron decided that they need to complete an inventory this month. During the inventory, Aaron recorded missing inventory including various non-perishables, valued at around $300.

US Foods serves as the prime vendor and provides deliveries on Mondays, Wednesdays, and Fridays. The medical center also wanted to support the local community by purchasing local produce once per week. Aaron has established a relationship with nearby farms and have been sourcing seasonal produce items from them, which are delivered on Fridays. Most weeks the farmers are able to provide the needed amount of produce, but occasionally more produce needs to be ordered from the prime vendor. Local produce purchases averages out to about 20% of the total weekly produce needs.

Once an order has been delivered, Aaron compares the order to the invoice and inspects the quality of the products, ensuring that items are all accounted for, are fresh and meet their standards. Aaron then stores the food in the refrigerators, freezers, dry storage, and the chemical closet. The primary storage areas available to FNS are one walk-in freezer, one walk-in refrigerator, one dry goods storeroom, and one chemical closet. There are some additional smaller reach-in refrigerators and freezers located throughout the kitchen for additional storage, if needed. Aaron then updates the inventory counts in the POS with the new product counts.

Texture modified diet meals are purchased premade and frozen and only require reheating prior to service. Many of the patients have expressed that they do not enjoy these and often refuse to eat them. Oral nutrition supplements are managed by FNS, but enteral nutrition products are ordered and stored by the pharmacy department. Bulk cases of the oral nutrition supplements are stored in the dry goods storeroom for long term storage and moved into the refrigerator prior to service to chill them.

## Food Production

Hope Valley FNS operates a conventional food production system with the majority of items being made from scratch. There are standardized recipes for recipes, but the chefs often adjust seasonings (herbs and spices) to taste, except for salt. The diet office supervisor will forecast for patient meals to be used the following day and the cafeteria supervisor will forecast for the cafeteria to be used for the following day. Large portions of leftovers are very common and are usually discarded.

About five years ago, FNS transitioned from using a centralized trayline model, where all patient meals for a floor were assembled at one time and delivered to the floor, to patient room service model, which allows patients to order their meals at whatever time they choose. Much of the same trayline equipment is still in use as most of it easily fits in the new model or has been adapted to meet the new needs of the patient room service model. However, some of the equipment is older and will need to be replaced soon. One of the older convection ovens in the chef station does not work and the chefs often need to use one of the ovens from the bakery station which sometimes puts the bakery behind schedule. The current steamer is also small, and staff struggle to keep up with the demand for steamed items. Shortly after the transition, the chef began asking Arlene about upgrading to a combi oven. Arlene has noted that several pieces of equipment still operate using natural gas, so she wants to investigate and decide if she should begin transitioning to electric equipment before making any large new purchases.

## Utility and Dishwashing/Warewashing

Warewashing includes two production workers operating the warewashing station at all times of operation, however, during peak service hours (6:30am-9:00am, 11:30am-1:30pm, and 5:00pm-7:00pm) an additional worker is pulled from the bakery or cold food production stations to assist with processing dirty dishes. These employees are responsible for cleaning all production equipment and utensils including the dishes from both the patient services and the cafeteria. The warewashing station has been operating for many years with an old, single rack, door-style, high temperature dishwasher that is now needing more frequent repair. There is a three-compartment sink that is primarily used for washing and chemically sanitizing the pots and pans that are too large to pass through the dishwasher, but it is also used during peak hours, if needed, to keep up with the high number of dishes being returned. There have been several daily instances of the dishwasher not reaching/maintaining adequate rinse temperatures, so sometimes racks need to be sent through more than once. Elena has expressed concern that one day the dishwasher may completely fail, and employees will need to manually wash all the dishes in the 3-compartment sink. She also believes that the current dishwasher is too small and has high water usage for processing the number of dishes cleaned daily. She has been looking at high volume, water and energy efficient, and both low-temperature and high-temperature dishwashers as replacement. She potentially would also like to have a garbage disposal system added in place of the 1-compartment sink to make the process of food waste disposal more efficient and hygienic. There is a small utility room next to the warewashing area that holds all the department’s cleaning supplies, chemicals, and a mop station.

## Recruitment, Hiring, Training, and Evaluation

The hiring process is similar for all areas of FNS. First, either an assistant director or the clinical nutrition manager will identify a need to hire new staff for their respective areas. A hiring proposal is prepared and presented to the FNS director. The FNS director, Arlene, will then review the proposal and submit the request with an updated job description to the Human Resources department for a final review and to post the position online. Human Resources will perform an initial screening of the submitted applications and forward them to the FNS director. After reviewing the applications, FNS administrators may conduct initial phone or in-person interviews to further assess an applicant’s qualifications and suitability for the open position. Interviews are conducted by the FNS director and the appropriate assistant director/nutrition manager.

Once a final applicant has been selected, one of the FNS administrators will extend an offer of employment, which will typically be contingent on a satisfactory background check and drug screening. Once applicants have passed these screenings and any necessary training and onboarding is completed, they can begin working in the FNS department. New hires are placed on a three-month probationary period in which their employment can be terminated at any time. The employee will receive a formal review at the end of that probationary period by the FNS director and if their work has been deemed acceptable, the probationary period will end, and the employee will receive full rights and responsibilities of a regular employee. From that point forward, employees will be reviewed on a yearly basis.

During the orientation process, new employees are given initial training by their manager/supervisor and then paired with another employee in the same role. Employee orientation typically takes 2-3 weeks but may be shorter or longer depending on satisfactory performance and prior experience.

## Clinical Nutrition Services

The FNS clinical nutrition team members provide nutritional care, support, and counseling for patients in the medical center. They are responsible for ensuring that patients receive appropriate nutrition during their stay and for managing any nutrition-related issues that arise. The clinical nutrition team includes a clinical nutrition manager, five clinical registered dietitian nutritionists, and three nutrition and dietetics technicians. Recently, the medical center’s clinical nutrition team expanded its outpatient services to include a new eating disorders clinic. The clinic was created in response to the growing number of patients with eating disorders who require specialized outpatient nutrition counseling. The eating disorder clinic provides comprehensive nutritional assessments, counseling, and support for patients with various eating disorders (e.g., anorexia nervosa, bulimia nervosa, binge eating). Staffing for the new clinic is divided among the clinical dietitians. The clinic is receiving a rapidly increasing number of referrals from area physicians and the clinical dietitians are finding they cannot adequately cover all of inpatient and clinic outpatient consults requested. Aamaal (she, her, hers), the clinical nutrition manager, has been working on a proposal for hiring a new clinical dietitian to help cover the new unit, particularly one that specializes in eating disorder treatment, and hopes to take her proposal to Arlene, the FNS director, soon for review and consideration.

## Dietetic Internship

As part of the medical center’s goal to prepare future practitioners, FNS offers a comprehensive dietetic internship program that includes clinical nutrition, community nutrition, and foodservice management experiences. During the clinical nutrition rotations, interns work closely with registered dietitian nutritionists to manage the nutritional needs of inpatients, while the community internship rotations provide opportunities to promote healthy eating habits and provide nutrition education to the community. The foodservice management internship rotations offer hands-on experience in overseeing the planning, preparation and service of meals that meet the dietary needs of patients, staff, and visitors. This well-rounded approach to training prepares aspiring dietitian nutritionists for a wide range of roles within the field of nutrition and dietetics, ensuring that they have the knowledge and skills needed to provide high-quality nutritional care in diverse settings. Caleb (he, him, his), the internship coordinator, has established a partnership with a university to give Hope Valley dietetic interns the opportunity to earn a master’s degree while completing the internship, if they do not already possess one.

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# Patient Room Service Menu

Graphical user interface

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Table

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# 

# Financial Reports

## Terms, Abbreviations, and Explanations

## 

|  |  |  |
| --- | --- | --- |
| Term | Abbreviation | Definition |
| Absolute | - | Represent the total number of labor hours worked by staff without considering any adjustments or reductions. |
| Adjusted | - | Represents total labor hours worked including factors like breaks, meal periods, PTO, and other adjustments to calculate the actual productive working hours of employees. |
| Cash | - | Revenue generated from food and nutrition services when customers pay in cash or using immediate payment methods. |
| Charge | - | Revenue generated from food and nutrition services when customers are billed or charged for their purchases, often paid at a later date. |
| Expense | - | Costs incurred by the department in providing food services, including labor expenses, food costs, and operating expenses. |
| Fiscal Year | FY | 12-month accounting period used by the department to plan, budget, and report its financial activities, typically not aligned with the calendar year, allowing for more convenient financial management and reporting. |
| Floor Stock/Nourishment | - | Readily available food and beverages kept on hospital units to provide immediate nourishment to patients when needed. |
| Full Time Equivalent | FTE | Represents the equivalent of a full-time employee's workload and is often used to calculate staffing levels. |
| Meal equivalent | ME | A standardized measure used to assess the volume of meals served to patients and other customers. |
| Meal Equivalent Cost | MEC | The cost associated with producing a standardized meal equivalent, measured from the food costs and labor costs. |
| Meal Equivalent Price | MEP | The amount charged to patients or customers for a standardized meal equivalent, which includes food costs, labor, overhead, and typically a profit margin. |
| Meals on Wheels | MOW | A food service program that delivers meals to individuals who are unable to prepare or obtain their own food, often due to health or mobility issues. |
| Occupancy Rate | - | The percentage of hospital beds that are currently occupied by patients. |
| Paid Time Off | PTO | Refers to the time off (such as vacation or sick leave) that employees are entitled to and receive compensation for while not working |
| Patient Day | - | A unit of measure that counts each day a patient spends in the hospital. |
| Per Patient Day | PPD | Used to calculate various costs or revenues on a daily basis, typically per occupied hospital bed. |
| Per Patient Meal | PPM | The cost of providing one meal to a patient and is used to assess the expenses associated with patient food services. |
| Prior YTD | - | Cumulative financial data collected from the beginning of the fiscal year up to but excluding the present date. |
| Raw Food Cost | RFCost | The direct cost incurred for purchasing the ingredients and components needed to prepare a meal, excluding labor and other overhead expenses. |
| Revenue | - | Income generated by the department through various sources, including patient meal charges, cafeteria sales, catering services, and vending machines. |
| Year to date | YTD | Cumulative financial data collected from the beginning of the fiscal year up to and including the present date. |

