Marbles Kids Museum & IMAX
Raleigh, NC

Sally Edwards
CEO

Annual Attendance:
555,000 + IMAX guests

Format: Self-Operated
Marbles re-opened the café as a self-operator in September 2016, following three third-party vendors over the first 9 years.
Change in management in August 2018 yielded an immediate positive turnaround in staffing costs and consistency. Currently operating with co-managers (Kitchen and Service).

- Menu changes on the horizon, but slow to materialize as daily operations take priority.

- Effort underway to consolidate Marbles IMAX concessions and Café to further streamline F&B operations across campus.
The New Children’s Museum
San Diego, CA

Kerri Fox
Vice President Marketing + Communications

Annual Attendance: 230,000

Format: Outsourced
- 2008 – 2013 Outsourced coffee cart
- 2014 – 2017 Outsourced to a local caterer
- Since May 2017 Outsourced to a food service provider — Bean Sprouts
• Museum guests view café as part of the museum experience, not as a separate entity.

• Museum leadership prioritized establishing a respectful and collaborative relationship over simply renting out space.

• Current partner focuses exclusively on family destinations (not a local restaurant or caterer trying to do food service) so fully understands seasonality, audience, etc.
Children’s Discovery Museum
San Jose, CA

Larry Bain
Culinary Ambassador

Annual Attendance:
401,173

Format: Self-Operated
Food Shed opened in June 2015 with generous donations from Kaiser Permanente, The County of Santa Clara, HealthTrust, David and Lucile Packard Foundation, and First Five.
Building community through food

FoodShed is an important educational element of the museum.

All of our produce is organic, and 90% of all food comes from within 500 miles of museum.

Our menus change 6 times a year to reflect the seasons and cultural celebrations.
Bean Sprouts
Multiple locations

Arizona Science Center, AZ
Bay Area Discovery Museum, CA
Center of Science & Industry, OH
Cincinnati Museum Center, OH*
Discovery Cube LA, CA
Discovery Cube Orange County, CA
DuPage Children’s Museum, IL
Dutch Wonderland, PA
Garden of the Gods Visitor Ctr, CO*
Kennywood Amusement Park, PA
KidSpace Children’s Museum, CA*
Milwaukee County Zoo, WI
New Children’s Museum, CA
Pittsburgh Zoo, PA
Santa Ana Zoo, CA*
<table>
<thead>
<tr>
<th>ANONYMOUS</th>
<th>SELF-OP</th>
</tr>
</thead>
<tbody>
<tr>
<td>COLLABORATE</td>
<td>OUTSOURCED</td>
</tr>
<tr>
<td>2018 FY $$</td>
<td>VENDING</td>
</tr>
<tr>
<td>UPLOAD SLIDES</td>
<td></td>
</tr>
</tbody>
</table>

SURVEY SAYS . . .

43 PARTICIPANTS
# How to measure success?

How important are the following aspects when it comes to your food service program?

<table>
<thead>
<tr>
<th>Self-Operated</th>
<th>Outsourced</th>
<th>Vending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive customer experience</td>
<td>Kid-friendly options 4.77</td>
<td>Amenity for guests 4.71</td>
</tr>
<tr>
<td>Amenity for guests 4.83</td>
<td>Amenity for guests 4.69</td>
<td>Healthy offerings 4.29</td>
</tr>
<tr>
<td>Kid-friendly options 4.83</td>
<td>Positive customer experience 4.54</td>
<td>Profit Center 4</td>
</tr>
<tr>
<td>Healthy offerings 4.17</td>
<td>Allergy-friendly 4.31</td>
<td>Eco-friendly packaging 3.43</td>
</tr>
<tr>
<td>Allergy-friendly 4.17</td>
<td>Healthy offerings 4.23</td>
<td></td>
</tr>
<tr>
<td>Wait time 4</td>
<td>Wait time 4.08</td>
<td></td>
</tr>
<tr>
<td>Profit Center 4</td>
<td>Profit Center 4.08</td>
<td></td>
</tr>
<tr>
<td>Local offerings 3.83</td>
<td>Low prices 4</td>
<td></td>
</tr>
<tr>
<td>Low prices 3.83</td>
<td>Eco-friendly packaging 3.77</td>
<td></td>
</tr>
<tr>
<td>Eco-friendly packaging 3.83</td>
<td>Local offerings 3.46</td>
<td></td>
</tr>
</tbody>
</table>

5 — Very Important
4 — Important
3 — Neutral
2 — Not Very Important
1 — Not Important at All
BRING HOME THE BACON
Per Capita
Measures capture rate and average spend

Per Capita (Per Cap) = Revenues ÷ Attendance
$300,000 revenues ÷ 200,000 attendance = $1.50 per cap
Marbles: $0.61
New Children’s Museum: $2.05
Discovery Children’s Museum: $1.52

Note: Not enough data for Vending per capita as many didn’t know revenues
Profit: Revenues - Cost of Goods (COGs) - Labor Costs - Expenses
$500,000 - $165,000 COGs - $175,000 Labor - $75,000 = $85,000 (17%)
To compare apples to apples, best to do % of revenues

Marbles: 1.3%
Discovery Children’s Museum: 5.8%
Profit: Amount you are getting paid from outsourced provider. Most popular arrangements are “revenue-shares”.
Correlation: Larger the organization, the larger the revenue-share percentage. Larger percentage if partner also does exclusive catering and retail (gift shop) operations.

New Children's Museum: $1,250/month + 6% over $500,000 revenue (2018: 3.3%)
Discovery Cube: 7%
Bay Area Discovery: 8% on first $42,000/month & 4% on anything over (2018: 6.7%)
**Profit**

Self-operated and Outsourced

**Self-op**
- Average: 3.6%

**Outsourced**
- Average: 7.6%

[Bar chart showing profit distribution for self-operated and outsourced options across different percentage ranges.]
<table>
<thead>
<tr>
<th>Attendance</th>
<th># of Machines</th>
<th>Arrangement</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>157,348</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>85,596</td>
<td>1</td>
<td>15% revenue-share</td>
<td>$260</td>
</tr>
<tr>
<td>190,000</td>
<td>5</td>
<td>25% revenue-share after expenses</td>
<td>$2,000</td>
</tr>
<tr>
<td>80,000</td>
<td>1</td>
<td>20% revenue-share</td>
<td>$2,100</td>
</tr>
<tr>
<td>220,000</td>
<td>N/A Market serviced by vending company</td>
<td>Just opened</td>
<td></td>
</tr>
<tr>
<td>225,000</td>
<td>6</td>
<td>20% profit-share</td>
<td>$9,505</td>
</tr>
<tr>
<td>190,000</td>
<td>7</td>
<td>10% revenue-share</td>
<td></td>
</tr>
</tbody>
</table>

Note: Future survey should include grab-n-go that is not vending.
Catering

Most common catering measurement is % of revenues.

Self-operated average: 4.6%
Outsourced average: 10.6%

Definitions:
Exclusive
Inclusive
Preferred
Hidden Figures
Hidden Figures
Costs that don’t always hit the P&L

- Build out costs and return on investment (ROI)
- Equipment repairs & maintenance
- Museum management time dedicated to food service
- Turnover costs (use stat here)
- Expenses that hit museum P&L vs food P&L (i.e. credit card fees)
The grass is greener on the other side.
Is it better on the “other side”?

Last questions for panelists:
Biggest challenge of outsourcing/self-operation
Best part of outsourcing/self-operation
QUESTIONS?
THANK YOU!