



EAT

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Chartwells

FORWARD THINKING

ISSUE 2 SUMMER 2010 UNIVERSITIES

WELCOME

Since our last newsletter we have undergone some interesting challenges across both Compass and Chartwells, these include volcanic ash, a general election and continuing concern about the economy. The Chartwells strength is how we are able to continue to provide financial stability with continued food innovation and great service in these unsettled times.

News about The Compass journey.

Just two months ago, Compass UK Executive Member – Ian Sarson – became our new UK Managing Director. The news came as Ian El-Mokadem (better known as Elmo) decided it was the right time to leave Compass. Elmo would tell you that for the most part, the last four years at the helm had been tough but satisfying and spent doing what he does best: setting the business on a firm footing.

Continued Food Focus – Financial stability

Today, Compass is a strong business, and this was seen as a natural point for a new leader to take us forward into the next stages of our growth. Having trained as a chef and worked for over 30 years in operations, Ian Sarson knows what is needed to deliver great tasting food and superior customer service.

Ian joined Compass in 2004 to lead Medirest – our healthcare division, and by 2006 he was appointed to the UK Executive team as Director of Specialist Markets. Since then, he has been responsible for almost half of the business and was instrumental in working with Elmo to steer the business through tougher times.

Acknowledging our progress in the last four years, Ian's eye is firmly on the journey ahead. Quality food that is rooted in an understanding of what customers want will continue to be in focus, with the very best chefs driving this forward.

But more than ever we have an opportunity to offer you, our clients, more, including Support Services such as cleaning, security and grounds-keeping, to name just a few. Whilst catering is our heritage, we have gradually become a leading Support Services provider in our own right, and the two will continue to grow concurrently. The UK may have only now pulled through the recession, but it still has a way to go. We wish to work in providing further support and services to our clients and providing great value for money.



Corporate responsibility

We are proud to announce the release of our CR report entitled FACT. It stands to reason, that the sheer scale of our company - with 50,000 colleagues, 7,000 client sites and 1 million meals served daily - gives us the power to make a real difference. A difference not only felt by us, but by you, our clients. In the last year we have achieved '£15 million Fairtrade sales, including 11 million bananas; raised £267,562 for Cancer Research UK; recycled 1m litres of cooking oil, now being used to fuel vehicles across the country and provided training to 750 students through our Junior Chefs Academy. We look forward to sharing the latest developments within Chartwells with you and please don't forget to give us your feedback too.

Chartwells

In addition to all that has been going on across Compass we have had a busy few months within Chartwells with the introduction of various initiatives:

- Launch of the unit manager Activity-Calendar streamlining our communication channel; ensuring our unit teams are fully abreast of up and coming events
- Chartwells Summer School – providing training and development for our management teams
- Our continued focus on HSE through the implementation of the Silver Standard
- Mobilisation of new business such as Rugby School, Cornwall pfi, Westonbirt School to name a few!
- The continued development of our food and service offers in readiness for the Summer & Autumn Terms.

And above all making sure we continue to deliver a quality service to all our customers and clients.

I hope you all have a happy and relaxing summer

Tony Byrne
Business Director, Education



How the new government will impact education

Since the last edition of the newsletter we have a new government, a coalition government at that, which is new political territory for those in the education sector who are under the age of 50. Michael Gove is in the hot seat as Education Secretary (note the word 'education' has been brought back) and Nick Gibb is the new Schools Minister. In planning the Chartwells business for a new political generation, Tony Byrne and I met with the two key Ministers before the election and found them determined to protect front line spending on schools and both believing that teacher's know best about education, not politicians.

Coalition governments soon learn about compromise and while both parties have agreed to promote the reform of schools to ensure new providers can enter the state school system; Sarah Teather for the Liberal Democrats is no doubt reminding her Ministerial colleagues that the education of children cannot be compromised. But, they all agree that there will need to be a change in the way education, and the services that support it, is delivered.

The funding of schools will be even more challenging, but the de-layering of bureaucracy and the introduction of Academies and the charity status it brings with it should assist.

New legislation will significantly reduce the influence of local authorities, so a school's leadership team, and not just the headmaster, will have a greater say in determining what happens at their school. They will determine the recruitment of new teachers, which elements of the national curriculum to teach, and if school cleaning and meals should be outsourced. Heads and their colleagues will have to get more business savvy and commercial and think differently in order to create the most efficient model in order to attract children (or should I say parents) to consider their school.

