

# SUCCESS STORY



## CLIENT: CEFCO Convenience Stores

An independently owned chain of convenience stores with 225 locations

## SERVICES DELIVERED

Foodservice Strategic Assessment to generate a comprehensive future foodservice strategy

## CLIENT CHALLENGES

### Foodservice Programs Produce High Waste and Low Margins

Large multistore and multistate c-stores know that waste and shrink from foodservice programs can add up quickly. As a company with 225 locations in six states, CEFCO wanted to improve this critical business area. Customer experience was a top priority. Evaluating their current foodservice program would help improve profitability while simultaneously offering new and better menu items to their customers.

CEFCO was a lean organization. As such, it ran on efficiency, but the team often wore many hats to fulfill company needs. As a result, CEFCO leadership team looked to Impact 21 to evaluate the existing foodservice program and develop a strategy to both improve short-term financials and build out a sustainable formidable food program for the future.

By implementing changes recommended by Impact 21, CEFCO would be on track to save \$3M per year.

# IMPACT 21

[impact21.com](http://impact21.com)

2700 Old Rosebud Drive, Suite 240 • Lexington, KY 4050 • (859) 219-3040

## SOLUTIONS DELIVERED

### Evaluated existing foodservice program and developed a thorough roadmap to increase profitability

Impact 21 addressed functional areas of Foodservice:

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| <ul style="list-style-type: none"><li>• Assortment Criteria</li><li>• Space Allocation to Food</li><li>• Food Operating Capabilities (Work Design &amp; Training)</li><li>• Menu Portfolio</li><li>• Food Safety Assessment</li></ul> | <ul style="list-style-type: none"><li>• Financials (GP, Shrink, Sales, Margin)</li><li>• Reporting, Analytics, &amp; Competitive Benchmarking</li><li>• Supply Chain (Cost Structure)</li><li>• Organizational Structure &amp; Labor Costs</li><li>• Management Structure, Intra-Department Communication, &amp; Working Environment</li></ul> | <ul style="list-style-type: none"><li>• Financials (GP, Shrink, Sales, Margin)</li><li>• Reporting, Analytics, &amp; Competitive Benchmarking</li><li>• Supply Chain (Cost Structure)</li><li>• Organizational Structure &amp; Labor Costs</li><li>• Management Structure, Intra-Department Communication, &amp; Working Environment</li></ul> |
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**Internal Assessments:** Our first step involved internal assessments of these key components of the foodservice business – conducting interviews with key stakeholders, store visits in primary markets, customer observations, and a thorough financial analysis.

**Industry Benchmarking:** Second, we conducted industry benchmarking against top quartile c-stores, QSR, and direct competition and compiled best-in-class food operating practices.

**Operating and Menu Recommendations:** Next, short-term operating and menu recommendations were provided to drive immediate financial improvements.

**3-Year Roadmap:** And finally, we developed a 3-year roadmap which detailed program investments, future operating and people capabilities, and sustainable menu and branding strategies.



## Business Impact

**CEFCO followed Impact 21's recommendations and quickly began reaping significant savings from their new foodservice program.**

By conducting analyses and providing insights and resources, Impact 21 guided CEFCO on several initiatives that drastically improved savings and reduced waste. They took immediate action and began to realize margin improvement within 90 days of the engagement.

In a very short time, CEFCO implemented initial recommendations and consequently, removed 15% of waste from its system. This led to an 8.7 basis point improvement in margins to 48.7% from 40%. Impact 21 provided an operational improvement and investment plan to guide CEFCO for the next several years. However, even with no additional changes beyond those already implemented, they would be on track to save \$3 million per year. Future changes would bring about even greater savings for the c-store chain.

## Why Impact 21?

Impact 21 is your retail consulting partner. Clients enjoy our unique blend of expertise & approachability — working together to transform strategy, operations, technology & customer engagement.