



## Waste Not, Win Big

For the first time ever last year, food waste reduction made it onto the National Restaurant Association's (NRA) "What's Hot" list, landing at No. 9. The topic's rise in popularity could be due to the fact that food prices have been increasing, going up more than 5 percent in 2014 alone, according to the NRA.

Reducing food waste not only cuts back on the strain on a restaurant's bottom line, experts say, but it also has the potential to improve customer relations and build a more environmentally responsible company culture.

"There are so many costs that you are literally rinsing down the drain," says Laura Abshire, the NRA's director of sustainability. "Reducing your food waste can cut front-end costs substantially; it's huge as far as a business opportunity."

Unlike many sustainable practices, which can be difficult and costly to implement, even small efforts to control food waste can be easy to incorporate.

### **Check your trash**

Many restaurant operators today are interested in sustainable practices, but are often deterred by the cost-prohibitive nature of equipment and supplies. For instance, compostable cornstarch bowls can run as much as three times the cost of plastic disposables, depending on brand choice.

Arianne Bennett, founder of Washington, D.C.-based Amsterdam Falafelshop, says the biggest lesson she learned from the shop's endeavors into sustainability was that the best solutions are the simplest.

"We wanted to be totally green, no carbon footprint; we had huge dreams," she says. "One thing we experimented with was putting motion-sensitive lights in our bathrooms, and that was basically a disaster. Some kids were traumatized from the lights shutting off on them while they were in the bathroom. It was not good. So then we thought, 'How about we just focus on turning *off* the lights?'"

Reducing food waste is no different. It doesn't necessarily require expensive or high-tech equipment, and it starts with simple research.

According to the program set forward by NRA Conserve, the first step to reducing food waste is to become informed about the type and quantity of waste the restaurant is producing. This practice, known as a "waste audit," has a straightforward goal: Determine what's left and find a way not to buy it in the first place.

Resources can help operators perform these audits; the Environmental Protection Agency offers free tracking spreadsheets, while the NRA has programs like its online Conserve Toolkit and some software companies are also offering products.

NRA Conserve recently teamed up with LeanPath Inc. to provide waste-tracking software that operators and employees can run on tablets in the store. LeanPath claims restaurants tracking food waste with their software save 2–6 percent of front-end food costs. One prominent user of the software, the MGM Grand in Las Vegas, saves \$6,000–\$9,000 a month just by auditing its waste and increasing operator awareness.

Of course, digging through the trash and recording the contents doesn't require any software; the only necessities are pen, paper, and a hard resolve to cut costs. "It's really astounding how much you can save, and the investment is quite small," Abshire says. "You'll reap the benefits in the end if you're willing to put a little more effort in upfront."

Quick serves face a unique problem in this process. Since many customers take their food to go, they dispose of their waste outside of the restaurant, which makes it more difficult to track. Corinna Kester, sustainability strategist with Business for Social Responsibility (BSR), says operators can also conduct surveys of customers leaving the space to get a one-time assessment of what's happening with the food waste. At Amsterdam Falafelshop, Bennett says, she prefers to keep a close eye on the salad bar to monitor what people are eating and decide what the restaurant will need during the next 24 hours.

Once the quantity and food-waste type has been determined, operators can consider changing menu offerings accordingly.

"We don't have 20 things on a menu, where only 16 of them get used at any one time and you have to throw out those other four items," Bennett says.

Some operators say menus with customizable options are at a particular advantage, while one-size-fits-all menus do poorly in terms of waste reduction.

Café Yumm! founder Ed Gerdes also emphasizes menu simplicity and customizability, pointing to the Café's multiple sizing options for its bowls, which allow guests to pick the food volume that fits their nutritional needs.

"It's about watching all of those small things," Gerdes says. "It's a change in thought process that needs to happen on the ground floor, and it's a lot of work. But now practices like this are just the standard at all of our restaurants."

By watching waste bins, tailoring menus, and scaling portions, operators can significantly cut up-front costs and avoid throwing money into landfills.

