



STATE OF THE FOODSERVICE INDUSTRY

SURVEY REPORT

SUMMER 2020



Where Are We Now? Where Are We Going?

Recent news from the National Restaurant Association reports a depressing statistic—the foodservice industry lost \$165 billion in revenue between March and July of 2020, and is on track to lose \$240 billion for the year. Even with the Paycheck Protection Program and other assistance, 20% of foodservice employees lost their jobs in the last six months.

The global pandemic has caused upheaval for all industries, but foodservice and hospitality has been exceptionally hard. FCSI The Americas conducted this survey in the late summer of 2020 to learn about the effects of COVID-19 on foodservice consultants. The survey asked these consultant members of FCSI The Americas about the health of their businesses, with questions about projects, finances, and operations.

The short survey was shared with FCSI The Americas consultants by email in early August 2020. Of the 350 individuals who received the survey invitation, 92 completed it by August 5, 2020. Respondents were asked to describe their businesses, including the industries they serve, the size of their company, and the impacts on several key areas of business. Participants were also asked to share thoughts about the future. This survey's results will be compared to results from a follow up survey to be conducted in winter 2021 to judge the effects of the pandemic on the industry.

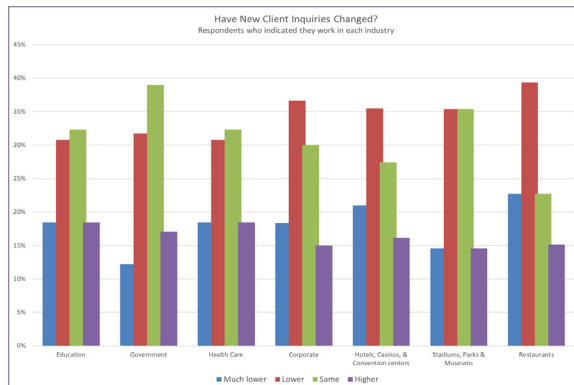
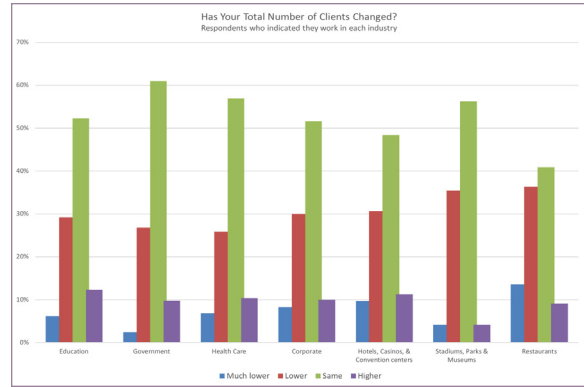
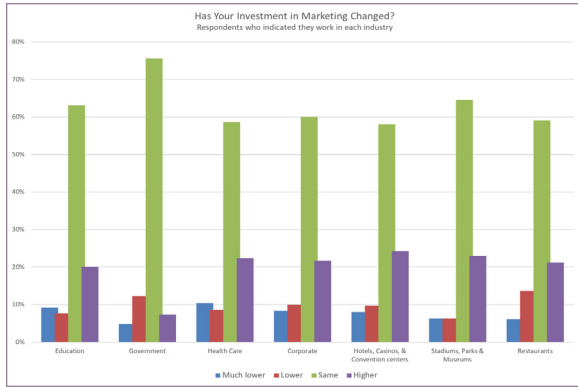
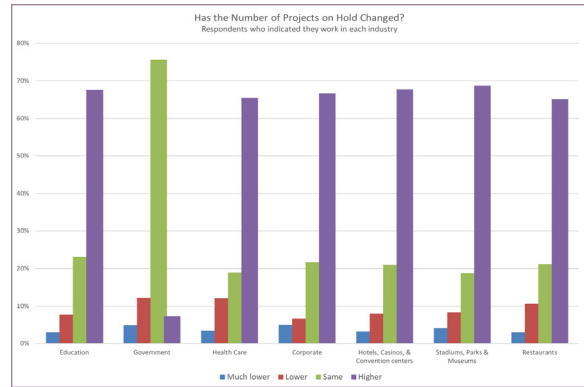
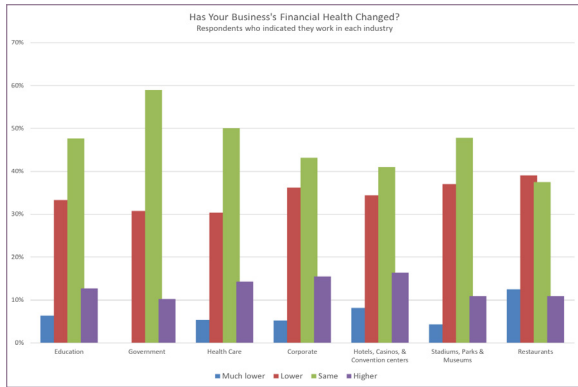
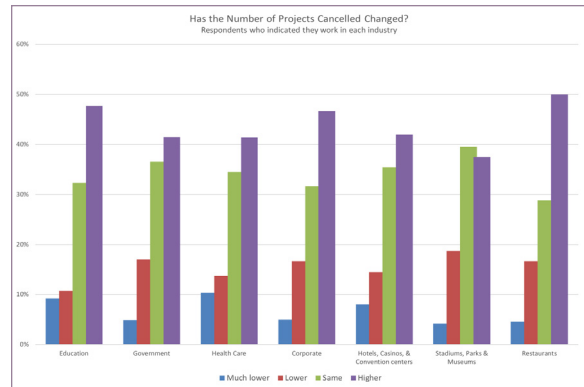
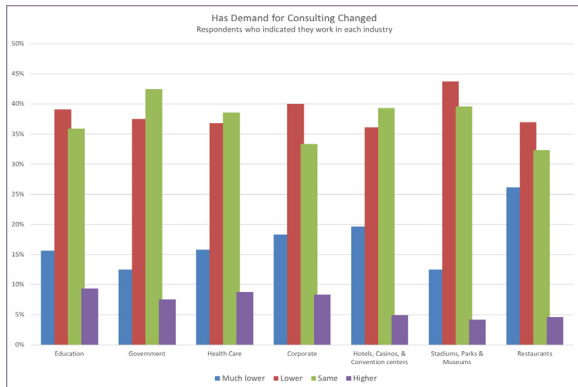
What did we learn?

