

## **Midwest, other airlines struggle to guess passenger demand for meals**

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by Rich Rovito

*- - Selected excerpts from the article - - .*

Midwest Airlines and Northwest Airlines, the two most dominant air carriers at Milwaukee's General Mitchell International Airport, are planning major changes to their in-flight meal programs.

The moves come as airlines look for places to cut costs in the face of excess capacity and high fuel costs and still offer passengers certain amenities.

Midwest Airlines is terminating its relationship with LSG Sky Chefs for its buy-onboard meal program following the vendor's off-the-mark estimates for the demand for meals. The airline wants to take greater control of the food service process.

"Sky Chefs has done a great job producing food," said Jay Sorensen, a former Midwest Airlines marketing executive who now runs IdeaWorks, a business consulting firm in Shorewood. "If airlines paid top dollar to get top-dollar products, that's what they got."

In its relationship with Midwest Airlines, Sky Chefs has assumed all the risks associated with the buy-onboard meal service, including trying to determine consumer demand.

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*"Airlines used to tell Sky Chefs how many meals to produce. Now caterers are in the position of trying to guess," Sorensen said.*

*If caterers prepare too few meals for a given flight, they run the risk of alienating customers. Conversely, preparing too many meals cuts into their profits, Sorensen said.*

*"Midwest is taking a novel approach by saying that they can do a better job of it," he said.*

By running its own commissary, Midwest likely will eliminate many of the built-in costs associated with Germany-based Sky Chefs' operations. Sky Chefs caters 270 airlines from more than 200 customer service centers in 48 countries and produces about 313 million airline meals a year. *"Midwest will build its operation to the correct size," Sorensen said.*