



UNIT-4

Managing Food and Beverage Operations

Learning Outcomes

By the end of this unit the learner will be able to:

- ✓ Analyze the Food and Beverage Operations
- ✓ Identify the Assessment of Market and Consumer Needs
- ✓ Explain the Importance of Computer Applications in Food Beverage Services

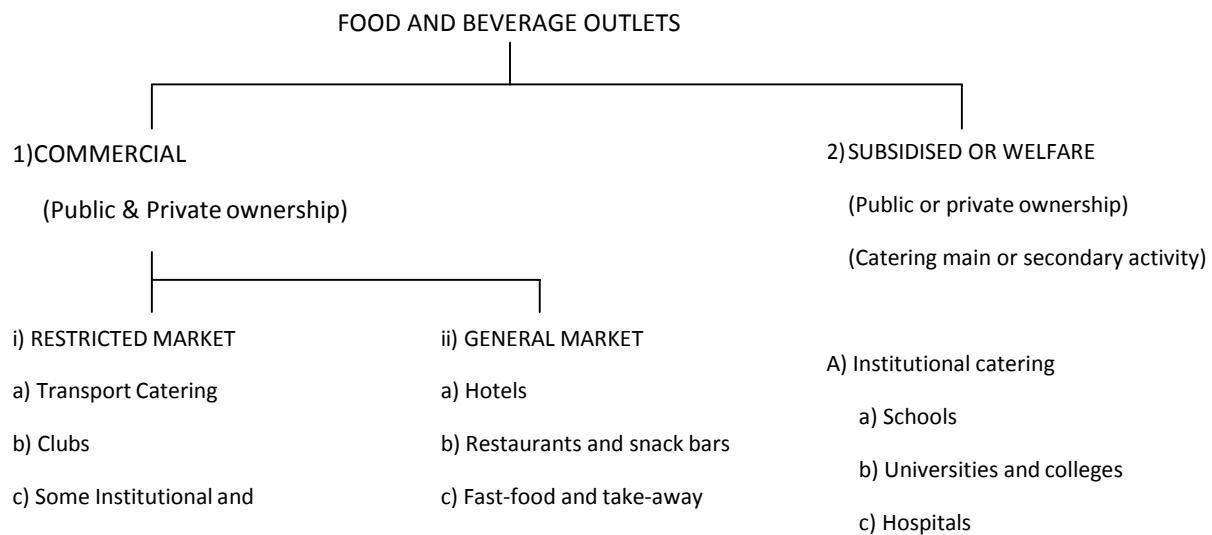
Unit 4

Managing Food and Beverage Operations

Introduction

The hospitality industry is mainly known by its produced products for fulfilling the guests' demand of accommodation, food, and beverages while they are away from their homes. Generally, the industry is divided into two separate segments of accommodation and Food and Beverages (F&B).

Figure 8.1: The Main Sectors of the Hospitality Industry. (Source: Davis and Stone, 1991)



There are different kinds of food and beverage businesses designed to meet the requirements of the consumers. Recently, eating out has become a choice instead of a necessity.

Nevertheless, the main reasons for eating out are:

- To celebrate a special occasion or as a treat;
- To catch up with friends;
- As a change from home cooking; and
- As a necessity, such as, eating out while travelling

In this Unit, you will be introduced to the functions of the Food and Beverage outlets. Mainly, you will study about opening and operating a food and beverage outlet, regardless of its location or speciality.

Food and Beverage Operations

The main job of the Food beverage department of the hospitality business is to provide guests with food and beverages. Different components that are related to its operation can be viewed in the catering cycle which is presented in the figure below:

