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In this contributed piece, Tom Mac Dermott discusses the future of business and industry dining.

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Viewpoint: Will corporate dining rebound in 2021?

The coronavirus pandemic accelerated existing trends toward more remote work and declining onsite meal participation, and it is a situation corporate dining programs will have to adjust to.

Tom Mac Dermott, FCSI | Jan 13, 2021

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“Happy days are here again, the skies above are clear again...”

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That was Franklin Delano Roosevelt’s campaign theme song when he ran for president in 1932 as the Great Depression spread across the nation. It would be more than a decade before happy days would actually return—the Depression was immediately followed by World War II.

Today, as vaccinations are likely bringing our dark pandemic era to a close over the next eight to twelve months, it’s reasonable to ask, will happy days be here again for us?

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For people and companies in the business of providing dining, hospitality and vending services to companies, government and similar institutions, the answer is... definitely maybe. It depends on the segment of the business universe that you’re looking at.

Manufacturing facilities will rebound as far and fast as demand for their products dictates. Tech support and customer service call centers seem to function as well as ever with employees working from home. These organizations may continue this way. Think of all the rent, utilities, overhead and employee meal subsidy costs saved!

But manufacturing and call centers are small segments of the business food service industry. The majority of organizations are white collar—corporate and professional offices, high-tech companies, research centers and the like. These have been surviving—some even thriving—while closing offices or seriously reducing on-site populations.

Will they come back as the coronavirus recedes? The answer will vary by company, but overall, probably slowly. “Tech giants such as Facebook are leasing or buying

new space even while envisioning more work being done remotely,” The Wall Street Journal reported recently.

Less fortunate companies are giving up spaces, seeking concessions from landlords and in other ways tightening their belts. Some semblance of full offices may not broadly appear until 2022 or beyond. And when it does, it’s likely to be different, with fewer people in the office on any given day.

The trend to working remotely has been growing for more than a decade; the pandemic just gave it an emphatic push forward. The Society for Hospitality and Foodservice Management’s semi-annual Industry Standards and Benchmark Comparisons report tells the story:

1992: The average lunch participation rate was 56% of the available population.

2002: The participation rate declined to 43%.

2012: The rate was 35.9% as the trend to remote working was getting under way.

2018: Participation further declined to 31% as technology progress made staying out of the office easier and easier.

Even without a crystal ball, it’s still possible to see the most likely evolution in company operations and in-office populations. Tech giants aside, physical presence in offices will probably be around 50%, or lower, of potential population as health precautionary measures are relaxed later this year. The comfort of executives and employees generally (no need to dress up; no commute) and advantages for the company (no or limited employee dining, fewer conference and other expensive services to support) will affect the number of people onsite and available as employee dining customers. Fewer onsite meetings and conferences will impact catering and hospitality services’ revenue.

Companies may find much routine work can continue to be performed remotely. The use of freelancers for specific projects is likely to expand. There now are companies offering freelancers for assignments in the same way Uber offers freelance drivers for taxi service.

But trend lines seldom go in one direction for long, despite those optimistic charts in a PowerPoint presentation. Remote working is satisfactory now because most employees communicating via Zoom and similar apps had been working together before the crisis and know each other. As new employees join a company, that familiarity and ease of collaborating remotely will fade, along with productivity.

The absence of informal meetings and interactions will inhibit creativity and productivity to some degree. Zoom meetings must be scheduled and the number of participants fixed. More important, participants can't see the others in person and measure their body language reactions. There are no refreshment breaks or buffet luncheons where participants, especially in contract or other negotiations, can relax and socialize informally between sessions.

Employee morale depends on the enthusiasm and engagement of people, identifying with the company and the stimulation of working with each other. A company softball team or bowling league is unlikely to form among remote workers.

Remote working—especially on Fridays—will likely be a permanent part of corporate operations, but not as universal or semi-universal as the advocates of its virtues proclaim.

The people and companies that work in the corporate food service world will have to be flexible and innovative in adapting as the “new normal” evolves.

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