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# INDUSTRY WEEKLY DIGEST

#HOSPITALITYatSurrey



## THE CONTRACT CATERING SECTOR A SNAPSHOT OF ITS FUTURE

### IS THERE LIGHT AT THE END OF THE TUNNEL?

Since March 2020 the government's message "Work from Home" has had a substantial impact on employee dining for the Contract Catering Industry.

Is there light at the end of the tunnel?

*What's in this issue:*

THE FUTURE OF  
THE CONTRACT  
CATERING SECTOR

# The Future of Employee Dining

## **MARCO CIRAULO**

As it stands today, the share prices of the big Contract Catering Companies have dropped since March 2020 by 38-76%. Not surprising considering the change in the market place due to Covid 19.

This is clearly a strong impact on the valuation of those companies. Having said that, if we look at the share performance of 2019, which had a tough start to the year but recovered prior to Covid extremely well, then there is a valid argument that the industry will have the resources to fully recover once there is clarity on the Covid vaccination and its effectiveness.

According to Graeme Smith from Alix Partners: There is an understanding that Contract Caterers with a clear financial strategy, good access to lending and the ability to manage cost, have the upper hand in dealing with the business impact better than others. In addition, the big players in the contract catering industry with the most diverse portfolios and diverse income streams are better positioned and will come out of this crisis first. Caterers to the specialised fields such as defence, education and healthcare vs those focusing primarily on office dining or leisure, have a clear advantage at this stage.

So: Is there light at the end of the tunnel for the business & industry catering sector?

The answer to the question is Yes. According to Simon Brown from CBRE, the assumption that cities will die, and we will all work from home, has been widely discussed and there is evidence that this is not the case or at least not for most office workers.

Why? There are many indicators leading us towards that assumption and not just the hope and trust into a Covid vaccination, but the fact that office workers aged 20 to 35 want to work in an office environment for a number of reasons, including the unsuitability of their home working environment and their productivity there.

Taking all this into consideration there is more and more a need for employers to provide a quality work space and to look after their workforce and doing this in a controlled environment can only mean that the risk for infection can be minimised by offering a strong on site catering service – avoiding the need for employees to hit the high-street to get their well-deserved lunch.

This Industry Digest is just a taster and there is so much more to talk about on each of these points but if we go back to the question on the future of the employee dining in the contract catering industry: Yes, we can see much more than green shoots and there is definitely more opportunity than just going back to normal, especially to those businesses embracing new models in delivering their services.



### **FURTHER READING:**

- [EP BUSINESS IN HOSPITALITY Webinar, 6th November 2020](#)
- [Webinars | COREcruitment](#)