So, as Ministers prepare to take new legislation through Parliament, officials at the new DfE might advise those in the education sector to take a closer look at how Sweden has proved that the private sector has a big role to play in delivering education. I suspect that there will be many fact-finding visits to Stockholm over the summer break.

Allan Edwards
Corporate Affairs and Corporate Responsibility Director

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OUR COMMITMENT

EAT
LEARN
LIVE

EAT

Our commitment to delight our customers with great tasting food that contributes to their own well-being.

LEARN

Our commitment to enhancing the understanding, fun and experience of our customers and teams; creating the knowledge they need to lead a healthy life.

LIVE

Our commitment to a safe and sustainable environment that supports the health and well-being of our customers, clients and the wider community.

EMBEDDING CORPORATE RESPONSIBILITY IN OUR COMPANY



It stands to reason, that the sheer scale of our company – with 50,000 colleagues, 7,000 client sites and 1 million meals served daily – gives us the power to make a real difference.

Here we share some news and stories of where we have been recognised externally for our achievements as a Group and also teams that have really gone the extra mile in their passion and approach to working with Compass and Chartwells.

Recognising our efforts

In just 18 months, our Corporate Responsibility Framework has earned the respect of the industry, winning the annual Cost Sector Catering award for CR. We also impressed judges at the Menu, Innovation and Development Awards (MIDAs) scooping the Fairtrade award for the second year running.

Our Eurest Services team at ScottishPower in Glasgow recently won Healthy Workplace Restaurant of the Year in the Scottish Restaurant Awards for their creativity, customer service and for consistently providing top quality dining.

Our chefs were also in the spotlight this season, with Bob Brown at Centrica winning gold at the industry's leading hospitality event – Hotelympia.

Finally, the Royal Society for the Prevention of Accidents (RoSPA) has awarded us gold for achieving the highest standard for safety management and performance in nine of our contracts.

The big sugar swap

Earlier this year, we set an industry first with our commitment to purchase 100 per cent Fairtrade certified sugar by June 2010. Our partner, Tate & Lyle, is making the swap possible. This is in no way a newfound commitment for us. For the last 20 years we have enjoyed a Fairtrade catering relationship with Oxford Brookes University – the world's first Fairtrade University – where Fairtrade products account for 13 per cent of catering sales.

Earning your trust

With more than 1,500 clients, we take our responsibilities seriously and are always thrilled when new clients put their trust in us to deliver their catering and/or Support Services. This quarter, we are excited to now be working with BAA Terminal 2, the Daily Mail General Trust in Kensington,

PruPim's Apex Plaza in Reading, Sunseeker, Welsh Water and Xerox, to name but a few.

We've also grown our partnership with Logica where we now include Support Services, and just as importantly, have retained valued relationships with BA Terminal 5, Exxon Chemicals and Thomas Cook.

Cancer Research award

On Tuesday 27th April, we had double-success at the Cancer Research UK Business Supporters' Celebration Event. Held at the iconic Lloyd's of London, our UK&I fundraising efforts were awarded 'Highly Commended' recognition in the 'Best Employee Fundraising Partnership' category; and for Jason Donachie, Business Development for Defence, a 'Special Achievement for Individual Success' award – fantastic!

Receiving business-wide recognition in the 'Best Employee Fundraising Partnership' category is a fantastic boost for our partnership.

Cancer Research UK is our first nominated charity, for which we raised a massive £267,562 last year. The Directors' Challenge, Race for Life participation, cake sales and Keep the Change! donations have added up to make it a fantastic first-year effort, with £300,000 to reach in 2010.

Jason's award came after numerous years' support for Cancer Research UK. In 2009, he ran the 'big five' marathons in eight months – Berlin, Chicago, New York, Boston and London. Having been a Compass charity champion since the start of our partnership, he masterminded the first charity Golf Day for clients, suppliers and our own teams, as well as a 'Golden Mile' challenge for 600 pupils from three local primary schools! Jason's tireless fundraising has engaged over 1000 people, and raised an amazing £23,000 alone.