## Explanation of Financial Reports

|  |  |
| --- | --- |
| Report | Explanation |
| Income Statement | Provides a summary of the financial performance of the foodservice department within a hospital during a specific period, typically during a fiscal year. Components of an income statement typically include, revenues, expenses, net income (loss). Helps in monitoring profitability, identifying areas of cost control, and making informed decisions regarding pricing, menu offerings, and operational efficiency.  Tip: May also appear as a Profit and Loss (P&L) Statement or a Statement of Operations. |
| Budget | A financial plan that outlines the expected revenues and expenditures for a specific period, typically a fiscal year, to manage and control the financial aspects of providing food and dietary services within a hospital. Components of an income statement typically include, revenue projections, expense planning, budgeted profit (loss). The budget helps foodservice directors make informed decisions regarding pricing strategies, menu offerings, staffing levels, cost control measures, and resource allocation. |
| Weekly Operating Report (WOR) | Provides a summary of the department's operational and financial performance for a specific week. Useful for monitoring the performance of the food and nutrition department on a short-term basis. It helps identify areas of improvement, track progress toward financial goals, and make informed decisions to optimize operations.  **Breakdown of Weekly Operating Report Sections A-E:**  Section A (Food Cost): Cost of food purchased and used throughout the week. Also, includes data from prior year to date and year to date.  Section B (Meals, Costs, and Charges): Number of meals, meal equivalents, raw food costs, and budgeted food costs. Comparison of actual versus budgeted sales data.  Section C (Labor Statistics): Provides basic labor statistics, including labor hours, paid time off (PTO), full-time equivalents, adjusted labor hours, and absolute labor hours. Comparison of actual versus budgeted labor hours.  Section D (Customer and Sales Statistics): Provides basic customers statistics and sales data.  Section E (Expense Summary): Breakdown of various costs and revenues. Comparison of actual versus budgeted dollars. |

## Food and Nutrition Services Income Statement (Previous Fiscal Year)

|  |  |  |
| --- | --- | --- |
| Revenues | $ | % |
| Patient Meal Charges (Room Service) | 2,438,835 | 21.83 |
| Cafeteria Sales | 8,378,953 | 75.00 |
| Catering Services | 186,571 | 1.67 |
| Vending Machine Revenue | 111,719 | 1.00 |
| Other Revenue Sources | 55,860 | 0.50 |
| Total Revenue | **11,171,938** | **100.00** |
|  |  | |
| Expenses |  |  |
| Cost of Food |  | |
| Cost of Food for Patient Meals (Room Service) | 2,666,515 | 25.30 |
| Cost of Food for Cafeteria and Catering | 1,777,676 | 16.88 |
| Total Food Costs | **4,444,191** | **42.18** |
| Labor Costs |  | |
| Salaries and Wages | 4,413,763 | 41.89 |
| Employee Benefits | 844,241 | 8.01 |
| Total Labor Costs | **5,258,004** | **49.90** |
| Operating Expenses |  | |
| Kitchen Supplies and Utensils | 188,575 | 1.79 |
| Office Supplies | 34,251 | 0.33 |
| Equipment Maintenance | 57,625 | 0.55 |
| Utilities | 200,196 | 1.90 |
| Insurance | 137,160 | 1.30 |
| Other Operating Expenses | 152,076 | 1.44 |
| Total Operating Expenses | **769,883** | **7.31** |
| Depreciation | **64,000** | **0.61** |
| Total Expenses | **10,536,078** | **100.00** |
|  |  | |
| Net Revenue | **635,860** |  |

## Food and Nutrition Services Budget

|  |  |  |
| --- | --- | --- |
| Revenues | Projected Increase (%) | $ |
| Patient Meal Charges (Room Service) | 3.24 | 2,517,853 |
| Cafeteria Sales | 3.24 | 8,650,431 |
| Catering Services | 3.24 | 192,616 |
| Vending Machine Revenue | 3.24 | 115,339 |
| Other Revenue Sources | 3.24 | 57,670 |
| Projected Total Revenue | **3.24** | **11,533,909** |
|  |  | |
| Expenses |  |  |
| Cost of Food |  | |
| Cost of Food for Patient Meals (Room Service) | 2.80 | 2,741,177 |
| Cost of Food for Cafeteria and Catering | 2.80 | 1,827,451 |
| Projected Total Food Costs | **2.72** | **4,568,628** |
| Labor Costs |  | |
| Salaries and Wages | 4.60 | 4,616,796 |
| Employee Benefits | 4.20 | 879,699 |
| Projected Total Labor Costs | **4.34** | **5,496,495** |
| Operating Expenses |  | |
| Kitchen Supplies and Utensils | 2.00 | 192,347 |
| Office Supplies | 2.00 | 34,936 |
| Equipment Maintenance | 3.00 | 59,354 |
| Utilities | 3.00 | 206,202 |
| Insurance | 3.20 | 141,549 |
| Other Operating Expenses | 1.20 | 153,901 |
| Projected Total Operating Expenses |  | **788,289** |
| Depreciation | **0.00** | **64,000** |
| Projected Total Expenses | **3.49** | **10,917,412** |
|  |  | |
| Projected Net Revenue |  | **616,497** |

## Weekly Operating Report

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Weekly Operating Report: Week 16 | | | | | | | | |
| Section A |  |  |  |  |  |  |  |  |
| Food Cost | **Meat** | **Dairy** | **Bakery** | **Beverage** | **Grocery** | **Fresh** | **Frozen** | **Total** |
| Purchases | 24,110 | 8,472 | 8,288 | 4,638 | 30,858 | 12,480 | 6,746 | 95,592 |
| (+) Beginning Inventory | 7,166 | 1,560 | 930 | 1,992 | 14,375 | 1,154 | 720 | 27,897 |
| Subtotal | 31,276 | 10,032 | 9,218 | 6,630 | 45,233 | 13,634 | 7,466 | 123,489 |
| (-) Ending Inventory | 8,538 | 1,292 | 838 | 1,370 | 11,693 | 1,429 | 796 | 25,956 |
| Total Cost | 22,738 | 8,740 | 8,380 | 5,260 | 33,540 | 12,205 | 6,670 | 97,533 |
| Prior YTD | 318,342 | 118,596 | 124,318 | 69,574 | 431,993 | 184,208 | 101,190 | 1,348,221 |
| YTD Total | 341,080 | 127,336 | 132,698 | 74,834 | 465,533 | 196,413 | 107,860 | 1,445,754 |
| YTD Budgeted | 335,828 | 99,804 | 131,740 | 75,530 | 445,468 | 205,515 | 112,950 | 1,406,835 |
| Cost/Meal | 0.70 | 0.27 | 0.26 | 0.16 | 1.04 | 0.38 | 0.21 | 3.01 |
| Cost/Meal to Date |  |  |  |  |  |  |  | 2.79 |
|  |  |  |  |  |  |  |  |  |
| Section B | **MEC>** | **3.00** | **MEP>** | **10.50** |  |  |  |  |
| Meals, Costs, and Charges | **ME** | **ME** | **RFCost** | **RFCost** | **Sales/ Charges** | **Sales/ Charges** |  |  |
|  | **Actual** | **Budget** | **Actual** | **Budget** | **Actual** | **Budget** |  |  |
| Patient Meals (Room Service) | 10,408 | 10,615 |  |  |  |  |  |  |
| Patient Guest Meals | 164 | 190 |  |  |  |  |  |  |
| Floor Stock/Nourishments | 1,613 | 1,605 | 4,839 | 4,815 | 4,839 | 4,815 |  |  |
| Subtotal (Patient) | 12,185 | 12,410 | 4,839 | 4,815 | 4,839 | 4,815 |  |  |
| Cafeteria Sales | 19,899 | 20,388 | 59,697 | 61,164 | 208,940 | 214,074 |  |  |
| Catering Sales | 0 | 0 | 0 | 0 | 0 | 0 |  |  |
| Vending Sales | 0 | 0 | 0 | 0 | 0 | 0 |  |  |
| Other Sales (MOW) | 300 | 300 | 900 | 900 | 3,150 | 3,150 |  |  |
| Subtotal (Cash) | 20,199 | 20,688 | 60,597 | 62,064 | 212,090 | 217,224 |  |  |
| Catering Charges | 0 | 0 | 0 | 0 | 0 | 0 |  |  |
| Other Charges | 0 | 0 | 0 | 0 | 0 | 0 |  |  |
| Subtotal (Charges) | 0 | 0 | 0 | 0 | 0 | 0 |  |  |
| Total | 32,384 | 33,098 | 65,436 | 66,879 | 216,929 | 222,039 |  |  |
| Prior YTD Total | 485,760 | 496,470 | 981,540 | 1,003,185 | 3,253,935 | 3,330,585 |  |  |
| YTD Total | 518,144 | 529,568 | 1,046,976 | 1,070,064 | 3,470,864 | 3,552,624 |  |  |
|  |  |  |  |  |  |  |  |  |
| Section C |  |  |  |  |  |  |  |  |
| Labor Statistics | **Actual** | **Budget** | **PPM** | **PPD** |  |  |  |  |
| Labor Hours (Regular) | 6,340 | 6,620 | 0.196 | 2.696 |  |  |  |  |
| Overtime | 34 | 0 | 0.001 | 0.014 |  |  |  |  |
| Total Absolute Hours | 6,374 | 6,620 | 0.197 | 2.710 |  |  |  |  |
| PTO | 64 | 0 | 0.002 | 0.027 |  |  |  |  |
| Total Adjusted Hours | 6,438 | 6,620 | 0.199 | 2.737 |  |  |  |  |
| Total FTE | 161 | 166 |  |  |  |  |  |  |
| Prior YTD Absolute Hours | 95,610 | 99,300 |  |  |  |  |  |  |
| YTD Absolute Hours | 101,984 | 105,920 | 0.197 | 2.714 |  |  |  |  |
| Prior YTD Adjusted Hours | 96,570 | 99,300 |  |  |  |  |  |  |
| YTD Adjusted Hours | 103,008 | 105,920 | 0.199 | 2.741 |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Section D |  |  |  |  |  |  |  |  |
| Customer and Sales Statistics |  |  |  |  |  |  |  |  |
| Customer Count | 14,427 |  |  |  |  |  |  |  |
| Prior YTD Count | 215,900 |  |  |  |  |  |  |  |
| YTD Count | 230,327 |  |  |  |  |  |  |  |
| Cafeteria $/Count | 14.48 |  |  |  |  |  |  |  |
| Cafeteria $/Day | 29,849 |  |  |  |  |  |  |  |
| $ Floor Stock/Nourishment PPM | 0.46 |  |  |  |  |  |  |  |
| $ Floor Stock/Nourishment PPD | 2.05 |  |  |  |  |  |  |  |
| Revenue/Work Hour | 5.08 |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Section E |  |  |  |  |  |  |  |  |
| Expense Summary | **Actual** | **PPM** | **PPD** | **Budget** | **PPM** | **PPD** |  |  |
| Patient Days (80% Occupancy) | 2,352 |  |  | 2,520 |  |  |  |  |
| Prior YTD Patient Days | 35,230 |  |  | 37,800 |  |  |  |  |
| YTD Patient Days | 37,582 |  |  | 40,320 |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Cash Sales | 212,090 |  | 90.17 | 217,224 |  | 86.20 |  |  |
| Prior YTD Cash | 3,181,350 |  |  | 3,258,360 |  |  |  |  |
| YTD Cash | 3,393,440 |  |  | 3,475,584 |  |  |  |  |
| Charge Revenue | 4,839 |  | 2.06 | 4,815 |  | 1.91 |  |  |
| Prior YTD Charges | 72,585 |  |  | 72,225 |  |  |  |  |
| YTD Charges | 77,424 |  | 2.06 | 77,040 |  | 1.91 |  |  |
|  |  |  |  |  |  |  |  |  |
| Total Food Cost | 97,533 | 3.01 | 41.47 | 93,789 | 2.83 | 37.22 |  |  |
| Prior YTD Food Cost | 1,462,995 |  |  | 1,313,046 |  |  |  |  |
| YTD Food Cost | 1,560,528 |  |  | 1,406,835 |  |  |  |  |
| Total Labor | 103,008 | 3.18 | 43.80 | 105,920 | 3.20 | 42.03 |  |  |
| Prior YTD Labor | 1,545,120 |  |  | 1,588,800 |  |  |  |  |
| YTD Labor | 1,648,128 |  |  | 1,694,720 |  |  |  |  |
| Operating Expenses | 14,955 | 0.46 | 6.36 | 15,172 | 0.46 | 6.02 |  |  |
| Prior YTD Operating Expenses | 224,325 |  |  | 227,580 |  |  |  |  |
| YTD Operating Expenses | 239,280 |  |  | 242,752 |  |  |  |  |
| Total Expense | 215,496 |  | 91.62 | 214,881 |  | 85.27 |  |  |
| Total Sales Revenue | 216,929 |  | 92.23 | 222,039 |  | 88.11 |  |  |
| Net Revenue | 1,433 | 0.04 | 0.61 | 7,158 | 0.22 | 2.84 |  |  |
| Prior YTD Total Expense | 3,232,440 |  |  | 3,129,426 |  |  |  |  |
| Prior YTD Total Sales Revenues | 3,253,935 |  |  | 3,330,585 |  |  |  |  |
| YTD Total Expense | 3,447,936 |  | 91.74 | 3,344,307 |  | 82.94 |  |  |
| YTD Sales Revenue | 3,470,864 |  | 92.35 | 3,552,624 |  | 88.11 |  |  |
| YTD Net Revenue | 22,928 | 0.04 | 0.61 | 208,317 | 0.39 | 5.17 |  |  |