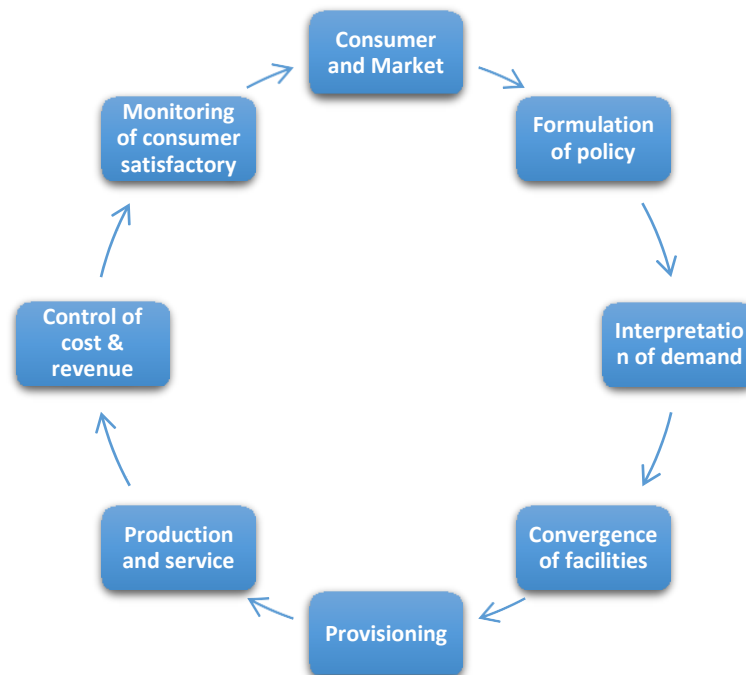


Fig: 4.2 the Catering Cycle (Source: Cracknell, et al., 1983)

The Catering Cycle is a dynamic model in that it is not solely concerned with operations but all the elements in the cycle, a problem in one section will also cause problems in other sections. For example, a

problem that arises in the procurement section will impact the production and service section, while wastage in the raw materials section during the production will affect the control system.

We can conclude from the cycle that a perfect food and drink service would be one which does the following:

- Delivers food and drink on request;
- Has best use of labour and skill, raw material, and equipment;
- Has efficient and straightforward system of operational design; and
- Has adaptable system design permitting flexibility

To be able to institute and administer an ideal food and beverage outlet the business would necessitate careful planning, both before and after opening stages of the outlet. However, the most popular belief is that the Food and Beverage outlet is the easiest way to make a profit, since food always sells. Another popular belief is that if you eat well then you will know how to run a restaurant. These beliefs are not true. We will now look at different elements concerning the opening and running of a restaurant successfully.

Assessment of Market and Consumer Needs

Market Research should be the first step after deciding to establish a food and beverage outlet. Figure 8.3 shows how to proceed in constructing a product established on the consumer needs.



Fig: 4.3 Product- Consumer Relationship Development Framework

Market Research involves devoting a lot of time and money. The approach utilised can be with questionnaires, by doing interviews, carrying out a sales analysis, having consumer panels, collecting market information from specialised publications, commissioning market information, and other facts, which are obtainable ordinarily. Large businesses approach all possibilities of Market Research while smaller businesses may carry out market research on their own. Market Research is concerned with human needs, desires, requirements, goals, and values. Market Research produces market division and then, the identification of the target consumer.

Market division can be along the lines of demography, geography, and others. The same product, which is owned by an international food chain, can be priced differently in various countries. Idea generation can be based on Market Research reports or produced by brainstorming session. It would be directed at producing a product built on consumer requests, demands, and needs. The ideas generated have to be vetted. The type of restaurant to the type of food that would be provided has to be created and vetted during this session.

An idea, which has been selected and agreed upon, then, the various parts of products have to be conceptualised. Different factors such as, the price, amount, amount of variation or choice, quality perception of the consumer, and the demand of the consumer are used to place a concept. Once a model is produced based on the idea it then needs to be tried in the market for which it was produced. The conceptualised product is then tested and surveys with questions and interviews are conducted, regarding the price and location of outlet among the prospective clients and this helps to finalise the product. The Product Development Stage turns the concept into a product. Food and Beverage products provide food and drink as well as decide the type of service outlet and the kind of service (self-serve vs. speciality restaurant or take-away outlet) helps in producing a complete product. It is important how we present ourselves so that consumers have a positive view of our outlet.

Presentation is important - it would lead to how we want the consumers to view our outlet as a Gourmet place or a cheap meal outlet, control of ambience, price and service of food and beverage. Once all of the major decisions are complete regarding the product then a promotional campaign has to be launched to reach the target consumers.

Once a relationship between the consumer and product has been developed it needs to be maintained and improved. However, after a while the demands and the requirements of the consumer are dynamic and for this reason market research is necessary and continuously needed to maintain a long term relationship with the consumer. Feedback is important to hold onto the old consumers and to find new consumers.

