



Guide to Employer Paid Food at Work

How to create a free food strategy that's cost-effective, competitive in a tight labor market, and guaranteed to give people something to brag about when they talk about their job.



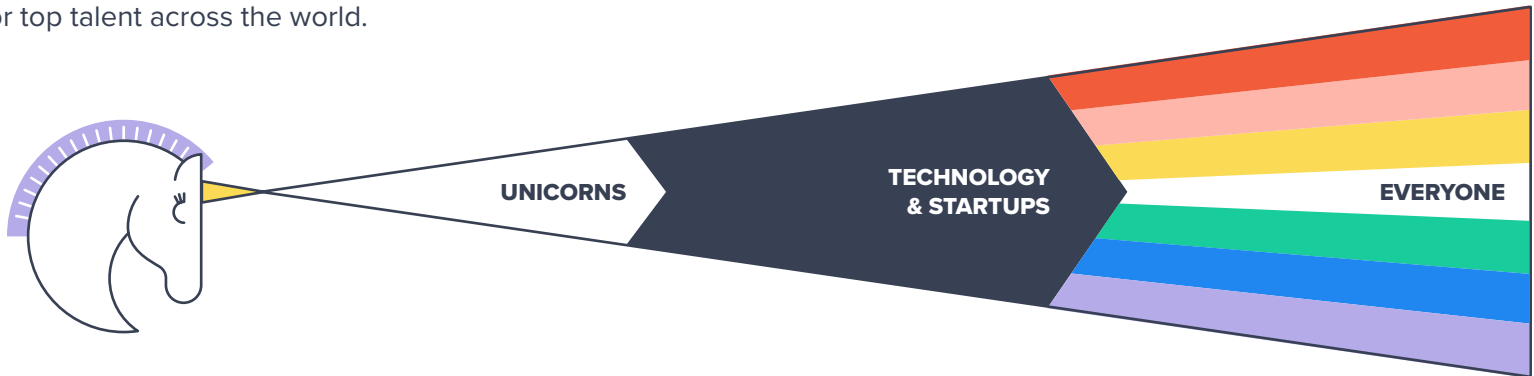
The Evolution of Free Food at Work: From Unicorns to Startups to Everyone Else

Even before the pandemic, free food programs were table stakes for highly competitive employers.

As part of a successful strategy to attract, retain, and keep top notch talent productive, Silicon Valley leaders with big budgets championed the idea of offering very high quality free food at work in the early 2000s. As Sergey Brin famously said, “no one should be more than 200 feet away from food”. He wasn’t just talking about cereal bars. Google, as everyone knows, made their incredible food program a topic of conversation around the water coolers of every employer competing for top talent across the world.

The concept took hold and it didn’t take long before virtually every tech company - large or small - inside and outside of Silicon Valley followed suit to the extent they possibly could. The availability of free and delicious food became a prerequisite in the industry - regardless of company size or funding round - and soon expanded into finance and trading.

As employers continue to find ways to make work more flexible and in-person work more desirable, free food is quickly expanding beyond its original industries. The “why” - attract and retain talent, nurture a strong culture, and maximize productivity - remains largely the same.





What was once a fringe benefit for the privileged is becoming an expected, mainstream amenity.

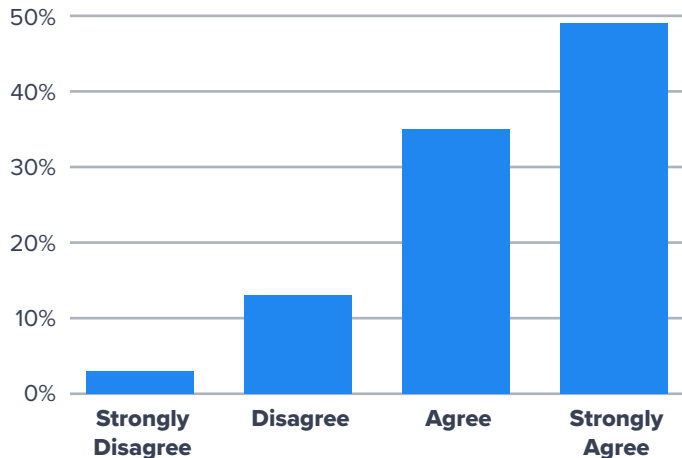
Mainstream employers have caught on and they have found ways to make the financials work. Since 2020, Foda has fulfilled demand for employer paid programs in industries that traditionally did not pay for their employees' food. Examples include consulting, law, logistics, and healthcare - with a range of subsidy amounts.