OUR PEOPLE

4,600

Never too late to learn – 4,600 training days a year to give every employee the opportunity to develop their skills.



30%

Providing local jobs for local people – in 2009, 30% of our frontline vacancies went to local people through our partnership with Jobcentre Plus

SUSTAINABLE SOURCING

7,700

Truly British – dishing up 7,700 tonnes of British spuds and 2,000 tonnes of fresh British beef each year



11m

A fair price for a fair deal – offering over 300 different Fairtrade products, and selling 11 million Fairtrade bananas each year

WELLNESS & NUTRITION

96,000

96,000 copies of the 'Medikiz explain overweight' comic books distributed



800

Top of the class – with 800 chefs and catering managers now nutritionally trained by Compass



COMMUNITY

£267,562

Raising funds to make a difference – with a mammoth team effort raising £267,562 for Cancer Research UK



750

Pint-sized protégés – giving 750 school children the chance to hone their cooking skills at the Junior Chefs Academy

ENVIRONMENT

1.36m

The road less travelled – in fact we could travel 1.36 million miles less in our supply chain this year

3,001

Waste not want not – with 3,001 client sites using the Trim Trax system to reduce food waste to landfill



A DIFFERENCE NOT ONLY FELT BY US, BUT BY YOU, OUR CLIENTS



At the end of 2008 we established a Corporate Responsibility Framework, setting out five key pillars that best reflect our approach to business. These five pillars underpin everyday life at Compass, helping us to focus on and manage the key issues which have or will impact our business and our people. This month we published our first UK Corporate Responsibility Report, providing an update on the progress across our company so far. On the left are just 10 highlights from 2009.

Since launching the CR framework, Ian El-Mokadem, our former Group Managing Director has ensured that the individual Managing Directors are accountable for embedding the framework in their business. He hands over the chair to Ian Sarson to lead the CR Forum that consists of 'Ambassadors' from each of the Group's businesses and support functions. Each of the business ambassadors has developed detailed plans and set targets for their individual teams. These plans will be shared with you through our Quarterly Business Review meeting with our operations teams.

Leading with our people is critical to our success and over the last 12 months we have: provided 4,600 training days to our teams, proudly passed our first ever OFSTED inspection and continued to enhance the way in which we recruit talented people. Our 'Be a Compass Star' recognition programme celebrates the work of our employees and great performance with over 2061 nominations from the business.



INSIGHT DRIVING ACTION

Our Market Research accredited team will talk to over 130,000 consumers this year – a figure unrivalled within the Foodservice industry.

The quality of feedback and research has enabled us to refresh our offers in line with our customers' needs and also to deliver some important hospitality client retention. None of these improvements and successes would have been possible without the valuable insight provided.

This, together with an extensive on-going analysis of secondary research, helps inform and drive our offer development within our business so we know with confidence that it will meet the needs of your employees.

WHY AND HOW

Why do we do this?

We know from our insight that the more satisfied our consumers are – the more loyal they are to our facilities – so benefits for both you and us!

How do we do it?

We run annual surveys across all our sectors and businesses to really understand what consumers want from eating at our schools and campuses. These surveys capture feedback on the food, service, facilities, overall quality and the team. They can be run online, on paper or face to face. We are actively encouraging uptake on-line to support our focus on sustainability, these also provide a quicker response as data is easy to interrogate and provide you results.

