

Company:	Niko's Café
Country:	Panama
Project:	TMF Program: Poverty reduction and environmental improvement. An Integral Sustainable Development strategy.
Year:	2006

THE COMPANY

Niko's Café is a Panamanian cafeteria style chain restaurant. It started in the 40's with a small restaurant called *Café del Pueblo* and it then changed its name to *La Puñalada*. The owners – of Greek origin – gradually changed the business' concept until they transformed it in a deluxe Restaurant-Cafeteria. In 1983, the first Niko's Café opened, located in *Via España*, one of the places with the highest attendance in the capital.

The family, business owner and managers, considers that one of the strengths of the chain is its quick adaptation to market tendencies. Some of its establishments have playground areas for children called *Nikolandia* and a bakery and pastries specialized area called *Fornos*. There are six restaurants around the Capital city. The entire operation follows the slogan "authentic home flavor" – which shows their commitment to provide their clientele healthy, exquisite food and at reasonable prices.



PRODUCTS AND MARKETS



In its food processing plant, Niko's Cafe prepares a variety of dishes, cold-cuts, hams, yogurts, breads and desserts that are distributed to the different points of sale. The restaurants offer a buffet type menu with home-made style Panamanian cuisine – variety of sandwiches, pastries, confectionery and snacks. Establishments are opened to the public 24 hours per day offering personal plates, take out packages and catering service for special activities. Besides, Niko's Café has an industrial kitchen able to prepare large volumes of food without affecting its daily clientele. The business' market goals are families and special events. Sales rise during the weekends, pay days, holydays – especially close to the end of the year.

PROJECT DESCRIPTION



The project establishes the terms and conditions that govern the Technical Assistance in Environmental Management and Process Efficiency for the development and implementation of a Cleaner Production Program and the basis for a Good Manufacturing Practices (GMP) according to the criteria of the TMF Program for Integral Sustainable Development. The methodology for the implementation started with the conceptualizing - stage in which an internal and external organizational analysis took place to determine its sustainability profile, as well as its options for improvement in the Environmental Management and Good Manufacturing Practices (GMP) – creating the foundations for a HACCP program. The project focused on the processing plant and the *Niko's Café El Dorado* restaurant, located at the El Dorado shopping centre. Then, the action plans were established for each of the topics as well as the indicators and monitoring mechanisms to guarantee the fulfillment of the established objectives. Besides, training and technical assistance were provided to support the company in implementing the action plans. This way, it was intended to fulfill the transfer of knowledge to the organization; and the follow up oriented towards the achievement of the expected results was developed.





MAIN ATTAINED RESULTS

Initial Diagnosis	Achieved Improvements
ENVIRONMENTAL MANAGEMENT	
ENERGY CONSUMPTION	
<ul style="list-style-type: none"> ▪ All energy consumption from the restaurant and the processing plants are registered in just one meter. There is a high energy demand record. ▪ The company suffers monthly penalization for low potency factor. ▪ There is no control over the potency factor tendency. ▪ There is no knowledge regarding the energy consumption tendencies. ▪ Low efficiency in the use of artificial lighting. 	<ul style="list-style-type: none"> ▪ The following measures were recommended: <ul style="list-style-type: none"> a. Distribute the energy demand by work area, using several energy meters – according to the equipments demand. b. At the beginning of operations or after a power cut, distribute the turn the equipment on at intervals longer than 15 minutes. c. Verify that the equipment engines are not oversized for the job they execute. d. Revise the 1 efficiency of electrical equipments, especially the engines that have been operating for longer than 5 years. e. Monitor energy demand to be able to make timely decisions, and keep it within acceptable levels established by the company. ▪ It was suggested to start improvements in this area through <ul style="list-style-type: none"> a. Revision of the energy efficiency of the electrical equipments to determine if they require maintenance or replacing. b. Division of the maintenance program into routine maintenance operations, integral maintenance operations. c. As the last resource, the installation of a condenser bank that supply reactive energy. ▪ It was recommended to monitor the potency factor to be able to maintain it over the minimal limit that does not generate penalties (0.9). ▪ It was recommended to monitor the energy consumption to be able to make timely decisions and keep it within acceptable levels established by the company. ▪ The following practices were recommended: <ul style="list-style-type: none"> a. Revise the fitting of the restaurant’s automatic switching of lights. b. Paint the ceiling, the columns and the walls with light colors to reduce the need for internal lighting. c. Periodically clean the fluorescent lamps to improve the areas’ illumination.






