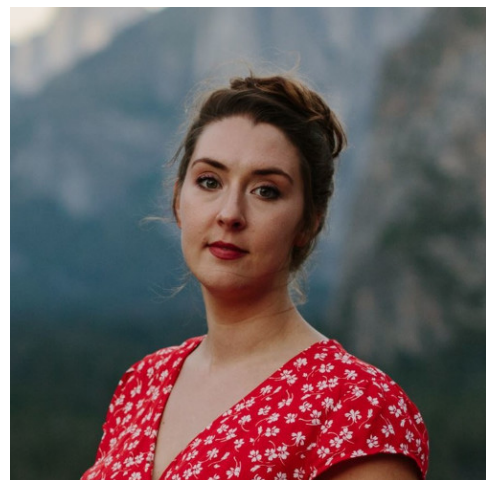


Sodexo: How a Food Service Provider is Forging Partnerships that Reduce Food Waste and Promote Mutual Learning

AN INTERVIEW WITH

Nell Fry, Senior Manager of Sustainability Field Support, Sodexo

Sodexo is a food service provider started in France that today is one of the largest multinational companies in the world. Sodexo has committed to implementing circular economy principles in order to eliminate waste, particularly food waste, in their value chain by 2025. Nell Fry, Senior Manager of Sustainability Field Support at Sodexo, is responsible for supporting the implementation of initiatives to reduce waste, carbon and water usage at 13,000 Sodexo sites across North America. Amy Ahearn from Acumen sat down with Nell to get a clearer picture of how the food service sector works and how nonprofits could eventually partner with companies like Sodexo that provide meals to hospitals, schools, and corporations across the country.



This interview was produced as part of [The ReFED Nonprofit Food Recovery Accelerator](#).

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AMY AHEARN: *For those who might not be as familiar with Sodexo, can you provide an overview of the company and your role?*

NELL FRY: Sodexo is a multinational food service and facilities management company. We consider ourselves a solutions company. We are headquartered in France, but our largest region is North America, where 85% of our business is food and about 15% of our business is facilities management. We operate in eight or more segments today such as healthcare, universities, and corporate sites. My role is to execute our waste strategy with the goal of eliminating avoidable waste going to landfills by 2025.

AMY: *What is Sodexo doing when it comes to reducing food waste?*

NELL: When we think about our impact on the environment, our number one opportunity to address our carbon footprint and our environmental footprint is to tackle waste. Over 90% of our carbon footprint is in our supply chain, so if we are wasting anything we purchase, that has to stop. As a food service provider, we are a guest in our client's home. When we sign a contract with a client, we come into their kitchen, hire and manage people, buy food, and operate in their space, so we can't necessarily do capital investment or



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improvements to our clients' buildings. However, we can change how we manage the materials, and the food we're buying to eliminate avoidable waste and ensure that any material that can't be source-reduced does not go to a landfill. That's why we focus first on organic and non-organic waste elimination and diversion as our number one environmental priority.

AMY: What personally brought you to this work? How did you get interested in issues of sustainability and food waste, in particular?

NELL: I started my career with Sodexo at one of our university accounts as a sustainability coordinator where I helped the campus start their first composting program. I was responsible for tracking the diversion metrics and, after a year, we had diverted 300 tons of food from landfill. I was so proud to have diverted all that food until one of my stakeholders on site asked the most obvious question, "Why were we throwing out so much to begin with?" I was too focused on the bottom of the EPA's Food Recovery Hierarchy and forgot that source reduction should be our number one focus.

After a couple years, I took a job in energy and then I went into consulting and auditing, but had always wanted to work in sustainable materials management. There

just weren't any jobs. When this one became available, I jumped on the opportunity.

AMY: When you look at the challenge of food waste, where do you think we particularly need innovation?

