

Restaurants Ripe for Real ROI Increase

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Managing Partner
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Restaurants account for 33% or approximately 55 million pounds of the food thrown away annually, in the US. Food spoilage is among the most common reasons restaurants throw food away, up to 10% of which is discarded even before reaching the dining floor or a guest. Moreover, even in a well-run restaurant, food costs can represent as much as 30% of operating expenses. Ethylene is the volatile gas that causes produce and flora to ripen more rapidly and, ultimately, to spoil.

Greenguard Moisture and Humidity Control Panels absorbs ethylene gas, extending the shelf life of flora and produce by up to 30%. The panels also absorb odor and some bacteria, inhibiting cross-contamination, a significant driver of restaurant food waste. In fact, the changes in the conditions inside their cooler were so pronounced, it led the managing partner of an Irving, Texas restaurant to exclaim, "Since installing this product I have had no frost build up in my freezers, the condensation in the walk-in is gone, and the product maintains a high quality appearance and texture longer." But what does frost in freezers and condensation in walk-in coolers have to do with food waste?

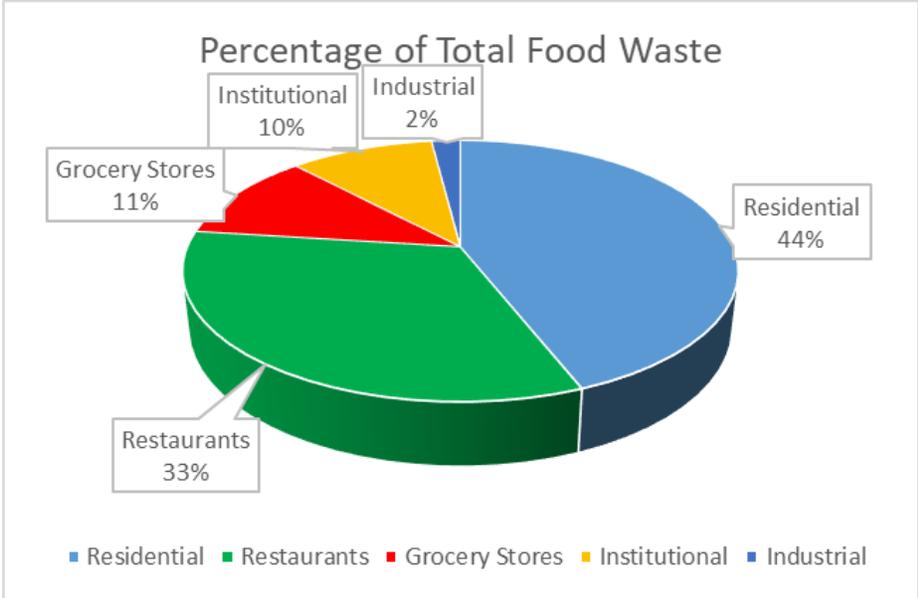


Figure 1: Restaurants account for 33% or 55 million pounds of the food thrown away annually, in the US.

Restaurants, on average, spend \$2.90 per square foot on energy cost. Depending on in which temperature zone it is located, up to 16% or 16¢ per square foot of that cost is for refrigeration. After installing Greenguard Moisture and Control Panels, both the manager and the executive chef noticed significant changes in the environment inside their coolers and freezer including:

- A 2° F - 4° F temperature decrease in walk-in coolers
- The elimination of moisture and condensation on cooler ceiling, doors and walls.
- The elimination of mold and mildew.
- A major reduction in the frequency of equipment failure.

Table 1 below shows how these improvements, and others, were reflected in the bottom line.

RETURN ON INVESTMENT	
February – March Previous Year	\$5,508.25
February – March Current Year	\$4,338.11
Electricity Savings Per Month	\$1,170.14
Estimated Maintenance Savings per Month ⁱ	\$500.00
NET SAVINGS PER MONTH	\$1,670.14
Filter Life in Months	3
Total Savings over Life of Filter	\$5,010.42
Cost of Filters	\$580.00
Net Savings (Dollars)	\$4,430.42
Net Savings as a Percentage	763%

Table 1: Even without including a reduction in product loss, the ROI for this restaurant more than justifies the purchase of the Greenguard filters.

It should be noted here that unlike the case study involving the [two schools in Texas](#), the restaurants’ ROI analysis did not include a valuation of savings derived from longer product shelf life and less product loss. Nevertheless, the benefits accrued to the two restaurants is further proof that the Greenguard Effect are real

ⁱ Customers estimated \$1,000 per month, this report used \$500

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