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Implementing Sustainable Business Models in the Hospitality Sector with the Help of a Mission Statement

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ABSTRACT

The article gives insights into the implementation process of sustainable management strategies in the food service sector. Furthermore, the normative requirements for sustainability in form of a mission statement, called "sustainable food services" are presented. The authors perceive this mission statement as a means to transfer current political demands (as in the SDG of the UN) into the sector. It could serve as a model for the entire food service sector to support and facilitate implementing aspects of sustainability into business practices with the help of sustainable management tools.

***Keywords**: sustainable nutrition; mission statement; sustainable management; participation procedure*

Introduction

Currently, the normative mission statement of a sustainable development is increasingly gaining importance within the international political debate. A more comprehensive understanding of the term sustainable development is reflected in the Sustainable Development Goals (SDG) and the sustainability policies of the European Union and Germany. Central components include: the recognition of absolute planetary boundaries (Steffen et al. 2015), the necessity of decoupling resource consumption from economic growth, the central demand for justice, and the demand for companies to take responsibility for social and environmental conditions along the value chain. These aspects were addressed by national and political authorities (United Nations 2015, EU-Commission 2011, BMUB 2015, Bundesregierung 2012).

Although, comprehensive management of sustainability is crucial for sustainable development only few uniform regulations exist. Looking at this economic area, in fact, it becomes obvious that particularly the catering business is characterized by low regulation – even though big potentials exist: in Germany, the out of home market is constantly growing. Eating out has become a common everyday practice for many consumers,

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and with revenues of 73.6 billion EUR, the market has become an important part of the food sector (BVE 2016). Studies suggest that in Europe one in four meals is consumed outside of home, one in every two meals is taken at the workplace, and more than one in four meals is taken at school (FERCO 2015). If we aim at realizing a transition towards sustainable food consumption and nutrition, the above-described situation emphasizes that the out-of-home consumption is a fundamental field of action (Lukas et al. 2015). By actively considering sustainability principles and proposing sustainable meals, the catering sector has the potential to realize in the consumers' everyday life the concept of "sustainable development" (Leitzmann 2014).

To achieve the goal of sustainable food consumption and nutrition, it is fundamental to address all the diverse actors the catering sector comprises: international and national businesses, small, medium as well as big companies.

Looking at the food service sector's status quo with regards to sustainable nutrition or more specifically, the implementation of sustainability strategies, it becomes clear that single issues of a sustainable catering are discussed in the sector, e.g. aspects of animal and climate protection or consumer's health, but the implementation of sustainable business models is not yet of major concern. So far, only few approaches exist that integrates aspects of sustainability. Although the food service sector is of high importance for a sustainable development, no comprehensive sustainability strategy has been developed yet. Companies often deal with a great uncertainty concerning the implementation of the normative and political idea of sustainability. Since uniform regulations with regard to a comprehensive management of the concept are missing companies sometimes develop their own policies.

In conclusion, it is hypothesized that the food service sector needs guidance on specific sustainability strategies to counteract the gap between the status quo in the industry and the targets set by science and politics. To overcome this gap, the mission statement "sustainable food services", as a means to transfer current political demands (as in the SDG of the UN) into the sector, was developed. This mission statement could assist as a model for the entire food service sector to support and facilitate implementing aspects of sustainability into business practices.

Background and method of the mission statement development

Contrary to visions, mission statements are supposed to focus on the present and to take, as a framework for action or code of conduct, an integrating, guiding role within organizations – i.e. answering the question "How should we behave in order to achieve these goals?" (Vahs 2012). Therefore, mission statements should contain fundamental principles, express values and present the desired development of the sector. For their formulation, positive, concise, understandable and not contradicting terms are useful. Moreover, they have to be valid in the long-term as well as feasible (Graf and Spengler 2000). The background for developing the mission statement "sustainable food services" comprises: First, as an important prerequisite for a sustainable transformation, all major actors and stakeholders of the production and consumption system have to agree upon a shared framework concerning the term sustainability. Second, the mission statement opens spaces of possibilities and assists questioning and breaking consumption- and action routines. Third, the mission statement creates a framework for communication and transfer. This framework can be continuously expanded and concretized.

The mission statement is derived from the current debate on sustainability in the food catering sector as well as from existing normative structures. Therefore an analytical framework was used in order to assess the status quo of sustainable development in the sector in relation to the normative basis (Gebauer / Hoffmann et al. 2011; Gebauer / Timme 2011). Relevant publications were analyzed through qualitative content analysis (deductive method described by Mayring 2015). Literature was evaluated with MAXQDA (Version 11). During the investigation the literature was analyzed with regard to the ecological, economic and social dimensions of sustainability – which were expanded by the dimension of health (for the reasoning see Lukas et al. 2014).

To create acceptance within relevant stakeholders, a participation procedure was conducted including the following steps (Graf and Spengler 2000):

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1. Analysis: Definition of the objective by analyzing the target state (set of values, the normative basis) and the status quo of sustainability in the hospitality and food service sector (desk research).

2. Development: Identification of the main topics from the results of the desk research and derivation of guidelines through a discussion in an interdisciplinary research consortium

3. Evaluation: Further development of the mission statement draft in stakeholder dialogues and expert workshops with practice partners of the project to create compliance and acceptance of the mission statement.