Overall, foodservice consultants in the US, Canada, and Latin America report an increase in the number of projects on hold or cancelled. They are mixed on the demand for their services, with most saying they see the same or a lower demand. Most consultants indicate that new client inquiries are down but their total number of clients remains stable.

While the results are not surprising, the survey did point to areas where FCSI The Americas can assist consultant members. With the financial health of consultant businesses stable, members will benefit from the marketing efforts FCSI The Americas is doing for our consultant experts. Members will also benefit from the organization's increased attention to local, federal, and state regulations for the foodservice industry, especially in Canada and Latin America. The organization should focus efforts on small-sized consultant businesses, especially those with only one employee.

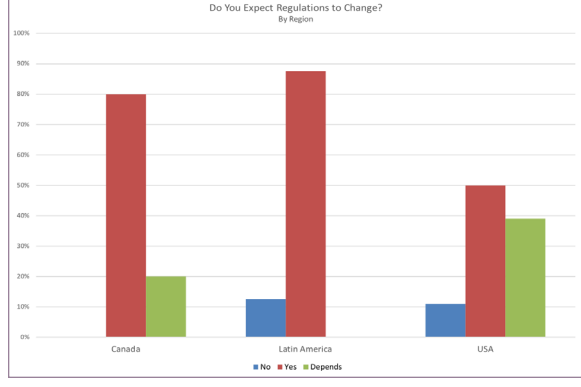
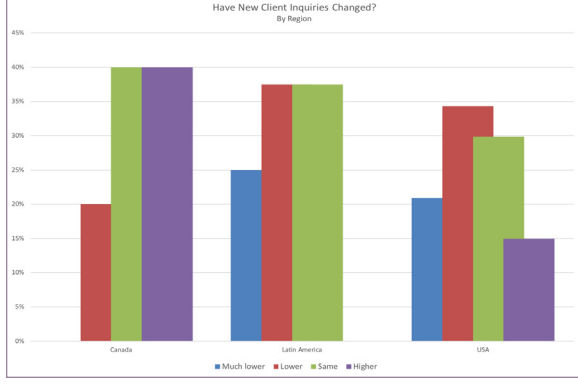
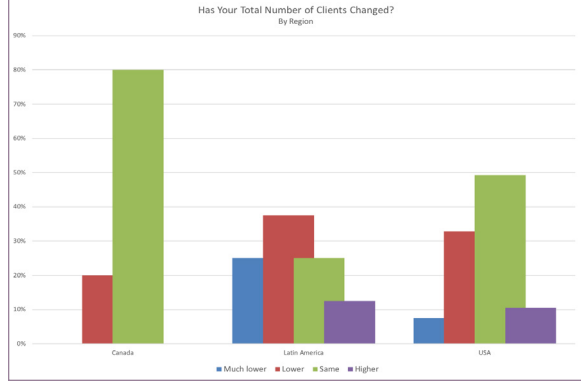
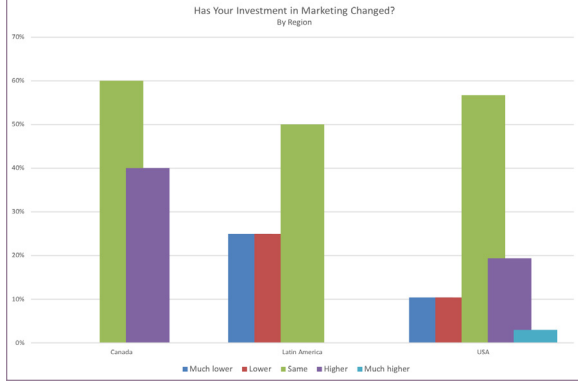
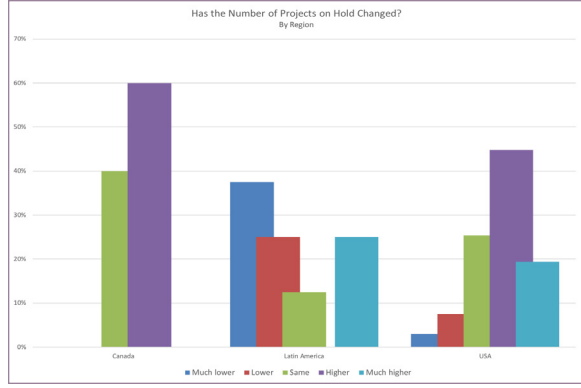
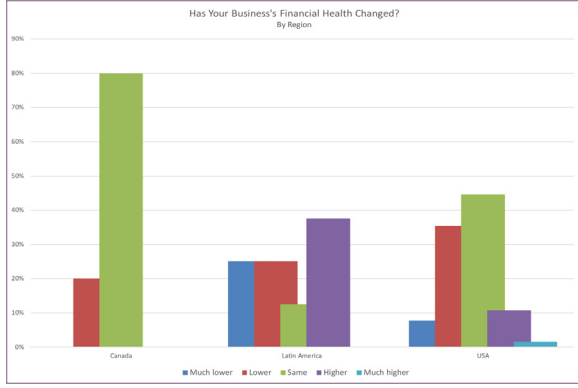
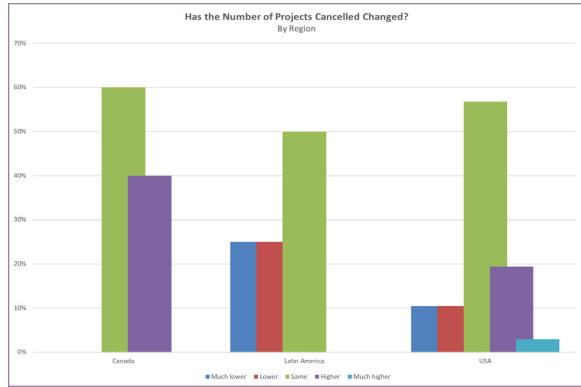
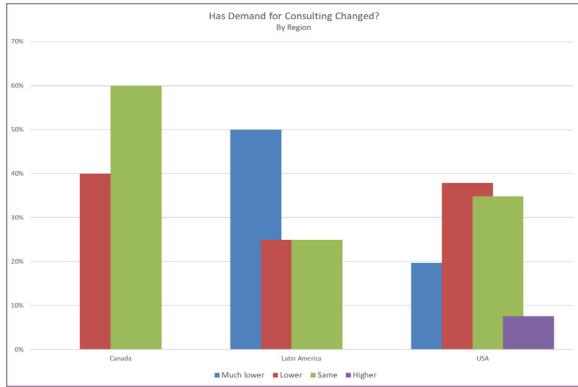
How have things changed overall?

The survey asked consultants to indicate all of the industries they serve. Many respondents chose more than one industry, with larger companies serving most of the industries listed. Results show an increase in cancelled projects and a large jump in the number of projects on hold across all industries. Demand for services and new client inquiries are the same or lower across all industries. Restaurants, entertainment venues, and hotels show the largest decrease in demand and inquiries. Most consultants have kept their number of clients steady with the exception of restaurant and entertainment venue consultants, who indicated a larger drop in their total number of clients.



Selected Results by Region

The majority of survey responses came from the US. Latin American was represented by consultants from Argentina, Brazil, El Salvador, and Mexico. When viewed by region, the results show that cancellations remain relatively the same in each, but project on hold did increase. The US and Canada saw the greatest increase in on-hold projects. Canadian consultants, unlike those from the other regions, reported an increase in the number of new client inquiries. The survey also asked consultants to predict whether changes in regulations would result from the COVID-19 pandemic. While only half of US consultants expect changes to regulations, nearly all Canadians and Latin Americans expect to see changes.



Selected Results by Organization Size

When the survey was evaluated based on the size of the respondent's organization, it was clear that larger organizations saw demand and new client inquiries remain the same or decrease. All respondents reported an increase in projects on hold and projects cancelled. Individuals working in mid-size organizations (two to five employees) showed a marked decrease in financial position compared to other organizations. Marketing spending showed no changes, regardless of company size. On the positive side, respondents all reported that the total number of clients has not changed.