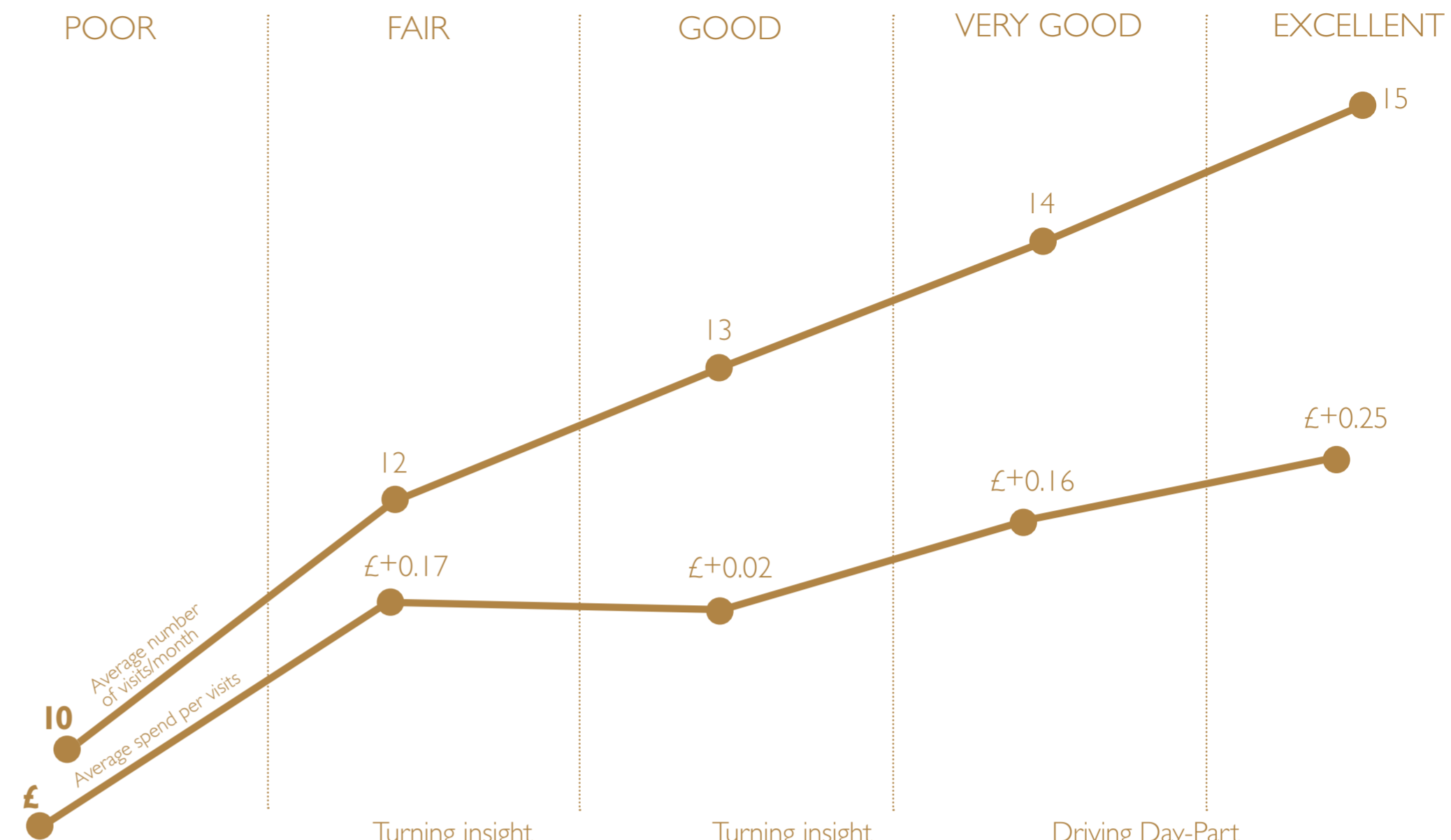
Our Consumer Appeal Model

Together with an external research company we have identified the key ways to keep consumers satisfied. From analysing our performance we can identify what actions are needed at a site and group level to continually improve and innovate our offers.



Action Planning

Each report provides a detailed summary of actions required to improve performance and this enables a focused, measured response to share with yourselves and the on-site team.



Turning insight into action- 'Why Pay More'

Responding to the economic challenges and the pressure of the 'lunch box syndrome' we responded by conducting some segmentation research to identify three consumer segments, driven by price and a critical 'WOW' price point of £2.50 that was a tipping point for consumers

This research told us that if we could offer a great tasting hot meal for £2.50 we could switch our consumers from the high street or lunch box to eating on campus. With this objective, we developed a bold new meal range under the brand, 'Why Pay More' across 1500 UK locations within the Business & Industry sector.

The launch of Why Pay More has delivered an incremental +5% growth in participation and delivered an incremental £3m in sales across the company. The WPM programme has set a standard for value meals and given thousands of students one chance to buy great tasting meals at an amazing price. If you do not offer Why Pay More in your site at present – please talk to your operations contact for more information.