Food Service Operation System

Food Service Operations comprise of obtaining raw materials, creation of food, and the service to the consumers on demand. With the different food service outlets the type of service delivered and the process of food production differs. But, the process can be depicted simply as follows -

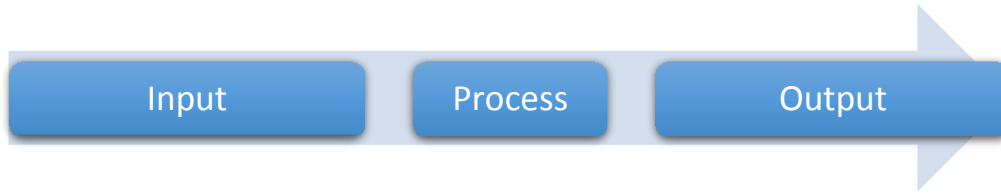


Fig: 8.4

The raw materials are the input, as well as, the preparation and cooking of the food while serving the prepared food to the consumers is the output. The traditional process of food production is depicted in Figure 8.5.

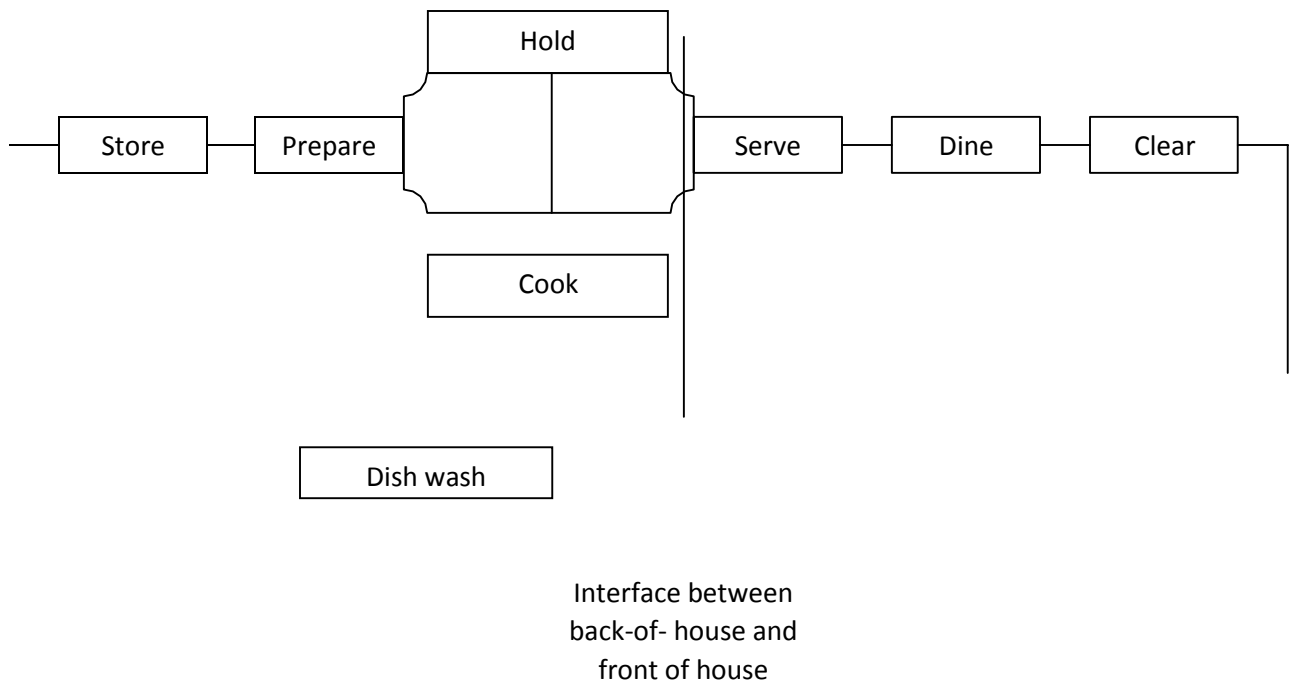


Figure 4.5: Flow diagram of traditional foodservice delivery systems.

