

## Industry Analysis

### **Food Excess: The Neglected Issue in the Hospitality Industry**

Benjamin Lephilibert

*Founder of LightBlue Environmental Consulting ([www.lightblueconsulting.com](http://www.lightblueconsulting.com))*

Travelling millennials, who will outnumber Boomers in Asia by 2020, have much higher expectations when it comes to the ‘green’ credentials of the accommodations they select. The good news is they will continue pushing the industry, from hostels to 5-star luxury resorts, in this direction. Energy, water, waste, chemical consumption or support for local communities are now issues that hotels take into consideration when adopting a sustainability approach, whether they do so for ethical, financial, or branding reasons. However, there is a fundamental aspect of hotel operation that remains neglected. It is one with a staggering environmental impact that is so obvious that all see it but no one talks about it. The problem is so seriously ignored that it is not included in the criteria for the most advanced green hotel certification schemes. And it can cause tremendous damage to a hotel’s income statement. Too often considered as a necessary evil by hoteliers, food waste is the elephant in the room that the vast majority of operators still try hard to ignore.

The author, through LightBlue Environmental Consulting, is experienced in conducting Food Excess Audits for hotels. Whenever the author raises the issue of food excess to hoteliers, the typical reaction received is: “It’s nice, but what do you do, you get hotels to reduce the variety of food?” Or “you can’t force people to finish their plates, can you?”. The answer is a clear no, we cannot and will not do that, as guest satisfaction and brand standard are central in every improvement offered to our partners. However, we realized through our experiences that by implementing a food excess monitoring system that uses clear categories (spoilage waste, preparation waste, buffet waste and customer plate waste) we’ve been able to help properties reduce their food waste by 45%.

Although hoteliers have not yet gotten on board, food waste has recently made it into the headlines of several international business publications including: Bloomberg, the Financial Times, and CNN. And countries all over the world are beginning to realize the true negative impact of food waste. The United States plans to cut their food waste by 50% by 2030; and the European Union is being even more ambitious as they plan to do the same but by 2020. The impetus for these programmes is clear. As a recent report from the United Nations Environment Programme (UNEP) states, “The impact of food waste is not just financial. The vast amount of food going to landfills makes a significant contribution to global warming”. As such, the United Nations just recently set food waste as one of their most urgent UN Sustainable Development Goals (Goal 12.3).

If public organisations, international bodies, and business media recognize the severity of the problem of food waste, then why aren’t hotels willing to face this issue?

When the word ‘hotel’ is brought up, the feelings and sensations that it conjures are typi-

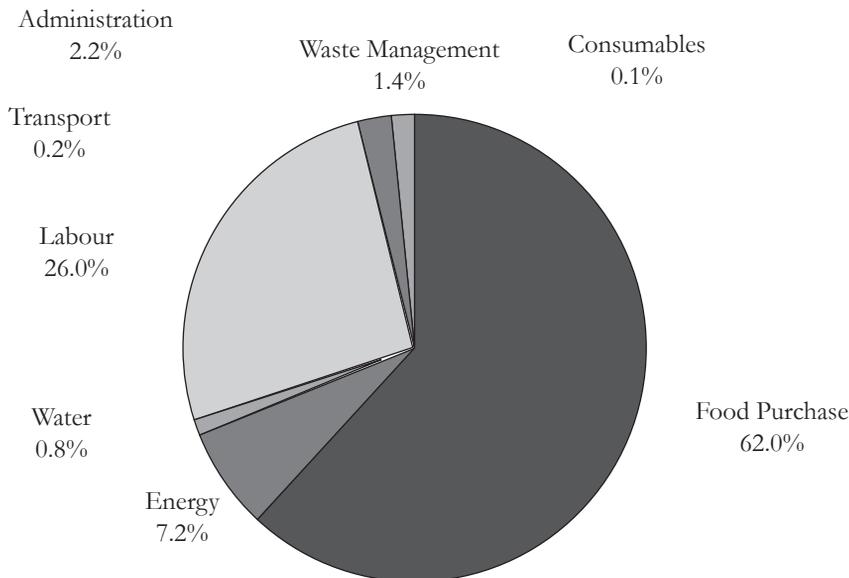
---

Correspondence: Benjamin Lephilibert, [contact@lightblueconsulting.com](mailto:contact@lightblueconsulting.com)

cally thoughts of luxury and relaxation – a getaway, an escape for all kinds of people from whatever stress and responsibilities they are facing in their daily lives. With these expectations, hotels have to please their customers and that oftentimes means serving an abundance of food for their guests. Whether it be via an a la carte restaurant, or an overflowing buffet, with this abundance of food comes a significant amount of food waste.

Reduction in food waste can be achieved through Food Excess Audits. One hotel that the author assessed in Bangkok, Thailand wasted over 1300 kilograms of edible food in just seven days, which amounts to a shocking 70 tons per year. After implementing our Food Excess Solution Program, the result was 5,635 kilograms of food saved within 5 months, coupled with an average savings of 2.29% off of monthly food costs. The financial savings for that property are in tens of thousands of USD per years, and the positive impacts resulting from the decrease in food waste is a great marketing/communication opportunity as well, as these 5.6 tonnes represent 840 days' worth of food for a family of four.

Reducing food waste is so much more than just reducing loss of edible resources. Look beyond the food waste and into what is really happening by scrutinizing the whole food chain. Where are we sourcing our food (food miles)? How much energy is needed to harvest, process, package and transport that food? Food loss and waste add up to a significant amount of resources being wasted, specifically needless energy, labour, land pollution, water and more. Figure 1, reproduced from WRAP UK (<http://www.wrap.org.uk>), shows the true cost of food waste within the hospitality and food service industry in the United Kingdom in 2013.



**Figure 1.** A breakdown of the cost of avoidable food waste by cost element  
Source: WRAP UK, 2013

We cannot expect every hotelier to wholeheartedly embrace sustainability, even though those who have are harvesting the benefits in terms of staff retention, reduced operational costs –energy, water, disposable and recyclable wastes, chemicals, higher guest satisfaction, and branding. But how can we continue to ignore the issues when small resorts have been found to waste up to 150 tons of edible food per year? Or that a staggering 36% of all food

purchased ends up in the bin? That when taking into account energy used, water used, labour cost, misallocation of financial resources and loss revenue for that food that could have been sold, the actual true cost paid by a hotel for food waste can reach a stunning USD800,000 for one large (300 room) resort? Nobody you might think, or at least no one with understands business and has a sense of responsibility.

However, the truth is that hoteliers are still turning a blind eye on their 'Food Waste Situation'. Classic KPIs (Key Performance Indicators) such as the Food Cost % and Total Revenue from Food and Beverage remain almost exclusively the only indicators of financial performance of food outlets and banquets, instead of looking as well at what is being lost between purchasing of food up to the end of service.

Business is business, and the bottom line remains the same: how much does it cost, and how much can I save. The author have witnessed that the Food Excess Solutions (<http://www.lightblueconsulting.com/#/food-excess-3/c1t1z>) programme can give hotels an unprecedented understanding of their food waste situation (how much, where, when, what is it, why, and how much does it cost), a practical way to monitor food excess, and actionable solutions along the value chain. It helps move the issue of food waste higher up on the hotel general agenda, a clear benefit from an environmental perspective can also be measured while building the capacity of your employees, and it helps hotels save a lot of money (with a very short payback period). And in this situation, greed is good for everyone.