KAISER PERMANENTE.

Delicious, Healthy, and Energy Efficient Vending - Not an Oxymoron

Environmental and Human Health Impact: 50 percent increased availability of healthy food in vending and 50 percent decrease in energy demand from vending. Business Impact: Healthy Picks vending increased sales by 6 percent. Energy efficiency upgrades reduced vending-related utilities by 50 percent.

Challenge

National Nutrition Services (NNS) has worked diligently to improve the taste, healthfulness, and environmental sustainability of Kaiser Permanente's food offering. From on-site farmer's markets to local, organic fruits in patient meals, NNS has used out-of-the-box strategies to deliver healthy, delicious food. Vending machines, and the afternoon craving busters they contain, are commonly a counterpoint to an organizational direction. However, in 2006 NNS saw the opportunity to work with existing vending suppliers Canteen and First Class Vending to see what ideas and innovations they had to improve the vending. At that point, Healthy Picks, a program to bring healthier food into vending, was initiated. In 2008 and 2009 Kaiser Permanente and our vending partners sought to take Healthy Picks in vending to another level including reducing the energy consumption of vending equipment.

Aim/Goal

- Bid for vending contract that would prioritize and enhance promotion of sustainably-produced and healthy foods.
- Increase vending revenue for Kaiser Permanente.
- Increase food variety and selection.
- Reduce energy demand of machines.

<u>Team</u>

Steve Griffith, Co-Chair, Healthy Picks Committee Elizabeth Bailey, Co-Chair, Healthy Picks Committee Food and Nutritional Services Managers/Directors

Jan Sanders, Director, National Nutrition Services, Procurement & Supply

Danny Sim, Sourcing Manager, Procurement & Supply Laurent Cauchi, Sourcing Director, Procurement & Supply

Actions Taken

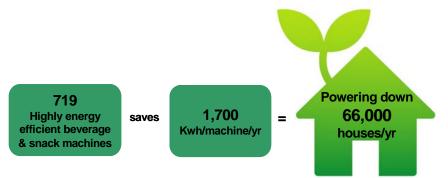
- Engaged suppliers to develop the Healthy Picks program for vending as a way of enabling patrons to easily access and quickly identify healthier food options.
- ✓ Knowing Kaiser Permanente's vision, Canteen brought innovative ideas to the table at quarterly business reviews. Ideas included

healthy and sustainable food as well as energy efficiency improvement mechanisms for vending machines.

✓ Kaiser Permanente took vending out to bid in 2009, with the goal of increasing revenue and minority business spend, availability of organics, and environmental innovation.

Results

Canteen was selected as Kaiser Permanente's single vendor, meeting all business requirements. They helped Kaiser Permanente realize the following results:



Lessons Learned

- Critical to have operations personnel, such as Food and Nutrition and Support Services, involved from an early stage in idea generation, decisions and pilot projects.
- Pilot projects that test for customer satisfaction and interest can increase stakeholder buy-in and alleviate fears about revenue losses.

Next Steps

- Continue piloting the marketing of higher percentages of organic products.
- Determine which consumer markets to pilot sales of fresh fruit in vending machines.
- Increase education around healthy and organic vending.