# 

# Staffing Information

## Hourly and Salary Pay

|  |  |  |
| --- | --- | --- |
| Position | Hourly ($)\* | Salary ($)\*\* |
| Food and Nutrition Director1 | 43.04 | 89,423.20 |
| Food and Nutrition Office Secretary2 | 16.92 | 35,198.00 |
| Dietetic Internship Coordinator2 | 31.70 | 65,946.00 |
| Dietetic Interns3 | - | - |
| Assistant Director for Patient Services2 | 30.60 | 63,646.00 |
| Diet Office Supervisor2 | 20.61 | 42,879.00 |
| Diet Clerks2 | 15.37 | 31,966.00 |
| Kitchen Supervisor2 | 19.80 | 41,190.00 |
| Trayline Employees2 | 13.10 | 27,255.00 |
| Nourishment Aides2 | 14.66 | 30,502.00 |
| Host2 | 13.21 | 27,478.00 |
| Clinical Nutrition Manager1 | 36.00 | 74,880.00 |
| Clinical Dietitians1 | 32.00 | 66,560.00 |
| Dietetic Technicians1 | 23.22 | 48,297.60 |
| Assistant Director for Non-Patient Services2 | 30.26 | 62,946.00 |
| Chefs2 | 24.09 | 50,111.00 |
| Production Supervisor2 | 18.75 | 38,998.00 |
| Production Workers2 | 15.54 | 32,326.00 |
| Storeroom Clerk2 | 21.00 | 43,676.00 |
| Cafeteria Supervisor2 | 18.90 | 39,320.00 |
| Cafeteria Workers2 | 14.41 | 29,983.00 |
| (1Dosedel, 2021; 2Zippia, 2023; 3Non-staff/Unpaid dietetic internship) | \*If working part-time; Compensation listed does not include any value from benefits  \*\*If working a salaried position; Compensation listed does not include any value benefits | |

# Problem Activities

## Learning Objectives

By the end of this activity, students will…

**Flow of Food Analysis:**

* + be able to conduct a comprehensive analysis of the flow of food in a hospital kitchen, identifying potential food safety hazards, and proposing effective control measures to ensure safe food handling and service.

**SMART Goals:**

* + be able to formulate Specific, Measurable, Achievable, Relevant, and Time-bound (SMART) goals for enhancing the performance and outcomes of a hospital foodservice department.

**Conflict Resolution:**

* + be able to effectively identify, mediate, and resolve conflicts that may arise among staff members in a hospital food and nutrition department, fostering an inclusive work environment.

**Large Capital Expense Purchase Proposal:**

* + be able to create a comprehensive proposal for a significant capital expenditure in hospital food and nutrition services, including cost-benefit analysis, risk assessment, and justifications for the investment.

**SWOT Analysis:**

* + apply SWOT analysis techniques to evaluate the strengths, weaknesses, opportunities, and threats faced by a hospital food and nutrition department, leading to informed decision-making and strategic planning.

**Marketing Plan:**

* + be able to create a strategic marketing plan for introducing a new foodservice offering within a hospital, including target audience analysis, promotional strategies, and measurement of marketing success.

**In-Service Lesson Plan:**

* + be able to design and deliver an effective in-service training program for foodservice staff, addressing specific training needs, and ensuring ongoing professional development and compliance with industry standards

## Flow of Food Analysis

Keisha (she, her, hers), one of the production supervisors has recommended a new menu item, Garden Vegetable Jambalaya, to Arlene (she, her, hers), the director of Food and Nutrition Services, that she thinks would be great addition to the cafeteria menu. Arlene is excited about the new item but wants to make sure the item is appropriate and can be produced in her facility. Keisha has already taken the steps to convert the recipe into a standardized format and provided a copy of it to Arlene for her to review.

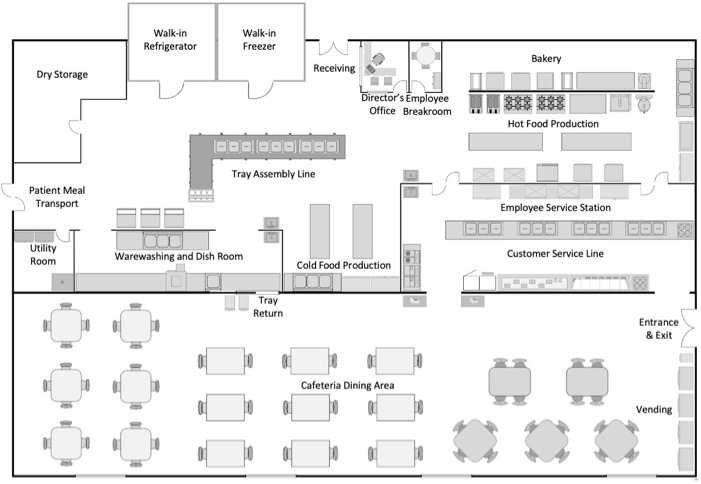
1. Use the standardized recipe [Garden Vegetable Jambalaya](#_Appendix_A:_Garden) to help Arlene conduct a flow of food analysis using the recipe as though the food progresses through each of the various types of foodservice operations. Identify where, how, and the stages of the food/ingredients falls under each production type.

|  |  |  |  |
| --- | --- | --- | --- |
| **Process** | **Conventional** | **Ready Prepared** | **Assembly/Serve** |
|  | Ingredients purchased for in-house production | Ingredients purchased for in-house production; materials for cook-chill process (e.g., storage bags) | Convenience style items requiring minimal production purchased |
| **Purchase** |  |  |  |
| **Receive** |  |  |  |
| **Store** |  |  |  |
| **Produce** |  |  |  |
| **Hold Hot** |  |  |  |
| **Chill** |  |  |  |
| **Temper** |  |  |  |
| **Reheat** |  |  |  |
| **Serve** |  |  |  |

1. Arlene knows her department uses a conventional type of foodservice operation, so she needs to identify which pieces of equipment will be needed to prepare the new recipe. Conduct a menu analysis of equipment needs using the provided standardized recipe following a conventional type of foodservice operation. Indicate the steps in the work process, large equipment, and holding equipment needed. Note: the number of blank lines does not necessarily represent the number of steps. Add or delete lines, as needed.

|  |  |  |  |
| --- | --- | --- | --- |
| **Procedural Step** | **Work Process Needed** | **Equipment Needed** | **Holding Equipment Needed** |
|  |  |  |  |
|  |  |  |  |
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|  |  |  |  |

1. Use the [Hope Valley Food and Nutrition Services Floor Plan](#_Hope_Valley_Food) and the [Floor Plan Key](#_Floor_Plan_Key) to create a visual aid for the flow of food for the provided recipe. Use numbers and lines/arrows (color coding lines/arrows are also helpful) to depict the flow of food from receiving, storage, production, service, leftover storage, and warewashing.



1. Evaluate and critique the flow of food to include an analysis of the overall flow, identify at least two positive attributes of the flow and at least two negative attributes of the flow, and two recommendations to improve the flow of food.
2. Evaluate and critique the equipment available for use for the production of the new menu item, with at least one recommendation for purchase of a new piece of equipment. Discuss placement of the equipment and how it will impact the flow of food for this menu item.
3. Evaluate and critique the customer service areas (i.e., customer service line and cafeteria dining area). Identify one positive attribute of the customer service areas and one negative attribute of the customer service areas and provide one recommendation to improve the customer service area.

## Smart Goals

Arlene (she, her, hers), the director of Food and Nutrition Services is developing her budget for the following year, assist Arlene in developing 4 SMART goals/objectives that will contribute to improving the Hope Valley Food and Nutrition Services department for the upcoming year. These SMART goals/objectives should include a A) financial management goal, a B) large capital expense purchase goal, a C) human resource management goal, and a D) sustainability goal.