Employers want to welcome teams back into the office and are exploring all avenues of how to make that desirable to employees. For many, deep, hyper-focused work now happens at home while creative collaboration happens in-person at the office. It is important for employers to respect work/life boundaries while doing more to support collaboration in the office. Employee meals are a highly relevant piece of the equation.

First, the data: metrics supporting the importance of free food at work

The notion that free food at work helps encourage people to be enthusiastic about being on site is not an assumption. In many ways, the data speaks for itself:

I Would Be More Enthusiastic About Going to the Workplace if My Employer Paid for My Lunch

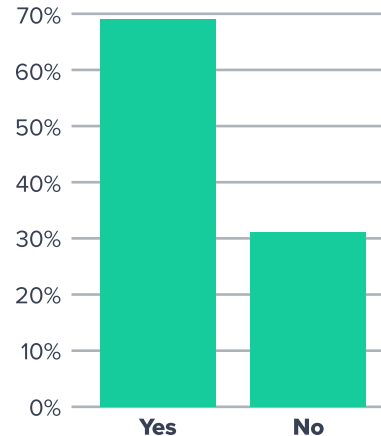


**Data from a November 2021 survey of 329 office workers across the US*

80%

are **more enthusiastic** about being onsite **when lunch is provided**

Food is more important now, than before the pandemic



69% of employees believe that food at work options are more important now, compared to pre-COVID days.

**Data from a November 2021 survey of 329 office workers across the US*



Involving the local community in food programs is critical

Employees Want to Support Local Restaurants

92% of office workers believe it is important to support local restaurants right now. It should be no surprise. People understand that restaurants have been through a rough couple of years, they want to support the community, and high quality authentic food is something to look forward to when thinking about physically being onsite.



When we talk about on-premise food, we're referring to one of the most tangible and meaningful aspects of a positive workplace experience. There are many reasons why food is considered to be more important now than before the pandemic - including **the employee engagement experience of breaking bread together and the need to have something new and special when thinking about the transition from remote work.**

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of office workers believe it is important to support local restaurants right now



How Free Food Programs Can be Successful & Modernized for Today's Climate

How can traditional employers meet the new expectation that meals will be provided, without breaking the non-VC funded bank? And even for companies that are already funding food programs for their employees, what updates should be made to the strategy given how the workplace experience has changed? The purpose of this guide is to answer these questions.

First: Now is the Time for Employers to Open their Doors to Local Restaurants

Employers that include local restaurants in their food program are proactively creating positive changes that represent wins for multiple stakeholders. By opening their doors to local restaurants, employers spark a connection with the local community. Restaurants in turn, bring not only delicious food, but also authenticity and diversity to today's workplace.

When Local Restaurants Thrive, So Does the Wider Community



Making the Financial Case for Employer Paid Food at Work Programs

When presenting the case for employer paid food to decision makers such as a CFO, cost structure and projections are obvious questions.

Subsidizing on a per-meal basis as a “use it or lose it” benefit is one of the most logical and cost effective structures that works well in scenarios where populations are consistent or fluctuating and where budgets are limited. The employer can pay for all or a portion of the tab. With this model, the employer-sponsored amount is automatically deducted from the check total, and the employee pays the balance.

We have compiled a chart that clearly outlines project costs based on historical data at different levels of subsidies, with 100 employees onsite (an easy number to use as a basis for your own calculations).

Subsidy Amount Per Meal	Anticipated Participation	Daily Orders	Daily Subsidy
\$2	15%	15	\$30
\$3	20%	20	\$60
\$4	30%	30	\$120
\$5	40%	40	\$200
\$10	90%	90	\$900

The first column is the subsidy amount per meal. The second column represents anticipated participation level based on the subsidy amount (not surprisingly, when the employer picks up a higher percentage of the tab, the subsidized lunch option becomes more appealing).