The mission statement "sustainable food services"

The following eight key principles are included in the proposed and discussed mission statement. These key principles are embedded in general values, which are e. g., the acceptance of the planetary boundaries as a limiting framework, acting socially responsible in the company, in the region and in global value chains as well as taking responsibility for the promotion of a healthy diet of the customers. A noteworthy aspect is that there are many interdependencies and target conflicts between the individual dimensions of sustainability that need to be addressed from our point of view.

- **Principle 1 - Conservation of natural resources**: Companies of the food service sector incorporate in their processes, products and services a careful and efficient use of natural resources. Therewith they reduce the consumption of resources in their company and in the entire value chain.
- **Principle 2 - Conservation of biodiversity:** Companies of the food service sector bear responsibility towards nature and are jointly responsible for the conservation of biodiversity and ecosystem-services.
- **Principle 3 - Protection of the climate:** Companies of the food service sector contribute to the protection of the climate by reducing the release of greenhouse gases along the entire value-added chain.
- **Principle 4 - Responsibility in the value chain:** Companies of the food service sector take account of the economic, environmental and social challenges along the entire value chain while developing their company-specific sustainable catering offerings and develop responsible strategies for coping with suppliers and customers.
- **Principle 5 - Use of animal products:** Companies of the food service sector take into account the ecological sustainability of our planet as well as the animal welfare of the animals by adapting the quantities and the type of animal product offered. Moreover, they use herbal alternatives.
- **Principle 6 - Promotion of healthy eating:** Companies of the food service sector contribute to promoting their customers health.
- **Principle 7 - Transparency and dialogue with the customer:** Companies of the food service sector create transparency for their customers and their other stakeholders by providing clear information on their offers.
- **Principle 8 – Orientation towards the interests of employees:** Companies of the food service sector take into account the interests and well-being of their employees within the framework of sustainable business strategies. They are therefore an attractive employer and bind competent employees.

The proposed structure of the mission statement was discussed as a draft with companies of the sector and also with stakeholders from science, politics, consumers, NGOs and others performing participatory stakeholder dialogue forums. Three workshops with experts and prominent stakeholders were held in 2016 up until today.

From mission statements to Sustainable Management

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Results from the participatory stakeholder dialogue forums indicate that a more concrete distinction of the basic values and guiding principles is needed such as a roadmap for the practical implementation of sustainable management in the out-of-home catering sector. To meet the challenges of anchoring the eight key principles of sustainability and to reduce complexity we suggest using conventional management tools.

The strategic management of each company needs to develop its own specific mission statement derived from the general mission statement "sustainable food service". Therefore, the key principles should be broken down into different levels: strategy, objectives, processes. Also a controlling system needs to be developed with key figures and key indicators. This process is normally based on a stakeholder analysis or dialogue.

Developing a sustainable management system is different from other management approaches, since there are some specific decisions to take:

Sustainable Management

1. should focus on different intervention levels like location, value chain, environment or product. To reduce complexity, the analysis of stakeholder involvement gives orientation. In a short term perspective, it is useful to focus on one level. In a long term perspective is necessary to integrate all levels in order to avoid contradictions.
2. is connected to the different dimensions of sustainability (economics, ecology, social affairs and health). There are interdependencies between these dimensions which require integration to avoid contradictions.

Examples for the transformation of the key principles 1 and 5 are shown in the following tables.

Table 1: Example for the transformation of key principle 1 into the management of companies in the food service sector

Key Principle 1: Conservation of natural resources		
management-level	*strategy*	The procurement should be created more resource-conserving.
	objective	Therefore, the transport volume is reduced by 20 % in the next three years.
	measures	Reorganization of raw material supply to regional producers is carried out p. e. for the product group "vegetable".
	indicator	Share of regional producers for vegetables (%)
dimension		ecology
Interventions-level		value chain

Source: own diagram

Table 2: Example for the transformation of key principle 5 into the management of companies in the food service sector

Key Principle 5: Use of animal products		
management-level	*strategy*	Animal products should be reduced in the product portfolio.
	objective	Therefore, the portion size of meet is reduced by 10 % and the vegetarian and vegan offers will be extended.
	measures	Check recipes and develop vegetarian/vegan alternatives.
	indicator	Share of animal products per meal (%)
dimension		ecology, social affairs and health
Interventions-level		product

Source: own diagram

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Conclusions

The stakeholder dialogues revealed that the idea of an overall mission statement for the whole food service sector makes sense for companies to get orientation for the development of their own sustainable management approaches. So the mission statement can be the basis for the development of indicators. Comprehensive business sector specific indicators are useful for companies in order to evaluate their individual sustainability performance and to have benchmarks for the comparison with competitors within the sector. The mission statement which was developed so far, is based on the requirements of external stakeholders and integrates the normative idea of sustainability. The next step required, is to specify concrete goals, measures and key figures in a company specific implementation process.

Another finding of the stakeholder dialogue was that enterprises are capable of applying conventional management tools in a professional way. However, they need support (e.g. in form of case studies) in their efforts to use these instruments for the implementation of sustainability aspects.

Moreover, visible gaps were identified in matching the sustainability dimensions and the right intervention levels. Companies of the food service sector are insecure in defining measures and individual performance indicators for their sustainable performance.

Until summer 2018 the mission statement will be further discussed within food service companies.

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