

INVESTMENT GUIDE

Caterers

3 SMART INVESTMENTS / TO GROW YOUR CATERING BUSINESS



A publication of



INTRODUCTION

Catering is a \$45 billion industry in the United States with more than \$8 billion in revenue coming from independent catering companies. According to cateringsource.com, the industry has doubled in the last decade and experienced 5.6% growth in 2013. This quickly expanding industry means it's important for small-business caterers to stay ahead of the competition. With the increase of the "foodie" culture and the increased popularity of mobile caterers and food trucks, investing in your business and new trends is important to creating new revenue streams.

Localcatering.com, a directory of nationwide catering companies, points out that there is more to catering than just cooking good food. "Catering takes a combination of training, hard work, and carefully honed skills to succeed... Caterers have to handle such business matters as accounting, marketing and customer relations, in addition to the quality of the food. Finding a way to stand out, and integrate sound business savvy with inspired culinary vision, is a big part of the challenge."

There are several opportunities for caterers to make investments in their businesses to stay ahead of the competition. This guide describes three smart investments a caterer can make to draw new clients and stay competitive in the industry.

INVESTMENT ONE TAKE ADVANTAGE OF SALES ON COMMON SUPPLIES





While the number one focus in a catering business should be to make sure the food tastes and looks delicious, consumers looking for a caterer are also paying attention to the other services they offer.

A caterer may also be in charge of some décor, table arrangements and food presentation. This is where a caterer can stand out and impress clients and their guests - who are potential clients themselves. In fact, [catersource](#) points out that the top two areas where clients are spending their money for weddings and other events are in food and beverages and the décor, which includes the table linens, place settings and floral arrangements.

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Catersource



Many vendors hold annual or semi-annual sales on linens and table settings. Caterers should take advantage of these sales to stock up on a selection of colors and styles to offer clients. As a special note, ordering all of the stock from the same manufacturer will ensure that the colors and weaves match.

In addition to serving delicious food, being a one-stop shop where clients can select their table linens and table settings in addition to their event menu makes the experience easier and can secure a return customer and good review.



INVESTMENT TWO ADD A NEW SPECIALTY TO YOUR OFFERINGS





In an interview with [Fast Company](#), Kaihan Krippendorff, CEO of Outthinker, a strategic innovation firm, believes that small companies should not do strategic planning but should be strategic thinkers. A small business like a catering company should plan short-term goals and be able to adapt quickly to a changing environment and changing industry to stay ahead of the competition. One way caterers can adapt to a changing industry is to begin offering catering services for events other than weddings and rehearsal dinners, such as corporate picnics and annual meetings.

Several ways to do this are to expand menu and venue options. Offer on-site catering by investing in new cooking tools such as large gas grills, mobile kitchens such as food trucks, hot boxes, electric griddles and even handheld smokers. Each of these new cooking tools can add a new twist to your catering and also open the door to a better experience for clients.



Are you thinking strategically?

[Brad Barrett](#) at GrillGate, LLC points out that these types of cooking tools are “easy to transport and can put out a lot of food.” He adds that the food truck trend has added a full arsenal to the arena of catering and outdoor cooking and provides a safe, fully equipped, mobile kitchen protected from weather and other elements.

Investing in new, mobile equipment also opens the door to offering clients a new atmosphere and location for events. With careful planning, nature can add to an event experience by offering built in decoration and ambience and impress clients.



INVESTMENT THREE REFRESH YOUR BANQUET FACILITY





In an interview with [Entrepreneur](#), Jerry Baker, a small business owner and wedding caterer, suggests that caterers should think outside of the box when building a catering business and look to resources other than catering conventions to find cutting-edge trends. Resources such as bizbash.com, fashion week, awards shows and events offer a glimpse into new trends in event presentations. But he also stresses that focusing on what matters to clients – the food and the presentation – is what will make your business successful.

That is why it is important to make a great first impression on your clients by investing in your facility and wowing them with updated décor and clear, eye-catching signage. This includes investing in a good display for trade shows and conventions. A client's first impression is with their eyes; investing in the way your facility and products look makes good business sense and can draw in new clients and show them that you can pull off a successful event.

With the catering industry projected to having double-digit growth over the next decade, catering company owners need to find new, innovative ways to stay ahead of the competition and boost profits.

Taking advantage of sales on equipment and table linens, expanding your menus by purchasing new cooking equipment and expanding the types of events that you cater, and updating your banquet facility can help your business grow.

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