**S**pecific **M**easurable  **A**chievable **­ R**ealistic/**R**elevant **T**ime-bound

1. Financial Management Goal:
2. Large Capital Expense Purchase Goal:
3. Human Resources Management Goal:
4. Sustainability Goal:

## Conflict Resolution

Carmen (she, her, hers) is a cashier at a cafeteria. Recently, Elena (she, her, hers) the assistant director for non-patient services, noticed that Carmen’s cash register has been short on a few occasions. After the third incident, Elena decided to investigate the matter. During the investigation Elena noticed that Carmen’s total number of cash sales on her register are also routinely significantly lower than the other register, even when operating under similar hours and average number of customers. Elena is suspicious that Carmen may not actually be processing some of her cash sales and may be pocketing this money, however she is not certain of this and has decided to alert Arlene before investigating the situation further.

Two months ago, Carmen came to Elena asking if she could pick up some additional shifts to help cover her child’s medical bills, so Elena is hoping that this is all just a simple mix up. Arlene has given Elena permission to view the security footage and upon reviewing the security footage, Elena noticed that Carmen was not correctly ringing up some items, and sometimes would not even ring up a sale. She was also seen pocketing some of the money. Now that she has evidence of theft, Elena has decided to approach Carmen regarding the situation. Elena has retrieved the Hope Valley Food and Nutrition Department’s policy and procedures for theft and will make a conflict management plan first.

|  |  |
| --- | --- |
| **Subject: Theft and/or Pilferage**  **Department: Food and Nutrition Services**  **Policy Title: Handling Employee Theft and/or Pilferage** | **Policy Number: 04.27**  **Revised: 05/17/2010**  **Author: AMG** |
| **Policy Statement:**  The Hope Valley Food and Nutrition Department recognizes that employee theft is a serious issue that can negatively impact the quality of patient care and the reputation of the medical center. Therefore, it is the policy of Food and Nutrition Services (FNS) to maintain a zero-tolerance approach to employee theft.  **Scope:**  This policy applies to all Hope Valley Food and Nutrition Services employees, including full-time and part-time staff, temporary employees, and contractors.  **Procedures of Implementation:**   1. Prevention: The FNS department will take steps to prevent employee theft, including ensuring that all cash handling procedures are properly documented and followed. 2. Reporting: Any suspected or observed incidents of employee theft must be reported immediately to the manager or supervisor. All reports will be treated confidentially and investigated promptly. 3. Investigation: The FNS director or appropriate assistant director will conduct a thorough investigation into all reported incidents of employee theft. This may include interviewing witnesses, reviewing surveillance footage, and conducting searches of employee belongings or workstations. 4. Disciplinary Action: If an investigation confirms that an employee has engaged in theft, appropriate disciplinary action will be taken. The severity of the disciplinary action will depend on the circumstances of the incident, but may include termination of employment, suspension, or other measures in line with the medical center's policies and procedures. 5. Legal Action: In addition to disciplinary action, the FNS department may pursue legal action against employees who engage in theft. This may include reporting the incident to the police and pursuing criminal charges. 6. Training: All FNS employees will receive training on the importance of maintaining the highest standards of honesty and integrity. This training will cover topics such as cash handling procedures, reporting theft, and the consequences of engaging in theft. 7. Review: The FNS director will periodically review this policy to ensure that it remains up-to-date and effective in addressing incidents of employee theft.   **Compliance:**  All FNS employees are required to comply with this policy. Failure to comply with this policy may result in disciplinary action, up to and including termination of employment.  **Conclusion:**  The Hope Valley FNS Department is committed to maintaining the highest standards of integrity and honesty in all aspects of its operations. By implementing this policy, we aim to prevent and address incidents of employee theft, thereby ensuring the best possible care for our patients and maintaining the reputation of the medical center. | |

1. Evaluate and critique the department policy and procedures for handling employee theft and/or pilferage. Identify at least two positive attributes, two negative attributes, and two recommendations to improve department policy and procedures for handling employee theft and/or pilferage.
2. Identify the evidence of potential employee theft.
3. Explain the process that Elena should take when approaching Carmen regarding the theft. Explain the steps Elena can take to protect Carmen’s privacy and confidentiality?
4. Based on the collected evidence and the departments policy, what should Elena do regarding the theft? Explain how Elena can maintain objectivity and fairness? What disciplinary actions should she take and why?
5. Should Carmen offer any employee assistance to Carmen? Why or why not? If so, what are some forms of employee assistance that Elena can offer to Carmen?
6. Develop a follow up plan to ensure the situation is resolved. When should the initial follow up be and how often should a follow up reoccur? What are indicators that the situation has been resolved?

## Large Capital Expense Purchase Proposal

Arlene (she, her, hers), the director of Food and Nutrition Services has examined her next year’s budget and determined she has the funds available to make a large capital expense purchase. Arlene has asked Elena and Kelly, the assistant directors for non-patient and patient services to work together in identifying a piece of equipment that they believe the kitchen needs and gather information that can be used to prepare a proposal for the large capital expense purchase. Arlene told them that she would prefer to purchase the equipment, rather than leasing, if it is within the amount allocated in the budget. However, if the price is higher for a better piece of equipment, she would consider leasing it and potentially even purchasing it at the end of the lease if that is an available option.

1. Elena and Kelly have asked your assistance in identifying equipment that needs to be replaced or new equipment that is currently missing and would be beneficial for the FNS department to acquire. Thoroughly read the case narrative and identify at least three different pieces of equipment that should be considered for the proposal and provide a brief description why you chose these pieces of equipment (2-3 sentences each).
2. Select one of the above identified pieces of equipment that is the highest priority and collect the necessary information to assist in developing the proposal by filling out the table below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Budgeted Allocation Amount:** | **Determine the budget available for this large capital expense purchase.** | | | |
|  | | | |
| **Equipment Requirements:** | **Identify the equipment needs of the department, including size, capacity, and specifications.** | | | |
|  | | | |
| **How will this new equipment contribute to improving efficiency in production/service?** | | | |
|  | | | |
| **Vendor Selection and Comparison of Specifications:** | **Identify 3 potential vendors and their product (copy + paste the link below).** | | | |
| **Vendor 1:**  **Vendor 2:**  **Vendor 3:** | | | |
| **Specification** | **Vendor 1** | **Vendor 2** | **Vendor 3** |
| **Equipment Type:** |  |  |  |
| **Functions of Equipment:** |  |  |  |
| **Power Source:**  (Electricity, Natural Gas, etc.,) |  |  |  |
| **Energy-Efficiency Rating (EEF):** |  |  |  |
| **Brand:** |  |  |  |
| **Dimensions/Size:** |  |  |  |
| **Capacity:** |  |  |  |
| **Lifespan:** |  |  |  |
| **Cost to Purchase Equipment:** |  |  |  |
| **Cost to Lease Equipment:**  (Length of Lease?)  (End of Lease Purchase Option?) |  |  |  |
| **Cost and Time of Installation:** |  |  |  |
| **Warranty and Maintenance:** |  |  |  |
| **Other:** |  |  |  |

1. What key factors Arlene should consider when comparing commercial kitchen equipment?
2. How does the size and capacity of commercial kitchen equipment affect the comparison process?
3. What is the impact of energy-efficient commercial kitchen equipment on reducing energy costs and environmental impact?
4. What is the importance of considering the brand reputation and customer service when comparing commercial kitchen equipment?
5. How does the durability and maintenance requirements of commercial kitchen equipment impact the comparison process?
6. Evaluate the three vendors and the equipment and rank them (1-3). Provide a justification for your ranking?
7. Should Arlene purchase or lease the equipment? Why?

## SWOT Analysis

Arlene (she, her, hers), the director of Food and Nutrition Services wants to compare the Hope Valley FNS department to others in her surrounding area, so she has asked you to conduct a SWOT analysis. Imagine that Hope Valley Medical Center is actually positioned in your specific region. Conduct a SWOT analysis to help Arlene in identifying the Strengths, Opportunities, Weaknesses, and Threats. Identify at least three in each domain.

|  |  |  |
| --- | --- | --- |
|  | Internal | External |
| **Positive** | **Strengths** | **Opportunities** |
|  |  |
| **Negative** | **Weaknesses** | **Threats** |
|  |  |

1. Select one of the identified strengths and explain two strategies that Arlene can use to leverage that strength and to benefit the department.
2. Select one of the identified opportunities and explain two strategies Arlene can use to expand on that opportunity and to improve the department.
3. Select one of the identified weaknesses and explain two strategies Arlene can use to mitigate that weakness.
4. Select one of the identified threats and explain two strategies Arlene can use to overcome that threat and improve the department.

## Marketing Plan

Arlene (she, her, hers), the director of Food and Nutrition Services has recently introduced a new payroll deduction program. The program allows medical center staff to scan employee badges for payment of items purchased in the cafeteria and the funds are deducted directly from the staff member’s pay during their next pay period. The new payment method is intended to improve efficiency and streamline payment processes for both the medical center and the FNS staff. However, despite the benefits of the new payment method, it has low participation rates among medical center staff. After discussing with several medical center staff members, Arlene learned not many are aware of the new payment method. Arlene recognizes that advertising is crucial in promoting the new payment method and increasing participation rates.

She has discussed with Caleb (he, him, his), the internship director, and asked if he would like for the dietetic interns to develop marketing plans that can be used to market this new service. Caleb is excited about the opportunity and has provided the new assignment to the interns. Arlene and Caleb have worked together to determine necessary components of the marketing plans, but otherwise have given the interns freedom to design the plans to how they think would fit the needs of the department best.

1. Executive Summary: Provide an overview of the new payment method and its benefits.
2. Target Market: Define the target market for the new payment method.
3. Marketing Objectives: Identify two marketing objectives for the new payment method.
4. Marketing Mix: Develop a marketing mix for the new payment method. Identify the product, price, promotion, and place. How will each of these be used to achieve the marketing objectives?
5. Budget: Develop a budget for the marketing plan? What are the anticipated costs that would be associated advertising this new payment method.
6. Implementation Plan: Develop the implementation plan for the new payment method. What are the timeline and specific actions required to implement the marketing plan?
7. Evaluation: How will you evaluate the success of the marketing plan? What metrics will be measured?
8. Prepare and deliver a brief presentation to pitch the proposed marketing plan that covers each of the previously identified components of a marketing plan.

## In-Service Lesson Plan

As part of the dietetic internship, Caleb (he, him, his), the dietetic internship coordinator, has each intern develop an in-service lesson for the kitchen staff. Arjun (he, him, his), an intern, just gave an in-service on handwashing last month that was well-received by kitchen staff. Staff especially liked the engaging handwashing game. Caleb is hoping this next in-service will be just as exciting and educational for the kitchen staff.

Develop an in-service lesson plan aimed at educating hospital food and nutrition services staff about best practices for ensuring food safety and quality during meal preparation, transportation, and delivery. The lesson plan should include clear steps for designing and conducting the in-service training, along with appropriate learning activities and assessment methods to ensure effective knowledge transfer and retention. Identify an audience with different needs (e.g., English as a second language, someone with a disability), and plan an accommodation strategy to meet the needs of that group. The in-service training should be approximately 20 minutes in length.

