

Singapore Productivity Centre x Association of Catering Professionals Singapore

INSPIRED BY ADVERSITY. CATERING TRANSFORMATION





Catering as a Food Services Sub-sector

The catering sub-sector made up about 6% of Singapore's total food establishments. According to Singapore Productivity Centre's Benchmarking Study conducted for the year 2018, the catering sub-sector generates about \$78,000 sales per employee per year.

Traditionally, the catering sub-sector has relied heavily on events, conferences and weddings. At least it did until the pandemic hit in 2020. As the Government re-imagines the MICE industry to revitalise it through safe yet innovative visitor experiences, caterers that are willing to adapt and transform have been quick to reinvent themselves through the growth opportunities catalysed by the pandemic. Some caterers leveraged on Ready-to-Eat (RTE) and Ready-to-Cook (RTC) products to increase revenue streams amidst restrictions on buffet-style food services. Others leverage on multi-agency initiatives led by Enterprise Singapore (ESG) to drive food technology.

As the pandemic barrels toward a year and beyond, plummeting conventional revenue streams of many caterers, the industry has unified in solidarity to battle off the crisis and caterers have worked with Ministry of Manpower to provide some 180,000 meals to quarantined foreign workers. In the wake of the pandemic, the catering sub-sector has become an integral part of the team that provides comprehensive support and care to our migrant worker population.



Catering for COVID

Singapore is home to more than 300,00 foreign workers and many live in multi-purpose dormitories. During the Covid-19 pandemic period, several outbreaks occurred in the dormitories placing them under quarantine. This compelled Singapore to respond quickly to ensure the workers' daily essentials and needs were provided for.

Our food caterers, together with the Singapore government, responded swiftly to provide up to 180,000 daily meals to foreign workers who were under quarantine. Many caterers raised their production capabilities to meet the increased demand. Elsie's Kitchen, Lavish Dine Catering and Riverwalk Tandoor were amongst those that led the way to provide quality and timely meals to our foreign workers.



Going the extra mile: Elsie's Kitchen

Since April 2020, Elsie's Kitchen has served as a contingency supplier to the National Centre for Infectious Diseases (NCID) and other public health institutions, catering meals as part of their activated contingency supply arrangements. In preparation of the urgent situation, various contingency partners have been earmarked in early April based on their production capacity, experience with provision of dormitory meals and cuisine type availabilities. Key supply partners, raw material and packaging supplies stockholding thresholds were also identified.

CHALLENGES REMAIN APLENTY

1. Despite early preparation, critical resource planning and stockpiling with the assistance of Enterprise Singapore's guide on Business Continuity Planning, **Elsie's Kitchen was overwhelmed by the new demand.** Coupled with the border closure with Malaysia, produce and packaging materials were also no longer readily accessible.

Elsie's Kitchen realised that the pandemic was an unprecedented occurrence and they had to urgently revise and adapt their processes and operations to cope with the situation.

In response, Elsie's Kitchen

- worked with clients to redesign menus with alternative vegetables that were immediately available in the local supply chain;
- worked with suppliers through Singapore's bilateral negotiations to supplement fresh vegetable shortfalls with frozen vegetable alternatives;

MOVING FORWARD

This episode underscores the importance for Elsie's Kitchen to stay nimble for unprecedented situations and to buttress the contingency response processes when business is balmy and stable. As the business landscape evolves, Elsie's Kitchen's emphasis is now on upskilling of the team, to develop new revenue streams, and to transform and be future-ready.



- coordinated help amongst ACAPS members to cover mutual shortfalls in supply of disposable wares by sharing inventory surpluses.
2. **Onsite manpower needs tripled.**
 - New casual manpower was quickly onboarded to Elsie's Kitchen in-house SOPs and compliance standards with simplified circulars strategically placed at entry points.
 - To ensure safe distancing, workspaces and operational layouts were reconfigured by removing redundant equipment and furniture, allowing for additional processing space.
 3. In the first two weeks of catering meals to the dormitories, **Elsie's Kitchen ran R&D processes concurrently with the catering operations to gain knowledge on Bangladeshi cuisine** and understanding their dietary culture. With purpose and perseverance, feedback from the workers and the Forward Assurance and Support Teams (FAST), Elsie's Kitchen began to make good progress with their products.
 4. Employing ESG's guide on contingency response planning, **it identified key threats to its operations**, managed critical resources efficiently and maintained good relations with their strategic partners to ensure continuity of its operations.

Caring for the wider community: Lavish Dine Catering

Lavish Dine Catering was activated to support the operations of its parent company, Neo Group, to cater meals to the dormitories which they only charged for the ingredients and labour cost. With years of industry experience as a M.I.C.E caterer, Lavish was adept in handling last-minute and large-scale order requests with consistent quality. Yet, it still faced challenges in ensuring daily menu variety and maintaining the authenticity of the ethnic cuisines catered.