<ul style="list-style-type: none"> ▪ Refrigerated air leaks due to the refrigeration equipment.  <ul style="list-style-type: none"> ▪ No advantage is taken of the differentiated prices for electricity supplies are. ▪ Machinery does not receive routine maintenance. 	<ul style="list-style-type: none"> ▪ The following corrective measures were suggested: <ol style="list-style-type: none"> a. Replace the refrigerators' worn-out seals to prevent the leak of refrigerated air. b. Repair the sliding door system of the refrigerators that exhibit products to the public. c. Adopt a mechanism to periodical revise the condition of the electrical equipment and the isolating seals. ▪ It is being recommended to analyze if the schedule rate plan for the (BTH) plan can generate savings in the company's invoicing. ▪ It was suggested to start the implementation of the following practices: <ol style="list-style-type: none"> a. Implement a preventive maintenance program. b. Divide the maintenance program in routine operations, and integral maintenance operations. c. Keep a record sheet for each team in which maintenance details are written down. d. Either have trained personnel, or sub-contractors to supply the integral maintenance service. e. Have a small inventory of parts that are regularly used in the routine maintenance of the equipments.
<p>WASTE MANAGEMENT</p>	
<ul style="list-style-type: none"> ▪ There is a large production of waste that is sent to dumps. 	<ul style="list-style-type: none"> ▪ It was recommended to consider the following alternatives: <ol style="list-style-type: none"> a. Jointly work with an NGO that is dedicated to collecting for recycling. b. Negotiate the possibility to return containers to be refilled.

WATER CONSUMPTION AND WASTE WATER GENERATION	
<ul style="list-style-type: none"> ▪ There is no control over the tendency to consume water. ▪ No records are kept of stored water in the water tanks. ▪ There are water leaks in the faucets and toilets. ▪ The faucet in the dish-washing area remains open more than necessary. ▪ There are obstructions in the building drain system and unnecessary organic load goes to the waste waters. ▪ There is no knowledge neither on the volume of the waste waters, nor the types and the quantity of pollutants they contain. 	<ul style="list-style-type: none"> ▪ It was suggested to monitor the monthly water consumption to take timely actions, while keeping it under the company's desired ranks. ▪ It was suggested to start a tanks monitoring plan regarding their content and cleanness. ▪ It was suggested to implement the following practices: <ul style="list-style-type: none"> a. Change the position of those faucets that constantly break down. b. Periodic revision of the water distribution system, in order to identify leaks. ▪ It was recommended to install a pedal water activator for the manual dish-washing area. ▪ It was recommended to place sieves in all drains and adequate plugs in the kitchen dishwasher – to retain solids. ▪ Characterizations of the waste water were recommended with the purpose of complying with the international normative, and have a reference to revise the kind of treatment required.
OPERATIONS	
<ul style="list-style-type: none"> ▪ The company's Operations Management considers the quantity of leftovers during breakfast important at the end of the morning, and wants to diminish them. ▪ There are no defined periods of time for the trays to remain in the double boilers. It is the operators' discretion to replace food; their parameter is the deterioration of the appearance of food being displayed. 	<ul style="list-style-type: none"> ▪ The following was suggested: <ul style="list-style-type: none"> a. Carry out a demand forecast for <i>Furnos</i>, breakfast and double boilers to have statistical data on tendencies and be able to match the quantity and type of offered dishes with their demand. b. Monitor the quantity of waste products in <i>Furnos</i>, breakfast and double boilers to make timely decisions and keep them within the acceptable parameters defined by the company. c. Define the periods of time that trays will remain in the double boilers – by type of product. d. It was recommended to implement a system that facilitates the rotation of the food trays in the double boilers based on duration times and identified by color codes.
	