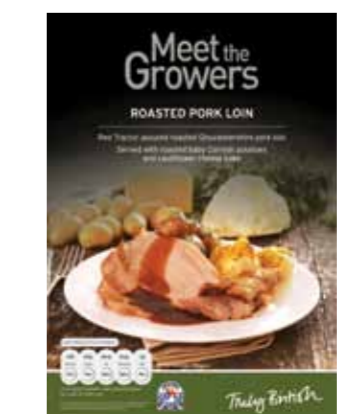
Turning insight into action – Meet the Grower

Whilst value is a constant challenge and requirement for consumers, we also have evidence to show that consumers are prepared to pay more for a quality premium meal that has 100% Truly British Provenance.

Meet the Grower is a successful example of how we have taken the consumer trend 'Value with Values' on board and developed a fantastic quality food offer that provides a provenance story through the producer or grower on a monthly menu programme. Endorsed by Gary Rhodes the Truly British range of products celebrate the very best of British food. We have recently come to an agreement with Red Tractor – all 500 sites offering Meet the Grower will also be able to use the Red Tractor kite mark in recognition of the Food Standard Assured certification that our suppliers in this programme have.

Meet The Grower commands a retail price of circa +£1 per meal over and above a core menu dish and has met with great success and uptake from consumers for both quality and overall value. It also gives us an opportunity to celebrate the best seasonal produce such as spring asparagus.

The Meet the Grower campaign can be seen below and all sites that participate receive a point of sale pack, merchandising guidelines and recipe cards to help deliver a consistent retail delivery on site.



Driving Day-Part Participation – Rise & Shine New Breakfast Offer

We all know that breakfast is the most important meal of the day – but with today's busy lives and juggling it is often a 'grab and go' experience or missed completely

We see the provision of a breakfast offer as a key sales growth opportunity – both in terms of traditional breakfast but increasingly widening our offer to provide both healthy alternatives and offers to grab and go.

The new range has been introduced in July and consists of over 20 in house recipes including 'On the go 'Treat!' Healthy' and 'Great Taste' All offers are supported with a full point of sale communication pack, plus information on nutritional guidelines. Pricing guidelines have been benchmarked with the high street QSR sector and bundle deals will continue to provide appealing options to drive choice and value to your teams. Disposable packaging will be available for those students who want to purchase and take-away.



THE BRITISH GROWING SEASON BEGINS!

This time of the year is fabulous for chefs as we begin to see fresh British produce harvested and arrive in our units.

The Suppliers



Lettuce – Shropshire

PDM are experienced growers of iceberg, little gem and romaine lettuce; selling Compass 600,000 lettuces last year! Their lettuces are delicious, fresh and crispy. PDM are part of LEAF (Linking Environment and Farming) meaning they always make environmental issues a priority.



Speciality lettuce – Worcestershire

Valefresco Farm in the Vale of Evesham grow our speciality lettuce. They put in a great deal of care when growing our salad leaves to ensure we only receive the best quality lettuce.



Salad potatoes – across the country

Our supplier, QV Foods, have farms across the country to make sure they produce perfect potatoes.

They'll be starting in June with potatoes from Pengelly Farms in Cornwall. In July we will move to sourcing from three Musketeers, a Suffolk based group of five family owned farms with strong environmental credentials.



Courgettes – Worcestershire

Evesham Vale – our asparagus grower – also supplies our courgettes. British courgettes will become available towards the end of June after they've had a bit longer to fully ripen up.



Celery – Peterborough

Neil Hopkinson's farm in the Fens has been supplying Compass with celery for four years now. The marshy dark soil of the fens is perfect for growing fruit and vegetables, so this is truly delicious celery.



Cauliflower, broccoli and green cabbage – Lincolnshire

David Bland from Lincolnshire is passionate about producing the best possible quality vegetables. Their farms are run to an incredibly high standard to make sure we get the best possible, tasty, fresh crop.

UK SOURCING

Sourcing from the UK is a key part of pillar two of our CR Framework – sustainable sourcing. In Compass we are really clear about what that means, this produce is Truly British. It is from UK farms, not just bought from a UK wholesaler:

Take a look at the provenance of the produce on the left that came into season during June. As the summer moves on we will also be sourcing British:

- Cabbage
- Celery
- Strawberries
- Raspberries
- Potatoes
- Carrots
- Leeks
- Blackberries

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