NELL: Once a company or a consumer has food it can no longer use, because it is inedible or no longer safe to eat, it is very challenging to get it to the right place. Composting infrastructure is very inconsistent and compostable disposables are very confusing and often not accepted by composting partners. Identifying the right infrastructure can be really challenging. I think that the biggest challenge is helping food service providers identify the right solutions and determine how to implement them with the right partners in their area. Most people that run food service facilities or restaurants are not circular economy subject matter experts and this can be confusing. It needs to be simpler for the people on the ground doing the work. There are some national solutions that operate at larger scale and there are some solutions that operate at a smaller scale; we need a combination of both, and we need to empower and educate people to take action. We also need to make that job easier than it is now.

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AMY: Do you see any opportunities where nonprofit organizations and food service companies can continue to work together to tackle food waste?

NELL: Absolutely. There are a lot of gaps in the market that are perfect for nonprofits to fill. There are opportunities for nonprofits to support the infrastructure needed to make composting easier and to help companies

like us figure out how to put together a strategy to save as much food from landfill as possible. Right now it's challenging and it's complicated and unfortunately the work is never done, since the materials that composters and recyclers accept changes over time so consumers always need to be re-educated. Nonprofits may be able to be the connector and the matchmaker between companies and end-users. There are a lot

of people who need larger volumes or smaller volumes of food, so figuring out how to match across all of these different food producers and potential food users is ripe for problem solving.

AMY: That's really interesting. So you're seeing that nonprofits can play a matchmaking function and help to coordinate between players?

NELL: Yes, it all boils down to problem solving. For example, if a company wants



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to start composting, but doesn't know how, nonprofits can help identify farmers who can take the compost, and the right infrastructure to handle the compost, and the schedule for pick ups. This can be daunting for a restaurant or food service manager who is already working overtime to keep their business running smoothly. There are so many places where we need negotiators to help navigate the space between the producers of wasted food and

potential homes for that food to make the flow of materials happen. For example, nonprofits could help farmers who have ugly produce or restaurants and food service companies that have excess food and want it to get to hungry people or composters, but just don't know how.

AMY: You've painted a clear picture of the potential value that nonprofits can provide. I'm wondering what you see as the potential



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funding mechanisms for them to be able to do work like this, especially at the intersection of food recovery and recycling. Are there any incentives that they could be capturing or value you think that companies would pay them for? Do you feel like all this work has to be philanthropically underwritten?

NELL: At least some money in this space will come from the EPA and different foundations. Additionally, I think that many conservation organizations want to start playing in this space, either locally or nationally, especially in states where there is a lot of farming.

I think that the funding mechanism will probably vary a bit depending on where you're working. If we could find a way to get more seconds (imperfect produce) into our kitchens, and those seconds could come with a 3% decrease in cost, I'm pretty sure we could negotiate a deal so that most of the cost savings could go to the nonprofit. If the nonprofits could bring us a cost decrease, we may be able to share it. This, however, would really require scale to make it worthwhile for the company and the nonprofit. I think we are going to see more of an appetite from large companies for consultative type projects particularly where they can address both environmental and social

goals. The cheaper you can make these projects for the companies, the more likely they are to buy in. Getting the door open can be hard and sustainability budgets tend to be pretty tight. Additionally, industry groups or a number of companies along a value chain may be willing to pull together a larger fee if you have solutions that will solve a problem that impacts all of the organizations.

AMY: Those are really good ideas. What innovations do you think are particularly promising or likely to scale?

NELL: Sodexo was one of the first investors in the Food Recovery Network. Organizations like that are doing really good work. I personally love their model. It doesn't require an office in Minneapolis; it just requires students in Minneapolis starting an initiative themselves. It is easily scaled with little overhead. On the other hand, we need solutions in the recovery space that don't rely on volunteers. Volunteer-led food recovery might work well in a setting like schools, but it works less well in a setting like hospitals. Trying to find other ways to get these food resources out to people when you don't have the volunteers is a challenge, but it is also a huge opportunity.

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AMY: Many entrepreneurs and organizations are building apps to facilitate some of this matchmaking between sources of food and people that can use it. What are your thoughts on where apps might be most useful, or where we should be thinking about other technology solutions in the food recovery space?