This operation precipitated Lavish into maintaining a steady pool of manpower reserve to respond to time-sensitive orders. It had to ensure the efficient catering of quality meals, service processes and product offerings also need to be constantly refined.

Singapore Productivity Centre (SGPC) provided us the necessary knowledge base, industry feedback and advanced process-planning tools to further empower our team to make productivity changes. This spurs our internal product development and drives our organisation's internal mandate to constantly innovate and refine our product offerings and service standards.

Lavish Dine Catering



TRANSFORMATION AND INNOVATION

With the complete disruption of buffet catering, Lavish Dine agilely innovated on a new business model—development of a new range of self-heating menus to transform customers' experience.



Ensuring timely food distribution: Riverwalk Tandoor

With a passion to serve and give back to the wider community, Riverwalk Tandoor promptly responded to the dormitory crisis. With due compliance to Singapore Food Agency (SFA) standards and regulations, it systematically worked with the relevant authorities to fine-tune the operational details, from food dispatch to efficient meal distribution across the dormitories.



We take pride in the quality of our food. It has been an honour to do our part in containing the spread of COVID-19. This project of catering to large number of dormitory residents had taught our team a lot on efficiency and productivity. We are very happy to have met the expectations and completed this project successfully.

Riverwalk Tandoor

OUTLOOK FOR THE CATERING SUB-SECTOR

The catering sub-sector was mobilised to provide comprehensive support to Singapore's migrant workers, putting the workers' well-being first, as Singapore adapts to the evolving Covid-19 situation. The Government has been reviewing measures to guard against the resurgence in Covid-19 transmission, putting in place limitations for large group social gatherings, while safely and progressively resuming larger MICE events. The outlook for the catering sub-sector remains uncertain and some caterers including BellyGood, Levender Gourmet, Grain and Liang Food Caterer have pivoted and innovated to ensure business sustainability.

Rethink. Reset. Rebound.

Like restaurants, the pandemic has hit the catering business particularly hard and many catering companies had to rethink their business model, stay nimble to pivot and remain relevant. Their businesses were left even more vulnerable than restaurants as they were not set up to remodel their businesses to do takeaways or delivery. Unlike restaurants, some caterers had yet to establish strong direct relationships with customers, having focused predominantly on Business-to-Business (B2B) sales. With persisting COVID-19 restrictions and less demand on the catering, businesses had to nimbly pivot their business models. In a year marked by home-based and small-group dining, caterers have to reach out directly to consumers through alternative revenue streams such as Ready-to-Eat (RTE), Ready-to-Cook (RTC) and Ready-to-Heat (RTH) products and virtual brands.

While staff-served foodlines have been allowed to resume in April 2021, adhering to safe management measures will increase costs in the form of manpower and safety equipment such as guards. Caterers have already endured a 70 to 80 percent plunge in revenue since the pandemic hit and there remains an impetus need to relook at the catering model.

BellyGood

Although Belly Good was the official caterer for large events like the Singapore FI and Fintech Asia, the business saw a 70% fall in sales due to buffet catering suspensions, safe distancing measures and the cancellation of large-scale international shows. There was an urgent need for BellyGood to re-evaluate its business model, re-define its positioning and capture new markets. Two key weaknesses of its current business model were identified:

1. **Not a versatile business setup.**
Its operations were limited to only one key product offering and service capability – catering.
2. **Revenue from key product and service impeded by the pandemic crisis.**
To overcome these limitations, BellyGood moved to be a Food Services company that serves beyond the domestic market. In six months, BellyGood conceptualised and launched their first series of RTE and RTC products.

Attending the SITP course with SGPC has enlightened the team to leverage on service design to streamline our processes to improve our productivity. The webinar, The Art of Effective Product Packaging, organised by ESG and Design Singapore, also changed the way we look at packaging. We now understand that packaging is a crucial marketing and communication tool for our brand.

BellyGood



As a new entrant into the RTE/RTC market, BellyGood was unable to attain economies of scale in order to secure large order volumes. This propelled BellyGood to tap on its parent company, TungLok Group and its network of local food and manufacturing groups to reach out to the market with their RTE/RTC products.

Rebound

With the introduction of RTE/RTC products, this new business model aims to target three key market segments and form up to 30% of BellyGood's annual revenue.

1. **Catering & Ready-to-Eat Meals**
With ready products, BellyGood is able to cater to last-minute orders without the need to plan for production manpower and materials.
2. **Ready-to-Heat Meals**
Bellygood will develop their own range of consumer products with a menu update every two months. Their products are now available through B2C retail and online marketplaces such as Cheers, Shopee, Zeemart and Obbo. The next step is to extend offerings to corporate offices, pantry services, room services and hotels.
3. **Ready-to-Cook Meals**
This segment provides products with a longer shelf life and also targets consumers who would like to take part in the cooking process but with little fuss.