### **Repurpose your trash**

Despite the best planning efforts, some leftover food is inevitable, leaving operators with the question of how best to dispose of waste.

The NRA's Abshire says that for most parts of the country, it's cheaper to recycle and compost than to send waste to a landfill. However, for other areas, the availability of composting is a challenge, and new composting operations are often unstable.

Bennett says she continually faces this challenge when looking for compost vendors.

"It can be difficult because a lot of these sustainability-focused businesses are start-ups too, and if they go out of business suddenly, you're left scrambling trying to figure out what to do," she says.

According to the NRA, getting extra food taken to compost piles only takes a short conversation with a waste hauler. If an area's hauler doesn't accept food scraps, local composting facilities can provide lists of haulers they work with and help price out a plan. NRA Conserve offers resources for this part of the process on its blog, "Walking the Talk," which provides recommendations on the best haulers and tips for finding the right questions to ask.

While some cities have mandates requiring restaurants to compost or recycle, community culture often plays a big role in encouraging operators to make the switch.

Tony Lamb, founder of Kona Ice, says conforming to the ideals of sustainability held by the community is good for business.

"In California, we started with Styrofoam cups for our ices, and it just didn't fit with the culture," he says. "By becoming more sustainable, it's good for the business's public image. Consumers are very intelligent, and they'll recognize an environmentally responsible company. It's worth it to make that commitment and build an overall culture of environmental responsibility."

When implementing a more sustainable system, operators must often educate their customers on the new process. BSR's Kester says there has been an increase in restaurants experimenting with front-of-house sorting options, in which customers—not operators—are tasked with sorting their own waste. While clear signage can reduce sorting errors, Kester says, focusing on back-of-house sorting is a better place to start since the number of people requiring training is much smaller.

But while compost piles are a better final destination than landfills, an even better destination is someone's stomach.

"For us, if there's two dollops of hummus left over, I think, 'That's two people,'" Bennett says. "How much you waste good food in your restaurant can be shocking."

Finding a way to donate a restaurant's useable leftover food not only supports the community, but also generates community support for a restaurant. The NRA partners with the Food Donation Connection (FDC) to help connect restaurants with area food banks and facilitate donations.

Kester says this avenue of waste reduction is still underexplored.

"That's a huge piece of reducing food waste. You market it to consumers that, not only

are you saving food for the environment, but you're also really helping your community by providing for people who don't have enough to eat" Kester says.

"It's a really feel-good dynamic to reducing food waste."

### **Cash your trash**

Whereas composting and donating often lack economic incentives, recycling some products can generate significant revenue.

With the recent uptick in demand for cooking oil for biodiesel production, oil, which was formerly seen as nothing more than a waste product, has earned the moniker "liquid gold." According to a 2014 report produced by BSR and the Food Waste Reduction Alliance, more than 70 percent of all recycled food waste in restaurants is cooking oil.

"Anytime you can turn something that was basically going to landfill or trash into another revenue stream, that's a great thing," Abshire says. "For example, oil and grease [were] for a long time basically trash, and then it turned into a profit-generating item with biodiesel, which is a great economic incentive."

At its base, the question of reducing food waste is an economic one, but it is also impactful on customer relations. BSR's report found that more than half of respondents said they would seek out a restaurant based on whether their practices are sustainable.

"You can tell that the younger generations especially really care, and that's huge," Kester says. "Consumers want to know what businesses are doing to minimize their environmental impact and then to support those companies that align with their own personal values."

Bennett says reducing and diverting food waste should be viewed like any other economic aspect of a business: in terms of pennies.

"In a small business, you do the tiny things that result in not hemorrhaging pennies everywhere, because that adds up," she says. "With sustainability in terms of trash and a small footprint, you're doing the same thing: looking at a bunch of teeny-tiny things and seeing how they add up to impact the entire situation."

By becoming more aware of a restaurant's food waste and instituting small measures to keep food and pennies out of landfills, restaurant operators have an opportunity to win on every side.

"It's good for the environment, it's good for your bottom line, and it's good for the community. It's really a triple-win. Something like that a restaurant can't really pass up on," Bennett says.