WORK RISKS	
<ul style="list-style-type: none"> ▪ There is some tendency to work risks and to material losses in the company. 	<ul style="list-style-type: none"> ▪ It was proposed to implement the following measures: <ol style="list-style-type: none"> a. Place sliding sieves at the elevators' entrances to prevent the risk of falls. b. Organize an anti-fire brigade and coordinate with the Fire Department. c. Assign specific tasks to employees for different emergency scenarios. d. Provide periodic training to the assigned personnel. e. Execute emergency drills coordinate with the Fire Department. f. Label escape ways and keep them free of any obstruction. g. Have an alarm system. h. Revise the location of fire extinguishers, facilitate access to them and rotate them, train personnel on their use and ensure proper maintenance keeping report labels visible. i. Design a simple and easy to understand evacuation sketch.

Good Manufacturing Practices (GMP)

<ul style="list-style-type: none"> ▪ The bakery and pastries area starts to work with Good Manufacturing Practices; nonetheless, improvements in the infrastructure, cleanness and area disinfection are recommended. 	<ul style="list-style-type: none"> ▪ The use of alternative cleaners for different surfaces is urged – those which are of low toxicity and approved for alimentary use. ▪ The following improvements have been proposed: <ol style="list-style-type: none"> a. Install a kind of floor that absorbs grease from the environment, like the one used in the vegetables processing area. b. Install air conditioning and extractor fans. c. Install protection to prevent glass particles from falling over food. d. Paint walls white. e. Do an exhaustive clean of the place and of all equipment used in the productive processes, or there located. f. Delimit that area by painting the corridor's floor yellow, where visitors may pass, or make the use of hair nets mandatory for office personnel and visitors.
<ul style="list-style-type: none"> ▪ The butchery cleanness conditions are not suitable 	<ul style="list-style-type: none"> ▪ The area's cleanness improvement is evident. Work continuous to be done in this aspect; nonetheless the following is recommended: <ol style="list-style-type: none"> a. Make hand washing mandatory for all visitors coming into the cold cuts and butchery area. b. Install more drains – small and with sieves – to avoid the entrance of rodents and other plagues.
<ul style="list-style-type: none"> ▪ Restrooms show cleanness and disinfection deficiencies. 	<ul style="list-style-type: none"> ▪ The following proposals are recommended: <ol style="list-style-type: none"> a. Remodel facilities to increase the number of restrooms, according to the personnel quantity. b. Provide adequate, accessible, well lit and ventilated restrooms which may be easily and

<ul style="list-style-type: none"> ▪ The kitchen area for the restaurant does not comply with some of the required conditions in Good manufacturing Practices.  <ul style="list-style-type: none"> ▪ Personnel transit in the industrial kitchen.  <ul style="list-style-type: none"> ▪ Lack of personnel training. ▪ Deficiencies in order and cleanness in the storage area. 	<p>frequently clean and disinfected.</p> <ul style="list-style-type: none"> ▪ It has been recommended to implement the following measures: <ol style="list-style-type: none"> a. Change the current floor as they have irregular dilation unions. b. An exhaustive kitchen clean. c. Exhaustive cleaning or replacement of the ceilings, and adequate painting. d. Place a mesh on the kitchen extractor to avoid the entry of polluting agents. e. Install double doors or a positive alternating system between the raw materials reception and the kitchen. f. Clearly label that one of the kitchen sinks is exclusive for hand washing, and the other one for washing the kitchen's utensils. g. Install more drains – small and with sieves – to avoid the entrance of rodents and other plagues. h. Place another grease and humidity extractor. ▪ The following corrective measures were suggested: <ol style="list-style-type: none"> a. Define the corridor where employees go through – by painting the floor yellow- requiring the use of hair nets; and later on build a wall to fully isolate the kitchen. b. Eliminate one of the two doors to the butchery or establish a controlled schedule for access from the butchery to the project's kitchen. ▪ New alimentary safety equipment was set up – made up of four employees and training was provided to 15 Niko's Café supervisors on the topic of Alimentary Safety, and Good manufacturing Practices. ▪ Major improvements were made in the central deposit and the cold and freezing rooms. Nonetheless, the deposit located between the dressing room and the vegetables processing area must be cleaned and organized
---	---



Phrase by the Entrepreneur

“Innovation and continuous improvement of all our products and services has always been our North – at Niko’s Café, and this project has granted us the opportunity to set new goals in this sense. Likewise, we have been shown new opportunities to maximize our company’s resources, securing savings and taking care of the environment.”

**Jaime Isaacs
Operations Director**