(Source: Adapted from Alan Huelin and Peter Jones, *Food Service Systems: Generic Types, Alternative Technology and Infinite Variation, Journal Of Foodservice Systems, 5(4), p. 303, 1990*)

Figure 8.5 shows the eight distinct stages of the traditional food service delivery system. These stages are:

- | | | | |
|----|----------------------|---|---|
| 1. | Storage | – | refrigerated or ambient storage of material |
| 2. | Preparation | – | activities, such as, peeling, cutting, and so forth |
| 3. | Production (cooking) | – | methods, such as, frying, roasting, and so forth |
| 4. | Holding | – | storage between production and consumption |
| 5. | Service | – | style of delivering dishes/meals to consumers |

- | | | | |
|----|-----------|---|--|
| 6. | Dining | – | consumption of meal by consumer in setting |
| 7. | Clearing | – | removal of equipment/food debris |
| 8. | Dish wash | – | cleansing of soiled equipment |

Some unique features of the traditional system are:

- I. Strong differences between the front and the back of the house;
- II. Customers are restricted to the front of the house; and
- III. All the various activities occur on the same premises.

Different contemporary food service outlets do not consistently follow the traditional system in its true form. Some changes have been adapted, depending on the type of service outlet. One such example would be a five star hotel, with an a la carte restaurant, which would use fresh ingredients and stage 4, while prepared foods do not need to be kept on hold. The same case applies in a speciality restaurant where different courses are prepared in front of the guest. Sometimes, prepared food has to be held in special temporary conditions. Therefore, the food production procedure is modified in accordance with the policy of the outlet. The purchasing and storing of products is therefore, decided by the production policy. The success of the outlet is dependent on the ambiance of the place as much as the food production processes.

The first step of any business is the idea of the type of restaurant, bar, or specific type of service outlet you intend to open along with the service type, self-serve or full service. This is followed by site selection dependant on the target market that you intend to serve. Usually, a new restaurant is opened inside a hotel. The changing market trends determine the demands of new eating joints or the outlets necessary through the guests visiting the hotel. In a hotel the opening of a new outlet is usually carried out be either renovating an old restaurant or otherwise. Once the space has been allocated work can start for building and running the outlet. This involves building the sitting area and the kitchen as well as office area for the restaurant.

Designing the Restaurant

The type of restaurant you want should aid in designing the sitting areas. If you are building a restaurant for breakfast buffet only, then the centre would be the buffet which needs easy access by the guests and the sitting arrangements around it. The correct furnishings must be selected for the guest sitting areas. The sitting area should have optimal utilisation of space while providing some sort of privacy to each table. The tables should have easy access for the guests as well as the serving staff. The décor should be attractive, since the ambiance of the restaurant contributes toward guest satisfaction. It is not advisable to over-do the décor. Lighting plays a large part in producing the proper ambience, but it is important to realize there is a difference between logical lighting and almost total darkness where it becomes difficult to see your meal. To complete the relaxed atmosphere and proper environment soft music must be added. Clean cool air has become a necessity for the customers so efficient air conditioning is important. A properly designed kitchen is needed so that food is prepared efficiently, since the most important work is carried out here. The main areas of the kitchen can be characterised as:

- a) **Storage:** The area where raw materials are stored. This would include dry storage refrigerated storage area. The type of restaurant will determine the type of storage area that is needed. A speciality restaurant such as a seafood place may need large tanks to hold lobsters so they are served fresh.
- b) **Pre- Preparation Area:** This is a specific area for cleaning food, peeling vegetables, chopping, and mixing ingredients.
- c) **Production Areas:** These are food preparation areas. Production areas will have a cold food area where salads and other refrigerated food is prepared and hot food areas where main courses and soups are prepared.
- d) **Bakery:** A separate bakery may be needed if baked goods are to be served.
- e) **Holding and Service:** It is important to have an area where prepared food is stored ready for service.
- f) **Ware Washing:** This area is where the dishes are washed it needs to be close to the dining area as well as the main production area.
- g) **Pot and Pan Area:** This is storage area for utensils when they are not in use.
- h) **Office and Employees Area:** The office is necessary to maintain all records of purchases and other transactions. The employees area would be a place for staff to change into work cloths and rest during their break.

It is the responsibility of the manager to check the practicality of the restaurant's final design and its plan.

Equipment:

The main factors to be taken into consideration when buying equipment for a food and beverage service area are:

- Flexibility of use;
- Type of service offered;
- Type of customer;
- Design;
- Colour;
- Durability;
- Ease of maintenance;
- Stackability;
- Costs and funds available;
- Availability in the future – replacements;
- Storage;
- Rate of breakage, e.g., for China;
- Shape;

- Psychological effect on guests; and
- Delivery time.

(Source: Food and Beverage Management by Cousins, Foskett, and Shortt):

Menu Planning

While planning the menu, the main factor to take into consideration is the consumers' food preferences. It is difficult to guess what most customers will like. Consumer's likes are determined by many factors, such as, their cultural background, the nutritional value of the food, and the ethnic background of the customer.