1. Identify three possible topics that could be used for the next in-service training.
2. Select one of those topics and then identify at least three peer-reviewed articles relevant to that topic. The articles should support the importance of why that topic is appropriate for an in-service for hospital food and nutrition services, such as providing background data. You must use and reference these in your lesson plan. Articles should not exceed more than 5 years since publication.
3. Develop at least one teaching aid that will be used in your lesson to reinforce the material being taught (e.g., PowerPoint, handout, or flyer). The teaching aid should not exceed a 6th grade reading level (evaluate using WORD Readability Statistics). Tutorial: How to get your Flesch Readability and Flesch Grade Level statistics [CLICK HERE](https://support.microsoft.com/en-au/office/get-your-document-s-readability-and-level-statistics-85b4969e-e80a-4777-8dd3-f7fc3c8b3fd2).
4. Use the lesson plan template below to prepare your lesson plan.

**Lesson Plan Template**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name:** |  | | | | |
| **Lesson Title:** | | |  | | |
| **Target Audience:** | | | |  | |
| **Duration:** | |  | | | |
| **Teaching Aid Flesch-Kincaid Grade Level:** | | | | |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Terminal Objective:** | | | **Terminal Concept:** | |
| **Learning Domain:** | | |
| **Taxonomic Level:** | | |
| **Preparation:**   1. **Materials required:** 2. **Pre-lesson setup:** | | | | |
| **Accommodation Group:**  **Accommodation:** | | | | |
| **Pre-assessment method:** | | | **Introduction:** | |
| **Supportive Objectives:** | **Concept-Content:**  *(What is being taught)* | **Time:** | **Learning Experiences:**  *(What is happening)* | **Teaching Aids/Resources Needed:** |
|  |  |  |  |  |
| **References:** | | | | |

# Financial Management Activities

## Learning Objectives

By the end of this activity, students will…

**Introductory Level:**

* be able to calculate the reorder point and reorder quantity for commonly used food items, ensuring adequate inventory levels,
* be able to calculate the daily and weekly food costs for hospital food and nutrition services,
* analyze key components and calculations involved in inventory management, including cost of food consumed, cost of food sold, and total food issues,
* analyze inventory turnover rates and use them to optimize inventory levels and make informed decisions for efficient inventory management.

**Intermediate Level:**

* define full-time equivalents (FTE) and explain how FTEs are used to measure and allocate labor costs,
* use FTE calculations to determine labor hours, labor costs, and benefit costs,
* compare labor and benefit costs across for absolute and adjusted FTEs,
* explore different types of costs such as fixed and variable costs,
* calculate the break-even point and determine the cost-benefit analysis of hiring a new clinical dietitian.

**Advanced Level:**

* analyze “real life” case study information,
* manipulate data in Excel and analyze impact on costs and sales,
* interpret data derived from manipulations,
  + Decreasing food costs
  + Decreasing labor costs
  + Increasing revenues
  + Decreasing revenues
* make comparisons of actual to budgeted amounts,
* determine costs per patient day.

## Introductory Level

### Purchasing and Food Costs

Aaron (they, them, theirs) is the storeroom clerk tasked with managing the inventory levels and purchasing of food and supplies, ensuring that the department has enough stock to meet the demands of patients and staff. The department uses a perpetual ordering method for non-perishable foods, which means that it keeps a running count of inventory levels at all times and is updated regularly.

As they prepare to place the next order, Aaron is carefully reviewing the inventory levels of various items in the storeroom. They know that it is important to maintain optimal inventory levels, avoiding overstocking and understocking, to ensure that the department can provide meals to patients and staff without any disruptions.

Below are the items that Aaron needs to order, but they need to determine how much of each item to order. They know that they need to consider various factors, such as the average usage rate of each item, the lead time for delivery, any safety factors, and any upcoming special events that may increase demand for certain items. Additionally, they need to calculate the total food cost for each product. Based on the provided information, calculate the reorder point, reorder quantity, and the total food cost for each product (show all of your work).

1. Diced Tomatoes, Canned:

Normal Usage: 4 cans/day

Time to get delivery: 5 days

Par stock: 70 cans

Number of cans per case: 6

Safety Factor: 50%

Reorder Point:

Reorder Quantity:

Reorder Quantity (Cases):

Calculations (Show Your Work Below):

1. The cost per case for Diced Tomatoes, Canned is $36.00. What is the estimated daily and weekly food costs for Diced Tomatoes, Canned?

Daily Food Cost:

Weekly Food Cost:

Calculations (Show Your Work Below):

1. Ground Beef (80/20):

Normal Usage: 15 pounds/day

Time to get delivery: 4 days

Par stock: 100 pounds

Number of pounds per case: 5

Safety Factor: 20%

Reorder Point:

Reorder Quantity:

Reorder Quantity (Cases):

Calculations (Show Your Work Below):

1. The cost per pound for Ground Beef (80/20) is $4.50. What is the estimated daily and weekly food costs for Ground Beef (80/20)?

Daily Food Cost:

Weekly Food Cost:

Calculations (Show Your Work Below):

1. Pasta, Boxed:

Normal Usage: 4 boxes/day

Time to get delivery: 4 days

Par stock: 36 boxes

Number of boxes per case: 6

Safety Factor: 50%

Reorder Point:

Reorder Quantity:

Reorder Quantity (Cases):

Calculations (Show Your Work Below):

1. The cost per case for Pasta, Boxed is $30.00. What is the estimated daily and weekly food costs for Pasta, Boxed?

Daily Food Cost:

Weekly Food Cost:

Calculations (Show Your Work Below):

1. Wheat Sandwich Bread:

Normal Usage: 28 loaves/day

Time to get delivery: 3 days

Par stock: 100 loaves

Number of loaves per case: 16

Safety Factor: 25%

Reorder Point:

Reorder Quantity:

Reorder Quantity (Cases):

Calculations (Show Your Work Below):

1. The cost per loaf for Wheat Sandwich Bread is $3.00. What is the estimated daily and weekly food costs for Wheat Sandwich Bread?

Daily Food Cost:

Weekly Food Cost:

Calculations (Show Your Work Below):

1. Vegetable Oil:

Normal Usage: 2 gallons/day

Time to get delivery: 3 days

Par stock: 10 gallons

Number of gallons per case: 4

Safety Factor: 50%

Reorder Point:

Reorder Quantity:

Reorder Quantity (Cases):

Calculations (Show Your Work Below):

1. The cost per gallon for Vegetable Oil is $8.50. What is the estimated daily and weekly food costs for Vegetable Oil?

Daily Food Cost:

Weekly Food Cost:

Calculations (Show Your Work Below):

1. Coffee, Ground:

Normal Usage: 6 bags/day

Time to get delivery: 4 days

Par stock: 50 bags

Number of bags per case: 5

Safety Factor: 50%

Reorder Point:

Reorder Quantity:

Reorder Quantity (Cases):

Calculations (Show Your Work Below):

1. The cost per case for Coffee, Ground is $47.50. What is the estimated daily and weekly food costs for Coffee, Ground?

Daily Food Cost:

Weekly Food Cost:

Calculations (Show Your Work Below):

1. Yogurt, Plain

Normal Usage: 4 quarts/day

Time to get delivery: 3 days

Par Stock: 30 quarts

Number of quarts per case: 6

Safety Factor: 50%

Reorder Point:

Reorder Quantity:

Reorder Quantity (Cases):

Calculations (Show Your Work Below):

1. The cost per case for Yogurt, Plain is $15.00. What is the estimated daily and weekly food costs for Yogurt, Plain?

Daily Food Cost:

Weekly Food Cost:

Calculations (Show Your Work Below):

1. Rice (10 pound bags of rice):

Normal Usage: 2 bags/day

Time to get delivery: 5 days

Par stock: 15 bags

Number of bags per case: 8

Safety Factor: 10%

Reorder Point:

Reorder Quantity:

Reorder Quantity (Cases):

Calculations (Show Your Work Below):

1. The cost per bag for Rice is $8.00. What is the estimated daily and weekly food costs for Rice?

Daily Food Cost:

Weekly Food Cost:

Calculations (Show Your Work Below):

1. All-Purpose Flour:

Normal Usage: 20 pounds/day

Time to get delivery: 4 days

Par stock: 160 pounds

Number of pounds per case: 50

Safety Factor: 20%

Reorder Point:

Reorder Quantity:

Reorder Quantity (Cases):

Calculations (Show Your Work Below):

1. The cost per 50-pound bag of All-Purpose Flour is $25.00. What is the estimated daily and weekly food costs for All-Purpose Flour?

Daily Food Cost:

Weekly Food Cost:

Calculations (Show Your Work Below):

1. Whole Eggs:

Normal Usage: 15 dozen/day

Time to get delivery: 5 days

Par stock: 150 dozen

Number of dozens per case: 15

Safety Factor: 20%

Reorder Point:

Reorder Quantity:

Reorder Quantity (Cases):

Calculations (Show Your Work Below):

1. The cost per dozen for Whole Eggs is $1.75. What is the estimated daily and weekly food costs for Whole Eggs?

Daily Food Cost:

Weekly Food Cost:

Calculations (Show Your Work Below):

1. Liquid Whole Eggs:

Normal Usage: 10 gallons/day

Time to get delivery: 3 days

Par stock: 50 gallons

Number of gallons per case: 4

Safety Factor: 10%

Reorder Point:

Reorder Quantity:

Reorder Quantity (Cases):

Calculations (Show Your Work Below):

1. The cost per case for Liquid Whole Eggs is $80.00. What is the estimated daily and weekly food costs for Liquid Whole Eggs?

Daily Food Cost:

Weekly Food Cost:

Calculations (Show Your Work Below):

1. Fresh Lettuce, Romaine:

Normal Usage: 10 pounds/day

Time to get delivery: 3 days

Par stock: 80 pounds

Number of pounds per case: 26

Safety Factor: 50%

Reorder Point:

Reorder Quantity:

Reorder Quantity (Cases):

Calculations (Show Your Work Below):

1. The cost per pound for Fresh Lettuce, Romaine is $1.25. What is the estimated daily and weekly food costs for Fresh Lettuce, Romaine?

