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Abstract: The article cites that a recent survey by foodservice consultant Technomic Inc. forecasted a 3% price hike in menu prices. Further indicating just how much rising costs are impacting the bottom line, the survey found that 79% of operators expect better sales, yet only 63% anticipate an improvement in profitability. Denise Cerreta, who runs the One World Cafe in Salt Lake City, does not fret over menu prices. That is right, guests at Cerreta's buffet restaurant simply toss into a drop-box what they think the meal is worth, or grab a broom and work for their supper.

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THE PRICE IS RIGHT

At this cafe, customers pay what they wish — and it works.

UP, UP, AND AWAY. Beef prices. Cheese prices. Seafood, gas, insurance. Labor costs, as states from New York to Oregon — and many in between — prepare to hike minimum wage.

With so many of their essential costs poised to reach the clear blue sky in 2005 (food costs were up 5% in '04, with a more moderate hike expected for '05), countless operators plan to raise menu prices in the new year; a recent survey by

foodservice consultant Technomic forecasted a 3% price hike. Further indicating just how much rising costs are impacting the bottom line, the survey found that 79% of operators expect better sales, yet only 63% anticipate an improvement in profitability.

Denise Cerreta, who runs the One World Cafe in Salt Lake City, doesn't fret over menu prices. In fact, she doesn't even have them. That's right, guests at Cerreta's buffet restaurant simply toss into a drop-box what they think the meal is worth, or grab a broom and work for their supper.

An acupuncturist by trade, Cerreta used to sell coffee and sandwiches out of her extra office space. But when she grew tired of producing a set menu every day, she scrapped the bill of fare, opting to serve up whatever seasonal grub she felt like preparing. And when she grew tired of sticking needles in patients' lumbar regions, she scrapped the acupuncture biz.

Finally, when Cerreta grew tired of ringing up sales, she got rid of the cash register and her prices.

"I tell people to pay a price we both feel good about," says Cerreta, who adds that, 20 months after banishing prices, the percentage of guests who pay what she deems a fair share runs in the high 90s. Those who repeatedly don't, she says, get a polite lesson on the nuances of the honor system.

Cerreta cooks up at least one veggie, vegan, and meat dish per day, along with a wide array of sides, such as vegetables in yogurt tahini and shredded beet and pasta salad. She says guests typically opt for one main and three or four small sides, and drop between \$5 and \$15. She also leaves a list of items, such as coffee mugs, a vacuum cleaner, and even a piano, on a board, which guests can give in exchange for food. (A novice pianist, she's got two or three leads on the piano, she says.)

Of course, Cerreta's arrangement wouldn't work for most; just imagine explaining that business model to investors. But, peculiar as it may be, she says it works just fine for her. Sure, her personal goals — promoting organic food, addressing world hunger, paying a living wage (staffers start at \$10 an hour) — are easily met. But then again, her 40-seat cafe isn't exactly a soup kitchen, and Cerreta sees profitability in the near term.

"It is a business, and it's got to float," says Cerreta, who grosses around \$350,000 a year, with zero advertising. "We're paying the price for hiring too many staffers some time ago. but we'll be in the black next month."

Helping the bottom line is affordable rent and low food and (now) labor costs. While Cerreta pays full rent to live above the restaurant, the landlord allowed her to name her rent for the cafe space (she's paying a few hundred less than market value, she says). And she keeps food costs down by cooking with local, seasonal ingredients and letting guests choose their own portion size — which typically amounts to less than what other restaurants plate.

"We have zero food waste in the kitchen, and almost zero in the front of the house," she says.

Cerreta also keeps payroll down by having guests serve themselves, and hiring them to work in exchange for a meal. They can cook, fold linens, sweep, take out the garbage, or rake the yard, and are expected to put in about an hour for a meal. Even if they're physically disabled, as one return guest is, Cerreta says they can lead a meditation group.

So far, Cerreta's gotten inquiries from would-be operators seeking to coopt her model in Seattle, Tucson, and Atlanta. "It may not be a big moneymaker," Cerreta says, "but you will support yourself."

PHOTO (COLOR): Denise Cerreta trusts customers will pay a fair price for her food and service.

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By Michael Malone

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