Figure 8.6 (Source: VNR's Encyclopaedia) brings forth the factors affecting food habits, acceptance, and preference.



Fig: 4.6 Factors affecting food habits, acceptance, and preferences

Figure 8.6 clarifies that food habit acceptance and preference is contingent on the following factors:

- Age, sex, physiological, and psychological factors, which all leads to the choices of food that a consumer picks;
- Other factors like appetite, personality, mood, and emotions also influence some people;

- Some guests are influenced by advertising and environmental situations, which pull the customer to the restaurant;
- Economic conditions and social prestige of the guest;
- The appearance, quality, and flavour of the food served; and
- Religious and cultural constraints - many people don't eat certain foods, due to their mindset or religious constraints

Food preferences are affected by many factors as listed above and these are beyond the control of the F&B Manager. It makes it difficult to make sure what may appeal to a consumer. Therefore, planning a menu is the key because it involves selecting food and beverage that is accepted by both the management and the guests.

Planning a menu involves paying close attention to the following aspects:

- Type of food service outlet and the budget available for that outlet;
- The customer food habits;
- The availability of the raw materials is essential since seasonal items are easily found, while exotic items can be difficult to procure. The viability of the menu depends on the availability of the ingredients; and
- The physical facilities and equipment available play a role in menu planning. The type and quantity of equipment available are also a deciding factor in selection of menu items.

After understanding the factors, which effect menu planning, a menu can be selected.

There are three basic categories of menus:

- a) Static or fixed menus, where the same items on the menu are offered repeatedly;
- b) The cycle menu refers to menus which offer different items for a certain time period; and
- c) Single Use Menus, which are planned only for special occasions and are not repeated.

Menu planning is helped a lot by using computers and cookbooks. The success or failure of a food service venture is largely dependent on the menu offered and therefore, the menu is the main point around, which all elements of food service operation are centred.

Types of Menu

There are many different types of menus. Some common ones include the followings:

a) À la carte Menu

This is a menu with all the dishes individually priced. Items on the menu are prepared and cooked to order.

b) Table d'hote Menu

Table d'hote menu has a fixed number of courses and limited choices within each course at a fixed price.

c) Carte du jour

This menu is a list of dishes that are available from the restaurant on a particular day. Customers can choose from this list which may be given to them as a menu card on the table, written on a blackboard or introduced verbally by the waiter/waitress. This type of menu provides set items at fixed price and would be changed on a daily basis.

d) Children's Menu

A children's menu can be an à la carte or table d'hôte and offered in conjunction with one for adults. Puzzles and pictures are often found on the menu. The dishes can be prepared very quickly with smaller portion size and lower pricing when compared to those for adults. This kind of menu is usually available in theme restaurants.

e) Banqueting Menu

Banqueting menus can also be table d'hôte menus (set menu at a set price) when a large number of people are served at their table at the same time, course by course. Sit-down wedding banquets are a good example.

f) Cocktail Menu (i.e., Finger Food)

This menu consists of small items (i.e., no more than two bites). There is usually a selection of items – such as, canapés and hors d'oeuvres. The service staff will circulate with a tray of items which are offered to the standing customers.

Usually no menu card

Dishes can be hot or cold

g) Cycle Menu

A cycle menu is a series of table d'hôte that are offered in rotations, covering a given length of time, e.g., one, two, or three week(s). They are simple and easy to make when comparing with those which require daily changes. These menus are usually available in industrial catering establishments, cafeterias, hospitals, prisons, and colleges.

The length of the cycle depends on the following:

- Management policy;
- The time of year;
- Foods available; and
- Cost of items to prepare.

The advantages of using a cycle menu include the followings:

- It reduces the menu planning time;
- It streamlines the purchasing procedures;
- It helps standardise food production; and
- It helps the food service become more efficient.

Comparison of Different Types of Menu

As observed in the previous section, different types of menus have their own characteristics. As affected by various factors, menus fall into either one of the following two categories – “selective” and “non-selective”.

- Non-selective menus refer to those with only one single choice available in each food category.
- Selective menus refer to those with a number of choices available in each food category which provide customers with a higher degree of freedom in selection when compared with non-selective ones.