Daily Food Cost:

Weekly Food Cost:

Calculations (Show Your Work Below):

1. Fresh Apples:

Normal Usage: 15 pounds/day

Time to get delivery: 3 days

Par stock: 75 pounds

Number of pounds per case: 40

Safety Factor: 20%

Reorder Point:

Reorder Quantity:

Reorder Quantity (Cases):

Calculations (Show Your Work Below):

1. The cost per pound for Fresh Apples is $1.30. What is the estimated daily and weekly food costs for Fresh Apples?

Daily Food Cost:

Weekly Food Cost:

Calculations (Show Your Work Below):

1. Fresh Bell Peppers:

Normal Usage: 5 pounds/day

Time to get delivery: 4 days

Par stock: 40 pounds

Number of pounds per case: 11

Safety Factor: 50%

Reorder Point:

Reorder Quantity:

Reorder Quantity (Cases):

Calculations (Show Your Work Below):

1. The cost per pound for Fresh Bell Peppers is $2.00. What is the estimated daily and weekly food costs for Fresh Bell Peppers?

Daily Food Cost:

Weekly Food Cost:

Calculations (Show Your Work Below):

1. Fresh Strawberries:

Normal Usage: 18 pints/day

Time to get delivery: 5 days

Par stock: 120 pints

Number of pints per case: 12

Safety Factor: 30%

Reorder Point:

Reorder Quantity:

Reorder Quantity (Cases):

Calculations (Show Your Work Below):

1. The cost per case for Fresh Strawberries is $24.00. What is the estimated daily and weekly food costs for Fresh Strawberries?

Daily Food Cost:

Weekly Food Cost:

Calculations (Show Your Work Below):

### Inventory Management

Elena (she, her, hers), the assistant director for non-patient services, is responsible for conducting a monthly physical inventory and overseeing inventory management to ensure that the department is minimizing waste and to reduce potential pilferage. Elena has decided to take this opportunity to cross train you on inventory management in preparation for you taking on her position due to her upcoming retirement. Below is the past inventory data that Elena has collected for you to practice (show all your work).

1. Compare and contrast cost of food consumed and cost of food sold. Provide an example for when each should be used.
2. Given the following figures, calculate the cost of food consumed.

Opening Inventory: $4,500

Purchases During the Month: $7,200

Closing Inventory: $3,800

Additional Costs: $400

Cost of Food Consumed:

Calculations (Show Your Work Below):

1. Given the following figures, calculate the cost of food consumed.

Closing Inventory: $4,350.50

Grease Sales: $61.45

Purchases: $11,256.50

Opening Inventory: $6,462.50

Transfers to other units: $195.55

Cooking liquor: $179.15

Transfers from other units: $35.95

Transfers to catering: $160.35

Food to catering (directs): $205.25

Cost of Food Consumed:

Calculations (Show Your Work Below):

1. Given the following figures, calculate the cost of food sold.

Opening Inventory: $3,600

Purchases During the Period: $8,500

Closing Inventory: $4,200

Additional Costs: $300

Cost of Food Consumed:

Calculations (Show Your Work Below):

1. Given the following figures, calculate the cost of food sold.

Closing Inventory: $4,510.25

Grease Sales: $79.65

Purchases: $10,234.50

Opening Inventory: $7,356.00

Transfers from other units: $409.45

Cooking Liquor: $123.45

Food to catering (directs): $651.15

Transfer to other units: $168.35

Employee meals: $5,143.85 sales volume; recent average food cost percent: 35%

Cost of Food Sold:

Calculations (Show Your Work Below):

1. Compare and contrast total food issues and inventory turnover. What does it mean to have a low inventory turnover? A high inventory turnover?
2. Given the following figures, calculate total food issues.

Opening Inventory $8,456

Closing Inventory: $5,692

Purchases: $4,531

Total Food Issues:

Calculations (Show Your Work Below):

1. Given the following figures, calculate total food issues.

Closing Inventory: $17,348

Purchases: $15,789

Opening Inventory: $35,969

Total Food Issues:

Calculations (Show Your Work Below):

1. Given the following figures, calculate inventory turnover.

Opening Inventory: $9,455.50

Closing Inventory: $4,823.40

Food Costs: $20,954.50

Inventory Turnover:

Calculations (Show Your Work Below):

1. Given the following figures, calculate inventory turnover.

Food Costs: $65,452.45

Opening Inventory: $49,999.85

Closing Inventory: $23,888.15

Inventory Turnover:

Calculations (Show Your Work Below):

## Intermediate Level

### FTEs and Labor Costs

Aamaal (she, her, hers), the clinical nutrition manager, is examining the schedule for the entire clinical nutrition staff to ensure adequate coverage for the main medical center and the outpatient clinics. The new outpatient eating disorder clinic offers the following schedule options - MWF (6am-8am and 5-8pm) and the current volume of patients averages 9 per week. It takes about 1 hour of direct patient care and ½ hour of indirect patient care per client. Part of Aamaal’s challenge is to manage the scheduling to make this area the most efficient and productive – thus only productive time is considered for this area.

The medical center’s average patient census is 400 and the average length of stay (LOS) is 3 days. There are about 100 new admits each day and about half of those require RD attention. The other half can be handled by a NDTR. It takes the RD 15 minutes of direct patient care. NDTRs spend about ½ this time on new admits (direct patient care). For the remaining patients (300), the RD averages 5 minutes direct patient care/patient for the 150 patients of higher acuity and the NDTR averages 1-minute direct patient care/patient for the lower acuity patients (150 patients). For this area, based on past productivity studies, Aamaal knows that average time expenditure categories are as follows: 50% direct patient care, 35% indirect patient care and the remainder in nonproductive time.

There is also an outpatient oncology clinic that sees patients 5 days/week and about 0.25 FTE RD (or 0.10 FTE DT plus 0.20 FTE RD) is required to meet the needs.

**Salary/Compensation:**

                        Dietitian Nutritionist (RD/RDN):

                                    FT:  $66,560/yr + 35% benefits

                                    PT:  $43,264/yr + 15% benefits

                        Nutrition and Dietetic Technicians (NDTR):

                                    FT:  $48,297/yr + 35% benefits

                                    PT:  $31,393/yr + 15% benefits

*Note: PT salary/compensation figures reflect what PT employee would make if working 40 hr/wk. Use the* [*Hourly and Salary Pay*](#_Hourly_and_Salary) *table as reference.*

*Key Abbreviations and Terms:*

*FT=Full time*; *PT = Part time*; *FTE = Full time equivalent*

*Staffing = Determining the appropriate number of employees needed by the operation for the work that must done.*

*Scheduling = Assigning employees to specific working hours and days.*

*Absolute = Productive hours, does not include paid time off (PTO)*

*Adjusted = Includes paid time off (PTO)*

Below is the weekly floor coverage schedule and cell color and abbreviation key:

Light Gray = General Medical Center Coverage

Dark Gray/OEDC = Outpatient Eating Disorder Clinic

Black/ONC = Outpatient Oncology Clinic

**Monday**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Position | 6-7 | 7-8 | 8-9 | 9-10 | 10-11 | 11-12 | 12-1 | 1-2 | 2-3 | 3-4 | 4-5 | 5-6 | 6-7 | 7-8 |
| RD 1 – FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 2 – FT | OEDC | |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 3 – FT |  |  |  |  |  |  |  |  |  |  |  | OEDC | | |
| RD 4 – FT |  |  | ONC | |  |  |  |  |  |  |  |  |  |  |
| RD 5 – PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 1–FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 2–PT |  |  |  |  | ONC | |  |  |  |  |  |  |  |  |
| NDTR 3–PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

1. Calculate the Total Labor Hours (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. Calculate the Total Labor Cost (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. Calculate the Total FTEs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. Calculate the Total FTEs for RDs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. Calculate the Total FTEs for NDTRs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_

**Tuesday**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Position | 6-7 | 7-8 | 8-9 | 9-10 | 10-11 | 11-12 | 12-1 | 1-2 | 2-3 | 3-4 | 4-5 | 5-6 | 6-7 | 7-8 |
| RD 1 – FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 2 – FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 3 – FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 4 – FT |  |  | **ONC** | |  |  |  |  |  |  |  |  |  |  |
| RD 5 – PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 1-FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 2–PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 3–PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

1. Calculate the Total Labor Hours (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. Calculate the Total Labor Cost (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. Calculate the Total FTEs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. Calculate the Total FTEs for RDs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. Calculate the Total FTEs for NDTRs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_

**Wednesday**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Position | 6-7 | 7-8 | 8-9 | 9-10 | 10-11 | 11-12 | 12-1 | 1-2 | 2-3 | 3-4 | 4-5 | 5-6 | 6-7 | 7-8 |
| RD 1 – FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 2 – FT | OEDC | |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 3 – FT |  |  |  |  |  |  |  |  |  |  |  | OEDC | |  |
| RD 4 – FT |  |  | ONC | |  |  |  |  |  |  |  |  |  |  |
| RD 5 – PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 1-FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 2–PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 3–PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

1. Calculate the Total Labor Hours (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. Calculate the Total Labor Cost (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. Calculate the Total FTEs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. Calculate the Total FTEs for RDs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. Calculate the Total FTEs for NDTRs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_

**Thursday**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Position | 6-7 | 7-8 | 8-9 | 9-10 | 10-11 | 11-12 | 12-1 | 1-2 | 2-3 | 3-4 | 4-5 | 5-6 | 6-7 | 7-8 |
| RD 1 – FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 2 – FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 3 – FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 4 – FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 5 – PT |  |  | ONC | |  |  |  |  |  |  |  |  |  |  |
| NDTR 1-FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 2–PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 3–PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

1. Calculate the Total Labor Hours (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. Calculate the Total Labor Cost (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. Calculate the Total FTEs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. Calculate the Total FTEs for RDs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. Calculate the Total FTEs for NDTRs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_

**Friday**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Position | 6-7 | 7-8 | 8-9 | 9-10 | 10-11 | 11-12 | 12-1 | 1-2 | 2-3 | 3-4 | 4-5 | 5-6 | 6-7 | 7-8 |
| RD 1 – FT | OEDC | |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 2 – FT |  |  |  |  |  |  |  |  |  |  |  | **OEDC** | | |
| RD 3 – FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 4 – FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 5 – PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 1-FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 2–PT |  |  |  |  | ONC | |  |  |  |  |  |  |  |  |
| NDTR 3–PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

1. Calculate the Total Labor Hours (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. Calculate the Total Labor Cost (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. Calculate the Total FTEs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. Calculate the Total FTEs for RDs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. Calculate the Total FTEs for NDTRs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_

**Saturday**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Position | 6-7 | 7-8 | 8-9 | 9-10 | 10-11 | 11-12 | 12-1 | 1-2 | 2-3 | 3-4 | 4-5 | 5-6 | 6-7 | 7-8 |
| RD 1 – FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 2 – FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 3 – FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 4 – FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 5 – PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 1-FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 2–PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 3–PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

1. Calculate the Total Labor Hours (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. Calculate the Total Labor Cost (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. Calculate the Total FTEs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. Calculate the Total FTEs for RDs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. Calculate the Total FTEs for NDTRs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_