NELL: Getting data is really important. With our food recovery efforts, we need to report on the pounds of food or the number of meals that we are donating every year. We also want to know how many people are receiving those donations. Right now, we can't track a large portion of our donations, and that's a problem. We're looking to work

with Feeding America to better utilize their app because it has national reach and they are an amazing partner. The only challenge is finding partners that help do the problem solving for you; problem-solving can be a high barrier to entry. Most food banks won't help you figure out a pick up schedule,

figure out how to deal with security on site or figure out if you need a fridge on your dock. They are more than happy to participate in those conversations, but in many cases they can't drive them. It is that kind of problem-solving that is challenging. Using an app to make that process simpler would be a huge value-add, but generally that comes with a significant cost.

Right now a lot of the apps require that we pay for them. Realistically, we aren't using those apps because we're not going to take on that cost burden and we want to drive our sites to one national partner—it's too

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complicated otherwise. Currently, we aren't claiming the tax credit because we can't roll all our receipts up in a realistic way with the level of detail required, but the tax incentive was never the driver for us in the first place. We recover food because it's the right thing to do. It's our mission as a company to eliminate hunger and make every day a better day. I predict that whoever figures out how to make money or at least a sustainable business model from recovering food without always putting the cost burden on those donating will have access to a huge amount of food from people who wouldn't have otherwise donated. It is extra work and risk for companies and restaurants who want to donate food. Adding additional cost on top of those barriers to start donating means that a huge part of the market won't even consider it.

AMY: I already asked about opportunities for partnership between nonprofits and foodservice providers. What do you think is important for nonprofits to keep in mind when they think about how they would actually integrate with a business like yours?

NELL: Liability coverage is really important. I know we have the Good Samaritan Act, but it has not been tested in court and corporate lawyers are risk averse, to say the least. Willingness and ability to sign

a liability waiver is mandatory for us if you are not one of our existing partners. We have a draft liability waiver that any partner could sign so you've got to be able to do that or hold insurance.

Additionally, I think that expecting to find a sustainability team with \$50,000 to spend on a consulting project might not be realistic. Instead, try to figure out ways to leverage our scope and provide you with access to access food. Then, use that and find an income stream. Rather than charging us up front, come up with an arrangement like a performance contract (shared savings) or something similar. Some companies are able to pass on a share of tax incentives, and that model has been tried plenty of times. Not sure if it's the answer generally, but it certainly doesn't work for us.

AMY: That's really helpful. Any other advice for nonprofits on how they should approach a corporate partner?

NELL: Don't expect things to move fast. It's hard to get all the approvals when you work with a new partner. Most big companies are bulky, slow and have a lot of demands. We aren't willing to negotiate in a lot of cases, which is not ideal, but is just the reality of things. Be ready to get advisors that work in these companies to help you understand

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what the requirements will be (particularly in terms of liability). Make sure you have a lawyer that can review requests quickly, and the right insurance to be able to take these partnerships on. You should have the answers to the most commonly asked questions up front—hopefully an advisor can help with that. The more that you’re solving problems for these companies, the more receptive they will be to partnerships and the more quickly things will move. Sustainability teams are small and don’t have a ton of time, so, honestly, we need your help to get this stuff done. That limited time, however, can also make it difficult for us to work with partners in a single state or community no matter how amazing they are. If you are a potential

partner that only works in one geography, don’t try and work with the national sustainability team—focus on the people running the account right there in your community. You will have much better results and things will move much more quickly.

In my case, if you’re making it easier for my operators to do their job, you’re not going to cost us a ton of money and you’ll give us a good story to tell, that’s great. You can get a lot of value from the food we can provide to you and if we can get value in return that’s a win-win. I think that there are a lot of win-wins out there. You just need to think differently about your revenue streams.

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AMY: What types of technology systems does Sodexo use? What would nonprofits need to be able to connect to or integrate with in order to make their solutions work?

NELL: We're consolidating and simplifying many of our systems, but we aren't there yet. We serve multiple customer business lines—healthcare, universities, remote site, government—for example, all over the country. We have quite a few different POS systems that we work with to meet the needs of our various clients. First, we need to get all of this standardized on our side, but eventually it would be great if nonprofit food recovery organizations could directly connect with them. Reporting and potentially the tying into our single sign-on would be what's needed for now.