Table 8.1 – Advantages Brought by Selective and Non-selective Menu

<u>Advantages of applying non-selective menus in operations</u>	<u>Advantages of applying selective menus in operations</u>
<ul style="list-style-type: none"> • Additional staff are not required in the production; • Simpler and easier to control purchasing; • Less costly due to the limited items required; and • Better and easier portion control. 	<ul style="list-style-type: none"> • Often less expensive as the menu can be balanced with less expensive items; • A large quantity of food is not required as you have more varieties to choose from; and • Items can be frequently updated based on changes in trends and seasonality, so as to stimulate the • consumption of target customers.

Managing Food Service Operations

Once the outlet is in operation the manager has to focus on the supervision of food services. Different aspects of managing food services operations involved are:

a) Food Purchasing:

According to John Stefanelli, the food service purchasing involves the following:

- developing specifications;
- preparing an approved suppliers list;
- determining the appropriate order size; and
- establishing appropriate receiving and storage procedures.

The first step is specifications since it involves cost and quality control guidelines. Appropriate specifications have to be developed for each item bought from outside suppliers help in evading any misunderstanding among the concerned parties. Typically the restaurant manager produces an approved supplier's list. This helps to guarantee a consistency in quality and cost. This also controls the activities of the buyer.

Normally, the manager can only add or remove a suppliers name from the list. Deciding the size of the order is very difficult. Overbuying causes storage problems while under buying leads to problems no manager wants to face. After a period of time an accepted order size can be decided on. Once the needs have been determined the process for ordering and buying is developed. Possible mischief or theft is checked by invoices and receipts, with proper signatures.

b) Managing food production systems:

Food production is the centre of the food service industry. Classification of the menu begins the food production system. **Table 8.2** specifies three different types of menus which are basically used depending on the nature of the outlet.

Table 8.2: Menu Classification

No Choice		Limited Choice	Choice
Fixed (static)		Quick-service restaurant	Full service restaurant Cafeteria
Cycle	Airline Nursing home	School food-service	Cafeteria
Single-use	Banquet	Catered luncheon	Buffet

Even though menu is the core of the food service industry, the ingredients are the essential element of the food produced. This is where the usefulness of recipe standardisation comes in. It is the most significant tool existing to control costs and to safeguard product consistency and quality.

Production consistency in a food item can be achieved by accurate record of ingredients, amounts and methods of combining and cooking the item.

In the following table, **Table 8.3**, the format is utilised for standardisation of a recipe:

Table 8.3: the Sample Production Schedule Format

Date
Meal
Unit

Item/Recipe	Quantity Needed	Actual Produced	Time	Leftover	Comments
Additional instructions					

Even though standardising a recipe is important in the food service industry, it is often overlooked. A manager's job will require standardisation of recipes to achieve quality control as well as costs involved in running the restaurant.

c) Food Service Hygiene:

Hygiene is extremely important for any restaurant. The reputation of any restaurant is dependent on its hygiene and its menu. The employees are constantly in contact with the food and the equipment needed to prepare it. Main source of food contamination comes from human contact from elements, such as, the nose, mouth, skin, fingernails, hair, respiratory tract, and eyes.

The Staff must be trained to ensure that they maintain a high standard of personal hygiene. Next the equipment to be used must be considered. The cleaning area must be kept clean, to make sure about the food service hygiene. All sink and work surfaces should be cleaned before and after use. All equipment has to be sanitised and sterilised after cleaning. This equipment, after sterilising, needs to be kept in a clean area and protected from dust, splashing and food contact. Thermal and chemical methods of sanitation can be used to clean the equipment. The dining space as well as the kitchen area should be pest free. Pests such as, mice, cockroaches, and ants bring a bad reputation to any restaurant since they carry many diseases. Therefore, regular pest control methods must be utilised to make sure of proper hygiene of the food and the surrounding area.

Beverages

Beverages served can be either alcoholic or non-alcoholic. Tea, coffee, shakes, juices, sodas, and mineral water are all non-alcoholic beverages. A large portion of the food service outlet usually provides non-alcoholic beverages.

A select few outlets offer alcoholic beverages, these outlets must, however, possess the following:

- Obtain a special permit or licence to serve alcohol at the premises,
- maintain specific hours, and
- the age of the customer needs to be checked so as to make sure that the legal age has been attained.