**Sunday**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Position | 6-7 | 7-8 | 8-9 | 9-10 | 10-11 | 11-12 | 12-1 | 1-2 | 2-3 | 3-4 | 4-5 | 5-6 | 6-7 | 7-8 |
| RD 1 – FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 2 – FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 3 – FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 4 – FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 5 – PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 1-FT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 2–PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 3–PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

1. Calculate the Total Labor Hours (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. Calculate the Total Labor Cost (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. Calculate the Total FTEs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. Calculate the Total FTEs for RDs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. Calculate the Total FTEs for NDTRs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_

**Comparing Absolute and Adjusted**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Position | 6-7 | 7-8 | 8-9 | 9-10 | 10-11 | 11-12 | 12-1 | 1-2 | 2-3 | 3-4 | 4-5 | 5-6 | 6-7 | 7-8 |
| RD 1 – FT | OP | |  |  |  |  |  |  |  |  |  |  |  |  |
| RD 2 – FT |  |  |  |  |  |  |  |  |  |  | **OP** | |  |  |
| RD 3 – FT |  |  |  |  | ONC | |  |  |  |  |  |  |  |  |
| RD 4 – FT | OP | **PTO** | | | | | | | |  |  |  |  |  |
| RD 5 – PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 1-FT |  | **ONC** | |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 2–PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| NDTR 3–PT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

1. Calculate the Total Adjusted Labor Hours (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. Calculate the Total Adjusted Labor Costs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. Calculate the Total Adjusted Benefit Costs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. Calculate the Total Adjusted FTEs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. Calculate the Total Absolute FTEs for RDs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
6. Calculate the Total Adjusted FTEs for RDs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
7. Calculate the Total Absolute FTEs for NDTRs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
8. Calculate the Total Adjusted FTEs for NDTRs (show your work): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

### Human Resource Management: Hiring

Aamaal (she, her, hers), the clinical nutrition manager is excited about the new addition of the outpatient eating disorder treatment clinic as she has been working very closely with the physicians, psychologist, and administration on its development for the last 2 years. Since it is the only outpatient treatment facility of its kind in the region, she anticipates an increase in the number of patients that will need medical nutrition therapy and would like to hire another dietitian that specializes in eating disorders to manage these new patients. At this time the clinic only operates from MWF (6am-8am and 5-8pm) and is managed by the current dietitians. The dietitians find managing their normal work duties while taking on the responsibilities of this new clinic extremely challenging. Medical center administration also wants to see the hours expand as the number of patients are steadily increasing to about 4-5 new patients joining the clinic each day and the nutrition department is struggling to keep up with the demand. Arlene has set the total budget for this position at $100,000 for both the salary and benefits. Aamaal has been tasked with creating a budget for this new hire and ensuring that all costs are within the allocated budget. Arlene has also stressed to Aamaal that this position needs to meet a break-even within one year of hire, so Aamaal also needs to consider a realistic expectation for the number of patients that are necessary to reach a break-even for the new position within one year.

* Annual Salary: $66,560/yr
* Benefits Cost: 35% of salary
* Other fixed costs: $5,000
* Variable Rate: 0.30
* Variable costs per consultation: $45

1. What is the total cost of salary and benefits for the new dietitian (show your work)?
2. What is the monthly cost of salary and benefits for the new dietitian (show your work)?
3. What is the total cost of other fixed costs for the new dietitian (show your work)?
4. What is the total cost of hiring the new dietitian, including salary, benefits, and other fixed costs (show your work)?
5. What are the ($) sales needed in the first year for the department to break-even for the new hire of the new dietitian (show your work)?
6. How many patients would the new dietitian need to see in their first year at a variable cost of $45 per consultation for the department to break-even for the new hire (show your work)?
7. How many patients in a year are needed to make a $10,000 surplus (profit) (show your work)?
8. Draw a break-even point chart for hiring the new dietitian. Label the X, Y axes. Draw and label the lines for fixed costs, total costs, and total sales. Label the break-even point.
9. After examining the budget and all necessary requirements to break-even within one year, should she continue with hiring the new dietitian? Why or why not?

## Advanced Level

### Scenario 1: Decreasing Food Costs

To complete this assignment, you will need access to the Excel file**, Hope Valley Weekly Operating Report (WOR).** This report contains five tabs, including one tab for the original WOR and one separate tab for each of the four different scenarios. For Scenario 1, you will need the following two tabs, **Original Weekly Operating Report** and **Scenario 1 Decreasing Food Costs**. Do not make any edits or changes to the **Original Weekly Operating Report** tab as it is used to compare the pre-changes to the post-changes. All changes will be made in the **Scenario 1 Decreasing Food Costs** tab only. Do not make any changes other than those identified below.

1. Locate the following cells from the **Original Weekly Operating Report** tab and using the table below and record the numbers from that cell into the appropriate **Pre-Change** column below.

|  |  |  |
| --- | --- | --- |
|  | Original Weekly Operating Report (Pre-Change) | Scenario 1 Decreasing Food Costs (Post-Change) |
| Total Food Cost (B 71) |  |  |
| Total Food Cost Per Patient Meal (C 71) |  |  |
| Total Expenses (B 80) |  |  |
| Cost Per Patient Day (D 80) |  |  |
| Total Revenue (B 81) |  |  |
| Revenue Per Patient Day (D 81) |  |  |
| Year-to-Date Net Revenue Per Patient Day (D 87) |  |  |

1. What does it mean to have low food costs? Identify and explain at least two important considerations to have when you have a low food cost.
2. What does it mean to have high food costs? Identify and explain at least two important considerations to have when you have a high food cost.

Next, in the **Scenario 1 Decreasing Food Costs** tab (located in the same Excel file), make the following changes to the cells identified below (do not make any other changes):

* 1. Change Meat purchases (B 4) to **18,750**
  2. Change Dairy purchases (C 4) to **6,480**
  3. Change Bakery purchases (D 4) to **6,340**
  4. Change Grocery purchases (E 4) to **24,600**
  5. Change Fresh purchases (H 4) to **10,290**

After making all the above changes to **Scenario 1**, record the new numbers for the same cells as question 1 into the appropriate **Post-Change** column found in question 1. Use the pre-change numbers and the post-change numbers to answer the following questions.

1. How much is the difference in total food cost between pre- and post-change? How did the change in total food cost affect the total food cost per patient meal?
2. How much is the difference in total expenses between pre- and post-change? How did the change in total expenses affect the cost per patient day?
3. How much is the difference in total revenue between pre- and post-change? How did the change in total revenue affect the revenue per patient day? If the total revenue and revenue PPD is the same pre- and post-change, why?
4. How much is the difference in YTD net revenue per patient day between pre- and post-change? Why might the YTD revenue per patient day change, but not the total revenue and/or revenue per patient day?
5. Explain strategies you would implement as a manager if the food costs were high and low. Consider the potential challenges and benefits associated with each option and provide a rationale for each strategy:
6. If the food costs are high:
   * What specific steps can you take to reduce food costs without compromising the quality of the food or customer satisfaction?
   * How would you negotiate with suppliers, optimize inventory management, or adjust menu prices to bring food costs under control?
7. If the food costs are low:
   * How can you ensure that the quality of the food and customer satisfaction are maintained or improved despite lower costs?
   * What strategies would you employ to reinvest the cost savings, to improve patient care and satisfaction, attract more customers, or enhance the overall dining experience?
8. Lastly, examine the food costs of the food and nutrition services department **(Original Weekly Operating Report)** and compare to the industry benchmarks and your budgetary goals. Based on your assessment, which of the above strategies should Arlene implement and why.

### Scenario 2: Decreasing Labor Costs

To complete this assignment, you will need access to the Excel file**, Hope Valley Weekly Operating Report (WOR).** This report contains five tabs, including one tab for the original WOR and one separate tab for each of the four different scenarios. For Scenario 2, you will need the following two tabs, **Original Weekly Operating Report** and **Scenario 2 Decreasing Labor Costs**. Do not make any edits or changes to the **Original Weekly Operating Report** tab as it is used to compare the pre-changes to the post-changes. All changes will be made in the **Scenario 2 Decreasing Labor Costs** tab only. Do not make any changes other than those identified below.

1. Locate the following cells from the **Original Weekly Operating Report** tab and using the table below and record the numbers from that cell into the appropriate **Pre-Change** column below.

|  |  |  |
| --- | --- | --- |
|  | Original Weekly Operating Report (Pre-Change) | Scenario 2 Decreasing Labor Costs (Post-Change) |
| Total Labor Cost (B 74) |  |  |
| Total Labor Cost Per Patient Meal (B 75) |  |  |
| Total Expenses (B 80) |  |  |
| Cost Per Patient Day (D 80) |  |  |
| Total Revenues (B 81) |  |  |
| Revenue Per Patient Day (D 81) |  |  |
| Year-to-Date Net Revenue Per Patient Day (D 87) |  |  |

1. What does it mean to have low labor costs? Identify and explain at least two important considerations to have when you have a low labor cost.
2. What does it mean to have high labor costs? Identify and explain at least two important considerations to have when you have a high labor cost.

Next, in the **Scenario 2 Decreasing Labor Costs** tab (located in the same Excel file), make the following changes to the cells identified below (do not make any other changes):

* 1. Change Total Labor Cost (B 74) to **80,000**

After making all the above changes to **Scenario 2**, record the new numbers for the same cells as question 1 into the appropriate **Post-Change** column found in question 1. Use the pre-change numbers and the post-change numbers to answer the following questions.

1. How much is the difference in total labor cost between pre- and post-change? How did the change in total labor cost affect the total labor cost per patient meal?
2. How much is the difference in total expenses between pre- and post-change? How did the change in total expenses affect the cost per patient day?
3. How much is the difference in total revenue between pre- and post-change? How did the change in total revenue affect the revenue per patient day? If the total revenue and revenue PPD is the same pre- and post-change, why?
4. How much is the difference in YTD net revenue per patient day between pre- and post-change? Why might the YTD revenue per patient day change, but not the total revenue and/or revenue per patient day?
5. Explain strategies you would implement as a manager if the labor costs were high and low. Consider the potential challenges and benefits associated with each option and provide a rationale for each strategy:
6. If the labor costs are high:
   * What specific steps can you take to reduce labor costs without negatively impacting the quality of service, employee morale, or compliance with labor laws?
   * How would you evaluate staffing levels, adjust scheduling, or introduce labor-saving technologies to optimize workforce efficiency?
7. If the labor costs are low:
   * How can you ensure that the lower labor costs do not lead to overworked employees or a decline in service quality?
   * What strategies would you employ to reinvest the labor cost savings, improve employee retention, or enhance employee training and development programs?
8. Lastly, examine the labor costs of the food and nutrition services department **(Original Weekly Operating Report)** and compare to the industry benchmarks and your budgetary goals. Based on your assessment, which of the above strategies should Arlene implement and why.