Calculating ROI

As we've stated, factors such as retention, employee engagement, and encouraging enthusiasm about returning onsite are as important as productivity (if not more so). Smart HR and finance professionals can find ways to calculate ROI for these softer factors. But when calculating hard numbers, productivity is the most straightforward way to show ROI.

This chart will help justify the cost of a food program. The ROI percentage is determined by factoring in the time employees save by not leaving the office for 30 minutes to get lunch.

Once again we base the calculation on a 100 person office. From our experience, a \$5 subsidy will yield a 40% participation rate, or 40 orders per day. With an average employee salary of \$65,000 and a thirty minute offsite lunch break, we can see \$677 in productivity gains each day.

This model program would cost \$5,000 per month, yielding a 271% return on investment. Remember, this is based on productivity alone and does not factor in the "softer" returns realized when meals are shared together onsite.

Food Program ROI

Number of Employees	100
Subsidy (in Dollars per Meal)	\$5.00
Days per Week	5
Daily Participating Employees	40%
Cost per Employee per Month	\$50
Monthly Program Cost	\$5,000

Average Annual Employee Salary	\$65,000
Average Employee Salary per Hour	\$34
Travel Time Saved at Lunch (Hours)	0.5
Daily Productivity Savings	\$677
Monthly Productivity Savings	\$13,542

Monthly ROI

271%

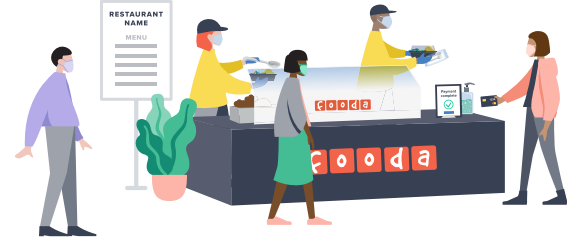
Programs That Fit Today's Modern Workplace Climate

How can employers - who are offering free food at work for the first time or who have been doing so for years - update their programs around today's modern workplace? Fooda offers several ways for employers to provide their employees with exciting meals. In all of our models, employers can subsidize individual employee meals at any dollar amount - or not at all (in cases where population numbers allow for sustainable unsubsidized programs).



Individual Lunch Delivery

Employees place their own orders, picking from rotating restaurants. All orders are delivered at once by a dedicated staff member, certified according to the highest health standards and trained to work inside your building.

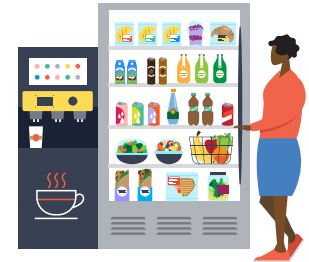


Popup Restaurants

A daily rotating Popup restaurant program managed by Fooda is like having indoor food trucks scheduled far in advance, with the option to subsidize meals for employees (fully, partially, or not at all).

Workplace Convenience Services

Elevated self service market with 24/7 convenience. Fresh food and beverage options, gourmet coffee, healthy fruits, salads and wraps. All with contactless self-payment kiosks. Combine this option with any of our other services to add hot food options and authentic restaurant experiences.





Cafeteria Replacement

Legacy cafeterias are evolving into a next generation solution that saves money and never gets boring. Fooda replaces traditional food service providers with local, authentic restaurants that people love outside of work.



Scale up, or down, based on your budget and population

With low population numbers, your Fooda program can start small (e.g. delivery) and scale up to a Popup and finally a fully operational cafe as you welcome teams back in greater numbers.



