

# | The Commercial balancing act

**Balancing the need for a value for money  
customer experience vs. commercial  
sustainability**

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## | The Commercial balancing act

"It's hard to ignore the fact that University cafe prices are too high. It's time for the University to listen. I will run a campaign to force the University to acknowledge their extortionate pricing"

**Students Union Education Officer elect, SHU 2016.**

In a survey by *Inside Higher Ed* and Gallup, barely a quarter of campus chief financial officers (27 percent) express strong confidence in the viability of their institution's financial model over five years, and that number drops in half (to 13 percent) when they are asked to look out over a 10-year horizon.

**July 2013**

## | The Catering Services landscape at SHU

- **Overview of our Catering Services portfolio**
- **Local Competition**
- **General Customer opinion and feedback**
- **Financial targets and operating margins**
- **Capital Expenditure**

## Objectives of change process ( Project Chrysalis)

### **Improved Customer satisfaction and engagement**

- Increased quality and USP's
- Improved Customer Service with increased customer loyalty
- Value for money offer

### **Financial sustainability**

- Retail business growth
- Reducing operating costs

### **Outlet differentiation and modernisation**

- A wider total product range
- Flexed price points
- Distinctive product ranges

### **Raising the profile**

- Engaging marketing and promotional activity
- A marketing budget

## | Homemade "brands"

The  
**GRANARY**  
HEARTSPACE

The  
**GRANARY**  
HEARTSPACE

**DEAL OF THE WEEK**  
Hot soup and a  
homemade roll  
**£3.00**



THE DELI  
ASPECT COURT



**DEAL OF THE WEEK**

Any sushi box and  
a hot or cold drink  
**£4.00**

THE DELI  
ADSETTS CENTRE

IL BARISTA

IL BARISTA

**CAKE DEAL**  
Any Cake and Coffee  
**£3.50**



IL BARISTA

**DRINK DEAL**  
Strawberry, Chocolate or  
Banana Milkshake  
**£2.50**





Wholesome and hearty food offering value for money and homemade quality



**| Great Coffee. A unique place to meet.**



Fast paced on-trend, grab and go snack service with a focus on fresh, nutritious food in convenient locations.





**| Good Honest value**

| SHU card: launched September 2014



**Go cashless  
with your SHUcard.  
The convenient and  
rewarding way to pay.**

- Top up by £25 and receive an extra 5% in loyalty points.
- Earn loyalty points in catering outlets.

## | SHU card: End Y2 impacts

13,000 students loaded over 2 years (double our target)

1,700 staff members loaded over 2 years (double our target)

£1.1m has been loaded ( £650k in Y2)

Accounting for 22% of transactions in Catering Services

Credit card transaction costs down by £15k in 2 years

Catering Retail Revenue up 6% in 2 years

Catering Staff costs reduced by 2% in 2 years

## | SHU card: What our Customers said

Satisfaction rates with SHU card over 95%

73% of Customers say they spend more

92% said that SHU card saved them significant money (15%)

80% said they would recommend to a friend.

## | SHU Card: marketing promotions and incentives

### **Marketing investment:**

- £33k in Year 1
- £25k in year 2

### **Customer Incentives**

- Launched with an extra 10% top -up ( first 6 months)
- 5% loyalty points reward

### **Promotions**

- £1 Wednesday
- Range of Brand specific promotions
- Hot Offers promotions
- Partner promotions
- Local partnership

## | 2016/17 Projections & Outputs

### **Student Union acknowledgement that there is an improved offer for Students**

- Great value products
- Improved range and diversity

### **SHU card loads growth**

- £800k loaded in Y3
- Over 50% staff and Students active users of the card

### **Catering Services growth**

- YOY income growth of 5%
- Bottom line improvement of £100k

Thank you