

How Much Extra Profit Is Your Food Service Provider Taking?

It may be more than you think. Clarion Group financial reviews and find hidden charges and fees.

KINGSTON, NH, USA, July 20, 2020 /EINPresswire.com/ -- How big is the on-site food service contractor's actual profit? Managers and administrators of their organizations' employee or

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student food services and other hospitality services often are unaware of buried extra charges that supplement the company's reported profit or fee, according to Tom Mac Dermott, president of Clarion Group, a food service and hospitality service consulting firm.

“Our reviews of contractor operating statements, supporting documents and other research has found a wide variety of charges that are hidden under innocuous labels or buried in other accounting line items,” Mac Dermott says.

“In one instance,” Mac Dermott said, “We found charges for the contractor's regional executive chef and merchandising specialist buried in the charge for payroll taxes and insurance benefits. At another client, the charge for liability insurance included liquor liability, although the organization never served liquor and was in a ‘dry’ county in the Midwest.”

More commonly, there are small charges for such items as purchasing service and use of the contractor's computer programs included in Miscellaneous or other innocuous line items, he added.

“And of course, it's no longer a secret that food service contractors' suppliers markup prices for food and supplies so they can pay rebates to the contractor, as much as 18% of purchases,” Mac Dermott says. An important component of Clarion Group projects on behalf of its clients is a review and in-depth analysis of the on-site contractor's charges.

“While it's important to both sides that the contractor earn a reasonable profit for its services, from the client's perspective it is healthy to know and understand what that profit is and how it is derived,” he added.

About Clarion Group:

Clarion is an independent consulting firm, now in its 25th year of providing solutions and uncovering opportunities in food service, catering, conference and related hospitality services for companies, colleges and universities, government and international institutions. Clarion publishes Dining Insights, a newsletter for the managers and administrators responsible for their organizations' food services and hospitality services.

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