AMY: It definitely seems like this is a very fragmented market. There are so many different platforms and inventory systems and ERP solutions that businesses are using. It's really complicated. You're not going to have one magical API that all apps can integrate with.

NELL: That's right. On the spectrum of complication, we're at the most extreme end. We'll use the systems our clients need us to use. It makes it hard to be consistent because we work with so many different types of organizations.

AMY: Any other advice you'd have for nonprofits about what they should avoid when they seek out a corporate partner?

NELL: Avoid being overly aggressive. I find that off-putting. I've had people follow up with me once a week and things like that. Instead of reaching out to a national office if you only work in a couple of cities or states, try to reach out directly to the local site managers or regional teams that might have food to donate. For us, you'll probably have better results more quickly if you reach out our local teams and our clients if you are a more regional solution. They'll be able to move faster to sort out the details of partnership than we can.

Try to get advisors within some of the organizations that you are wanting to work with so you understand their ways of working and requirements. Ideally you should have one advisor who works in sit-down restaurants, one in food service and one in quick service, if you want to recover from those types of businesses, because their systems and ways of working are all going to be different. If you start at the grassroots level, you'll need to help a local team navigate their own organization and figure out how to get approvals based on your past experiences with similar types of businesses.

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AMY: You've mentioned some of this already, but if people are interested in the dynamics of the food service sector in particular, what do you think they need to keep in mind?

NELL: There are a lot more stakeholders to work with in food service. For example, let's take a typical Sodexo universities account. You have the student volunteer, the student affairs office, the university administration and the facilities team. On our side, you have the onsite team, their managers and segment leadership, the food safety team, our legal team and at least four or five more stakeholders if you want to get an effort to scale.

There are a lot of stakeholders to work with and you have come to a consensus with a lot of different people to get things moving, which is why it can be slow. Having advisors that are in these spaces can help you figure out how to organize the stakeholders and tell the right story. You need a business case that will resonate with all

of them. Additionally, I think that there are complications with different business lines themselves. How things work in healthcare is really different than how things work in universities versus how they work in airline lounges. Getting food is really different for all these different client segments. I would love a solution that works for all my segments, but it can be difficult because they're all so different.

Practically, just getting out a message can be hard. If I'm trying to educate my frontline, I have 13,000 locations, and these people are essentially running restaurants. Trying to get each of my 8 business lines to agree to

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send out a communication is truly a feat, and then I'd need to hope that the on-site managers actually check their corporate email accounts and notice the message I sent, which is probably line 15 in their daily newsletter. Getting a dedicated message about one opportunity out to our on-site teams is a pipe dream. We work really hard to respect their time and not bombard them with emails because they are already so busy. Simply put, communications is a challenge.

Honestly, if an innovator or entrepreneur running a nonprofit comes to me and says they want to talk to every single operator we have in California, my brain just short circuits and I don't even want to talk to you anymore. People in national sustainability roles often wear 15 different hats and have 500 things on their to-do list. Looking up the contact information for 50 different site teams, getting approval from their 15 different bosses to reach out to them and then crafting emails to each of them is not something I have an extra 5 hours to do. These types of small, regional projects quickly become part-time jobs. The communications piece is a hard one. I would recommend always thinking about how you are solving problems for people.

Understand what specific point of the business you want to access, how you want to get messages out, and how you want to support the company and provide your services. Make sure all of that is very clear and precise. If you come to me with a plan to make the communications and execution of your solution in our business (at whatever scale) simple and easy, I am on board.

AMY: My takeaway is that there are layers of complexity upon complexity. People really need to understand who they're talking to and the implications of their asks on those people. They may not have the visibility into everything else that a potential customer is focused on, and the internal prioritization that has to happen.

NELL: You must be willing to problem solve with me. I'll work with you if you are willing to put in the time with me to work through all these challenges. I'm happy to have regular calls with you if this is a really good solution that I think could be widely applicable and scalable. It has to be a mutual problem solving exercise where we're both learning together and figuring this thing out.