### Scenario 3: Increasing Revenues

To complete this assignment, you will need access to the Excel file**, Hope Valley Weekly Operating Report (WOR).** This report contains five tabs, including one tab for the original WOR and one separate tab for each of the four different scenarios. For Scenario 3, you will need the following two tabs, **Original Weekly Operating Report** and **Scenario 3 Increasing Revenues**. Do not make any edits or changes to the **Original Weekly Operating Report** tab as it is used to compare the pre-changes to the post-changes. All changes will be made in the **Scenario 3 Increasing Revenues** tab only. Do not make any changes other than those identified below.

1. Locate the following cells from the **Original Weekly Operating Report** tab and using the table below and record the numbers from that cell into the appropriate **Pre-Change** column below.

|  |  |  |
| --- | --- | --- |
|  | Original Weekly Operating Report (Pre-Change) | Scenario 3 Increasing Revenues (Post-Change) |
| Subtotal (Cash) Sales (F 26) |  |  |
| Total Revenues (B 81) |  |  |
| Revenue Per Patient Day (D 81) |  |  |
| Year-to-Date Net Revenue Per Patient Day (D 87) |  |  |

Next, in the **Scenario 3 Increasing Revenues** tab (located in the same Excel file), make the following changes to the cells identified below (do not make any other changes):

* 1. Change Subtotal (Cash) Sales (F 26) to **250,000**

After making all the above changes to **Scenario 3**, record the new numbers for the same cells as question 1 into the appropriate **Post-Change** column found in question 1. Use the pre-change numbers and the post-change numbers to answer the following questions.

1. How much is the difference in subtotal (cash) sales between pre- and post-change?
2. How much is the difference in total revenue between pre- and post-change? How did the change in total revenue affect the revenue per patient day?
3. How much is the difference in YTD net revenue per patient day between pre- and post-change?
4. What actions should Arlene take if she has surplus revenue or a significant increase in revenue? Consider various aspects of the FNS department, such as improving food quality, expanding menu options, enhancing staff training, or upgrading equipment and technology. Explain how your decisions would align with the primary objectives for the FNS department and how you would prioritize the allocation of the extra revenue to achieve the most significant positive impact on patient satisfaction and operational efficiency.

### Scenario 4: Decreasing Revenues

To complete this assignment, you will need access to the Excel file**, Hope Valley Weekly Operating Report (WOR).** This report contains five tabs, including one tab for the original WOR and one separate tab for each of the four different scenarios. For Scenario 4, you will need the following two tabs, **Original Weekly Operating Report** and **Scenario 4 Decreasing Revenues**. Do not make any edits or changes to the **Original Weekly Operating Report** tab as it is used to compare the pre-changes to the post-changes. All changes will be made in the **Scenario 4 Decreasing Revenues** tab only. Do not make any changes other than those identified below.

1. Locate the following cells from the **Original Weekly Operating Report** tab and using the table below and record the numbers from that cell into the appropriate **Pre-Change** column below.

|  |  |  |
| --- | --- | --- |
|  | Original Weekly Operating Report (Pre-Change) | Scenario 4 Decreasing Revenues (Post-Change) |
| Total Revenues (B 81) |  |  |
| Revenue Per Patient Day (D 81) |  |  |
| YTD Net Revenue (B 87) |  |  |
| Year-to-Date Net Revenue Per Patient Day (D 87) |  |  |

Next, in the **Scenario 4 Decreasing Revenues** tab (located in the same Excel file), make the following changes to the cells identified below (do not make any other changes):

1. Change Cafeteria Sales (B 22) to **16,000**

After making all the above changes to **Scenario 4**, record the new numbers for the same cells as question 1 into the appropriate **Post-Change** column found in question 1. Use the pre-change numbers and the post-change numbers to answer the following questions.

1. How much is the difference in total revenue between pre- and post-change? How did the change in total revenue affect the revenue per patient day?
2. How much is the difference in YTD net revenue pre- and post-change? How did the change in total net revenue affect the revenue per patient day?
3. What actions should Arlene take in a situation where revenues are decreasing or falling below expectations? What proactive steps could she take to address this financial challenge while maintaining the quality of food and service? Consider strategies related to cost reduction, menu adjustments, marketing efforts, staff management, or any other relevant actions. Explain the rationale for each proposed action and how you would prioritize them to effectively navigate the situation and work towards restoring or improving the financial health of the FNS department.

# References

Dosedel, E. (2021). Compensation and benefits survey 2021. *Journal of the Academy of Nutrition and Dietetics.* <https://doi.org/10.1016/j.jand.2021.08.113>

Greoire, M. (2017). *Foodservice organizations: A managerial and systems approach* (9th ed). Pearson.

Molt, M. (2017). *Food for fifty* (14th ed.). Pearson.

Zippia (2023, September 14). *Morrison Healthcare salaries.* <https://www.zippia.com/morrison-healthcare-careers-31924/salary/>

# Appendices

## Appendix A: Garden Vegetable Jambalaya Recipe

**Garden Vegetable Jambalaya Recipe**

Yield: 50 - 8oz. portions

EP = Edible Portion

|  |  |  |
| --- | --- | --- |
| Ingredient | Amount | Procedure |
| Olive Oil | 2 cups | Heat oil to 350oF |
| Onions, chopped | 6 lb EP | Sauté vegetables in hot oil for 10 minutes. Stir often enough to keep vegetables from sticking |
| Garlic, minced | 2 oz EP |
| Celery, chopped | 1 lb 4 oz EP |
| Green bell pepper, chopped | 12 oz EP |
| Cajun Seasoning | 2 oz | Add seasonings and rice to vegetable mixture. Stir and cook for 10 minutes. Add more oil if rice begins to stick. |
| Salt | 2 tsp |
| Rice, converted | 3 lb 14 oz |
| Vegetable base | 2.5 oz | Dissolve vegetable base in some of the water. Add water-base mixture, remaining water, and red pepper sauce to the rice. Stir to mix. Reduce heat to low. Cover and simmer until rice is tender and liquids are absorbed, 25-30 minutes |
| Water | 3 qt |
| Red pepper sauce | 2 tsp |
| Edamame, frozen | 2 lb EP | Steam edamame, peas, carrots, and peppers separately until tender crisp. Fold into rice mixture. |
| Sugar snap peas, fresh or frozen | 1 lb 10 oz EP |
| Carrots, cut into ¼-inch slices | 1 lb 10 oz EP |
| Red bell peppers, ½-inch dice | 4 oz EP |
| Yellow bell peppers, ½-inch dice | 4 oz EP |
| Green bell peppers, ½-inch dice | 4 oz EP |
| Green onions, cut in 1-inch lengths | 8 oz EP | Fold into rice mixture. Scale into 12 x 10 x 2-inch pans, 6 lb per pan. |
| Red onion, coarsely chopped | 4 oz EP | Sprinkle 1 oz red onion and 1½ oz parsley on top of each pan of jambalaya. |
| Fresh parsley, minced | 6 oz EP |

(Reference: Food for Fifty)

## Appendix B: Lasagna Recipe

**Lasagna Recipe**

Yield: 50 - 8oz. portions

EP = Edible Portion

AP = As Purchased

|  |  |  |
| --- | --- | --- |
| Ingredient | Amount | Procedure |
| Ground beef | 5 lb. AP | Cook beef, onions, and garlic until meat reaches an internal temperature of 155oF.  Drain off fat. |
| Onions, finely chopped | 12oz |
| Garlic cloves, minced | 2 |
| Tomato sauce | 3 qt | Add tomato products and seasonings to meat. Simmer for about 30 minutes, stirring occasionally. |
| Tomato paste | 1 qt |
| Black pepper | 1 tsp |
| Basil, dried, crumbled | 1 tsp | Bring water to a rapid boil. Add salt and oil. Add pasta gradually while stirring. Return to boiling. Cook uncovered at a fast boil until tender but firm (al dente), approximately 13-15 minutes. Stir occasionally to prevent sticking. Test for doneness. Drain. Store in cold water to keep noodles from sticking. Drain when ready to use. |
| Oregano, dried, crumbled | 1 Tbsp |
| Lasagna noodle, dry | 2 lb. 8 oz | Combine cheeses.  Arrange in two greased 12 x 20 x 2-inch counter pans in layers in the following order:  -Meat sauce, 1 qt  -Noodles, overlapping, 1 lb. 12oz  -Cheeses, 1 lb. 4 oz  Repeat sauce, noodles, and cheese.  Spoon remainder of meat sauce on top.  Bake at 350oF for 45-60 minutes.  Let stand for 15-20 minutes before cutting. Cut 4 x 6. |
| Water, boiling | 2 gallons |
| Salt | 2 oz |
| Vegetable oil | 2 Tbsp |
| Mozzarella Cheese, shredded | 2 lb. 8 oz |
| Parmesan cheese, grated | 6 oz |
| Ricotta cheese or cottage cheese, dry or drained | 2 lb. 8 oz |

(Reference: Food for Fifty)

## Appendix C: Quick Reference Formula Guide

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| Sales = Cost of Sales + Cost of Labor + Cost of Overhead + Profit |
| Sales = Variable Costs + Fixed Costs + Profit |
| Sales = (Fixed Costs + Profit) / Contribution Rate |
| Sales X Contribution Rate = Fixed Costs + Profit |
| Sales Price = Variable Costs / Variable Rate |
| Sales (Units) = (Fixed Costs + Profit) / Contribution Margin |
| Break-even in Sales (Units) = Fixed Costs / Contribution Margin (per unit) |
| Break-even = Fixed Costs / Contribution Rate |
| Contribution Margin = Sales Price X Contribution Rate |
| Contribution Margin = Sales Price – Variable Costs (per unit) |
| Contribution Rate = (Fixed Costs + Profit) / Sales |
| Contribution Rate = Variable Costs / Sales |
| Contribution Rate = Variable Costs / Sales Price |
| Contribution Rate = Contribution Margin / Sales Price |
| Contribution Rate = 1.00 – Variable Rate |
| Variable Rate = 1.00 – Contribution Rate |
| 1.00 = Contribution Rate + Variable Rate |
| Variable Costs = Sales X Variable Rate |
| Variable Costs = Sales – Fixed Costs – Profit |
| Variable Costs = # of Unit Sales X Variable Costs (per unit) |
| Fixed Costs = Sales – Variable Costs – Profit |
| Profit = (Sales X Contribution Rate) – Fixed Costs |
| Profit = Sales – Variable Costs – Fixed Costs |