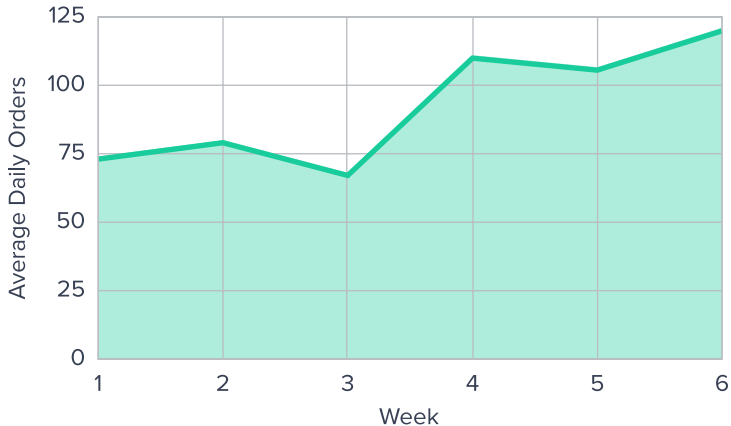
Real World Examples of Modern Programs

To understand what employers plan to do differently than before the pandemic, we turn to what early innovators are doing right now. We'll look at examples of workplaces that have brought back their teams and how each has approached food differently.

CASE STUDY:

Real Estate Management Company offers a Partial Subsidy as Part of Their Employee Engagement and Retention Strategy

Recognizing the need to improve employee engagement and retention in an increasingly competitive labor market, the company began to partially subsidize their delivery and restaurant Popup programs in the amount of \$3 per meal served. The employer wanted to offer a perk and encourage teams to share meals together, without a “Google budget”. After six weeks, the company saw daily orders increase by 60%.



CASE STUDY:

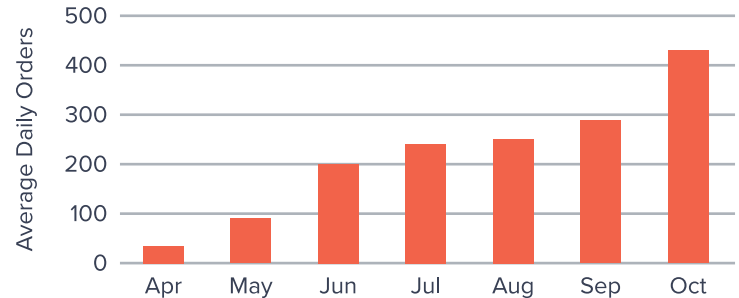
Chicago Firm Incentivizes People Back to the Office with Fully Subsidized Food

A firm in Chicago wanted to bring team members back onsite at their own volition. The organization had not previously purchased food for their employees. In April of 2021, the company launched a free food program in hopes of encouraging people to come back onsite. Over the course of the next several months, the average number of people onsite increased by nearly 10x. The firm and its employees attest that food has played a big role in driving the attendance record.

Goal: Encourage team back into the office

Program: Fooda Delivery; Voluntary Return to Work

Subsidy: \$14 per person



Subsidized Food Extending beyond Office Environments

At Foda we are seeing the free food at work trend extending even beyond office environments. With the current labor shortage having the potential to be with us for years to come, employers are thinking critically about how to modernize onsite perks that attract and retain their entire workforce.

Food programs worth bragging about were once for salaried office workers, but now include healthcare, distribution centers, and manufacturing. It's a step in the right direction towards making jobs more sustainable from both a financial and wellness perspective.

For example, a large distribution company recently expanded their boxed-meal delivery program to their warehouse teams. Foda was already providing subsidized meals for the office team, when the company decided to expand this perk to include everyone at the company.

At Foda, we're encouraged to see increasing efforts by employers to ensure that no part of the workforce is taken for granted when it comes to providing food at work.

Employer paid food can be provided in many ways — to meet varied needs — and the trend is here to stay

As we've presented in this guide, free food at work has expanded from tech unicorns, to startups, to office environments in all industries, and now to the warehouses and manufacturing floors.

As with many evolving trends, the early adopters have proven the concept and demonstrated the payoff. The fact that they keep their food programs is strong evidence that they are worthy investments. Over 95% of Foda's clients who offer free food, keep their programs in place after the first year.

As someone who has taken the time to read this guide, you have already taken an important step in rethinking how employee meals can make a meaningful impact within your workplace community.



Take the Next Step

Book time with Foda to see how
we can work with you!

