



VI: BUSINESS IMPERATIVES: THE CHANGING CALCULUS ON COSTS, RISKS, AND OPPORTUNITIES

WILL DINERS CONTINUE TO SPEND MORE OF THEIR MONEY AT RESTAURANTS THAT CAREFULLY SELECT THE FOOD THEY SERVE, FEATURE MORE PLANT-FORWARD DISHES, AND COOK IT FRESH? THE SMART MONEY SAYS THEY WILL. THE FAST MONEY DOES AS WELL.

This year, the venture capital community is backing a host of new restaurant companies that emphasize plant-forward menus, scratch cooking, and carefully sourced ingredients, as well as a group of food companies that are looking to replace animal proteins with plants, from Beyond Meat and Hampton Creek, which are coming up with plant-based replacements for the chef and home cook, to Amazing Protein, which is finding ways to reduce the amount of meat used in the processing plants that supply some of the nation's largest restaurant chains.

The Culinary Institute of America also launched The Food Business School, its new center for graduate and executive education, to accelerate the efforts of today's culinary-minded entrepreneurs. The tech world also is turning its attention to the foodservice industry, with innovations to increase access to local foods, connect with diners, and reduce food waste.

Stock markets are recognizing and rewarding similar approaches. Among publicly traded

restaurant companies, Chipotle saw its stock nearly double during a year when it had to remove items from its menu in order to uphold its commitment to "food with integrity" and its sustainable sourcing standards.

Financial markets now recognize that strong environmental, social, and governance (ESG) efforts are linked to better business performance. The past year has shown that almost every restaurant and foodservice company can benefit from an increased focus on ESG. While investor expectations are increasing quicker than the industry's performance, this section of the report calls out the areas with the greatest returns: improving transparency and surveillance of global supply chains and sharing more of that information with our diners.

This section also provides insights and advice on innovation, investment, and supply-chain resiliency to help culinary professionals and the industry move more quickly in the right direction.