BellyGood credits this transformation project to the team's adaptability and willingness to transform.



Levender Gourmet

Sensing a long disruption before the resumption of M.I.C.E events and regular catering services, Levender Gourmet chose to leverage on their existing manufacturing license and infrastructure to remodel their business to develop RTE/RTC products.

While providing catered meals to the dormitories, the team saw an opportunity of curating RTE/RTC products in Indian cuisine. Leveraging on their chefs' skill and experience in Indian cuisine, Levender Gourmet developed their first set of product:



To enhance product quality, Levender Gourmet collaborated with Food Innovation and Resource Centre to extend product shelf life to one year. Levender Gourmet also launched a new brand, Gourmet Xpress, with its own e-commerce website, and applied the service design methodology from SITP to improve its products and marketing initiatives.

Levender Gourmet has come a long way, it's RTE/RTC products are now SFA and Halal certified. The company is now looking to export the products overseas and target it to form up to one-third of its revenue. At home, it is also looking to upgrade its central kitchen to implement more technology-driven work processes and also to integrate the new product line to its catering offerings.

Our management team and employees are not new to adversity. They are ever ready to transform and adapt during this pandemic. This fighting spirit and innovative mindset is the key and years of catering experience and loyal customers enabled us to successfully launch a new product line.

Levender Gourmet



Grain



Like the 2008 recession that accelerated the decline of retail business, the COVID-19 environment is also quickly forcing digital disruption to restaurants. Changing demographics, social interaction models, new digital capabilities, omnichannel fulfilment networks and a demand for convenience have created new consumer habits - how, what and where people eat. Grain has developed a strategy that focuses on the ease of ordering for everyday meals—as easy as a few taps on your phone. Looking past the pandemic, this strategy will have a more pronounced relevance in food business.

Data as an evolving tool

As a pioneer, it allowed Grain to collect data to better understand customers' new needs. Through designing and A/B testing of menus, serving of personalised promotions and having a tech-enabled network (i.e Central Kitchen, Mobile Hubs, Kitchen Hubs, Static Hubs, Mobile Kitchen Hubs, catering vans and smart storefronts etc), Grain was able to up-scale efficiently to register over 100,000 B2C users and more than 10,000 of B2B users.

Despite its success in strategic partnerships and efficient scaling & transformation of its business operations, Grain cautioned that margins are substantially lower for food delivery or online food business. Its model hence focuses on building the technology in-house to incur zero commission cost, while tapping on in-house capabilities to upscale the company's operating capabilities. To achieve sustainable profitability, it seeks to perfect each brand before exploring opportunities on multi-brand and multi-hub strategies. "Start fast, start small, be experimental and learn from others around."

The Job Redesign Place-and-Train programme administered under SGPC greatly supported us in upgrading our employees' skills.

Grain



Liang Food Caterer



Just keep trying new things. We will see the light at the end of the tunnel.

Liang Food Caterer

Like many in the catering business, Liang Food faced declining sales in view of the COVID-19 environment. To capture a new market, Liang Food diversified and expediently launched a virtual brand. The focus was on fine-tuning its menu to entice customers without a need for licenses or large, advanced central kitchen. Liang Food first conducted market research, then refined its menu through reviewing of food and operation cost and consumer food trends. With professional guidance from the Singapore Productivity Centre (SGPC) through the Service Industry Transformation Programme (SITP), Liang Food evaluated its marketing plans and operations.

The launch of the virtual brand saw an initial weak demand and low sales as it was not able to effectively attract its targeted consumers – consumers with higher disposable income. Cultivating a transformation mindset amongst the older workers also proved a big task. Despite the diverse challenges, Liang Food looks forward to establishing a physical restaurant and build a stable business for its virtual brand.

Conclusion

The pandemic is an unexpected historical milestone. The catering sub-sector business continues to face challenges even while the COVID-19 stabilises in Singapore. This service industry thrives on the spirit of creativity and adaptability and in this moment, these are fundamentals that are essential to cope with the fluid business environment. The balance between cents and sensibility may be a delicate one but the catering business will redefine itself with the continued support of ACAPS and the other government agencies.

“I want to express my sincere thanks to all agencies, especially, Enterprise Singapore, Workforce Singapore and Singapore Productivity Centre who have supported ACAPS for the past years.

The initiatives implemented by these agencies have provided key support for caterers to transform and pivot into new business models by looking at new growth, productivity model and reviewing service and product development to build business resilience. Let us continue to work together to help all caterers to emerge stronger than before.”

Vincent Phang

President, Association of Catering Professionals Singapore
Chief Executive Officer, Events and Catering,
Tung Lok Group

ACAPS

Association Of Catering Professionals Singapore

OUR MISSION

We want to be the association of choice for caterers and partners to grow businesses by strengthening capabilities.

OUR PURPOSE

To champion and advance the aspiration of our members.

“Through ACAPS, we foster great relationships and partnership with my industry peers. Together as ACAPS, we can do great things together!”

Eugene Tan
Food Manager
Nestlé Singapore (Pte) Ltd



At ACAPS, we constantly aim to build and improve the level of professionalism of Singapore’s catering industry. We plan and organise programmes and activities, to improve the business practices and service levels through international mission trips, networking and knowledge sharing sessions.

About ACAPS

The Association of Catering Professionals Singapore (ACAPS) was inceptioned in May 2011, when caterers and food suppliers needed a common voice to represent the food service industry in Singapore. The association first served as a bridge between catering businesses and government agencies to raise the professionalism of local caterers. As the landscape evolved, ACAPS also matured into a platform for networking, supporting and celebrating the catering craft. Caterers today have moved beyond a simplistic cook-and-convey service, into the orchestration of sophisticated dining events. By rallying professional caterers, ACAPS can continually advance the food service industry through economies of scale and collaborative problem-solving.

“It has been a pleasure for the Singapore Productivity Centre to partner ACAPS in its journey to uplift the capabilities of caterers in Singapore. We share ACAPS’ belief that there remains much growth potential and opportunities for the catering sector. We look forward to continuing our close partnership with ACAPS to shape the transformation for the catering sector and to create a better future for all caterers in Singapore.”

Michael Tan
Chief Executive Officer
Singapore Productivity Centre

Events Highlights

2018

Learning Journey to Japan

Provided opportunity for Singapore companies to study best practices on how stellar Japanese companies put in place vision, values & culture to achieve organisational excellence. The study identified successful key processes, productivity and innovation methodologies and people management practices which Singapore catering companies could adopt easily.



2019

Study Mission to Taipei, Taiwan, facilitated by SGPC

Singapore catering companies learnt best practices and gained marketing knowledge from sharing sessions with successful Taiwanese companies about the latest technology offerings and business strategies.



Events Highlights

2019

ACAPS Retreat, facilitated by SGPC

2019 annual retreat served to consolidate and review our efforts for the catering industry and to plan forward to improve the catering industry in the years to come.



2019

Kuhlbarra Farm Visit

This on-site visit to the source of our seafood produce helped us understand the efforts put in by our partners to provide and deliver quality ingredients for the industry.



Events Highlights

2020

CNY 2020 and Networking Luncheons with Ordinary Members

(on-going initiative for 2020/2021)

Engaging Ordinary Members to better understand the needs and how we can support the industry in these trying times.



“Our companies have benefited greatly from being a member of ACAPS. By participating in ACAPS’ overseas study trips, we were able to identify new ideas that we can implement back home. We also got to stay updated on new technology and marketing developments in the catering industry. Occasionally, we will exchange ideas with other members on issues that we may have and that helps us find collective solutions to industry related operational problems. Thank you ACAPS, I’m happy to be part of the ACAPS family.”

Novie Djayayanti Tjoa
Founder/Managing Director

How Singapore Productivity Centre (SGPC) can help

Companies can tap on our comprehensive range of solutions targeted at boosting productivity and building capabilities. Together with Enterprise Singapore, we offer various assistance schemes that cover areas such as service design, digital transformation, workflow redesign, job redesign, automation, central kitchen implementation and shared services.

Brought to you by



The Singapore Productivity Centre (SGPC) is a one-stop competency and resource centre supported by Enterprise Singapore (formerly SPRING Singapore) and is a wholly owned subsidiary of Singapore Productivity Association (SGPA).

With a focus on the retail, food services and hotel sectors, SGPC’s vision is to be the go-to experts for enterprise excellence, playing leading roles to guide small and medium-sized enterprises (SMEs) in creating a roadmap for growth.

SGPC provides a comprehensive range of services and programmes including in-depth productivity consultancy, workshops, study missions, benchmarking for best practices and industry insights. Through its expertise and services, SGPC helps enterprises to be future-ready in and beyond Singapore by creating value through innovation, productivity improvement and capability building.

For more information
visit www.sgpc.sg



Enterprise Singapore is the government agency championing enterprise development. Its vision for Singapore is a vibrant economy with globally competitive Singapore companies.

International Enterprise Singapore and SPRING came together on 1 April 2018 as a single agency to form Enterprise Singapore. Its mission is to grow stronger Singapore companies by building capabilities and accessing global opportunities, thereby creating good jobs for Singaporeans.

The agency works with committed companies to build capabilities, innovate and internationalise. It also supports the growth of Singapore as a hub for global trading and startups. As the national standards and accreditation body, Enterprise Singapore builds trust in Singapore’s products and services through quality and standards.

For more information
visit www.enterprisesg.gov.sg



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