When a restaurant begins to serve alcoholic drinks to the customers it needs to maintain a wine and drinks menu. If the drinks are served with the food then the drinks list should complement the food on the food menu. The drinks list should be provided to the customers with the food menu and the drinks

should help bring out the flavour of the food. Such as white wine this complements less flavoured food. The shape and size of the drinks list should be easy to handle by customers and staff.

Types of Wine and Drinks List

The wine and drink contents of a list may include some or all of the following - (Source: Food and Beverage Management by Cousins, Foskett, and Shortt):

- non-alcoholic drinks, including, natural spring and mineral waters, aerated waters, squashes, juices, and syrups;
- cocktails including non-alcoholic cocktails;
- bitters as aperitifs and for mixed drinks and cocktails;
- wines, including still wine, sparkling wines, alcohol-free, de-alcoholised, and low-alcohol wines, fortified wines, and aromatised wines;
- spirits;
- liqueurs; and
- beers, including, draught and packaged beers, reduced alcohol beers, cider, and perry.

The order of wines and drinks on a list tends to follow the order of consumption or be grouped under the following types of wine or drink -

- Cocktails;
- Aperitifs;
- Cups;
- Wines;
- Liqueurs; and
- Beers, minerals, and squashes.

After-meal drinks list

- After meal drinks are often listed with the wines – sometimes, they are presented as a separate liqueur list;
- The list should include a variety of liqueurs along with possibly a specialist range of brandies and/or a specialist range of malt whiskies. Vintage and LBV port may also be offered here; and
- A selection of speciality liqueur/spirit coffees might also be included.

Banqueting wine lists

- The variety of wines offered is generally dependant upon the size and style of the business;
- In most cases there is a selection of popular wine names/styles on offer;
- There should be a range of prices from house wines to some fine wines to meet all customer preferences; and

- In some cases, the banqueting wine will get wines from the restaurant wine list.

Room service drinks list

- This may be a mini-bar or choice from a standard bar list, and
- A limited range of wines are usually offered.

Purchasing and Pricing

The beverage manager has the responsibility of purchasing and maintaining the right amount of stock. Many beverages have a limited shelf-life, however; a good wine can be stored for decades. In case of overstocking extra storage space will be required but if under-stocked the guests will not be properly served. Past sales data can help determine the amount of stock required. A formula which can help is:

$$M = W (T + L) + S$$

(Source: *Food and Beverage Management by Cousins, Foskett and Shortt*)

Where

- M** is the maximum stock,
- W** is the average usage rate,
- T** is the review period,
- L** is the lead time,
- S** is the safety stock (buffer or minimum).

An example of using this formula could be

- W** = 24 bottles per week
- T** = 4 weeks
- L** = 1 week
- S** = 1 week's usage, i.e., 24 bottles.

Therefore,

$$M = 24 (4 + 1) + 24 = 144 \text{ bottles}$$

ROL (Reorder Level) may also be calculated as:

$$(W \times L) + S = (24 \times 1) + 24 = 48 \text{ bottles}$$

The Pricing is based on three basic methods:

- 1) **Cost Plus Pricing:** The selling price is determined by the addition of specific percentage, of the cost price, to the cost of the drink (Gross profit = sales less the cost of sales).
- 2) **Rate of Return:** In any given business, the total costs must be determined. From this information the percentage of the cost price needed to be added to the cost is determined to make sure the business is viable
- 3) **Market Oriented:** The selling price is decided by taking into account what the customer is willing to pay, as well as, what the competition is charging.

Beverage Control

The following factors need to be considered in the beverage control (Source: Food and Beverage Management by Cousins, Foskett, and Shortt):

- The record of the supplier and the deliveries received from him,
- A record of movement of stock between bars and restaurants,
- A cellar stock ledger to maintain the stock records,
- Requisition form should be used by the units selling alcoholic beverages to draw items from the cellar,
- Record of goods received and issued from the cellar is to be maintained and
- A record of the sales taking place. At the end of the day, auditor can go through all the records and come upon the exact sales and profit record.

Cost Control

The goal of any company is to make a profit. Money is earned every time one saves costs which also lead to profit being earned.

According to James Keiser, control is best obtained when management skills, such as, planning, organising, directing, and evaluating are applied together. He states that there are two approaches to control – the Behaviouristic Approach and Traditional Approach.

In turn, the traditional approach has two main aspects. The first aspect is being watchful about the staff and correcting mistakes or cost control breakdowns. The second aspect is watching the performance and measuring it with what is desired or deemed attainable. This comparison feature of the management scheme is considered to have four parts:

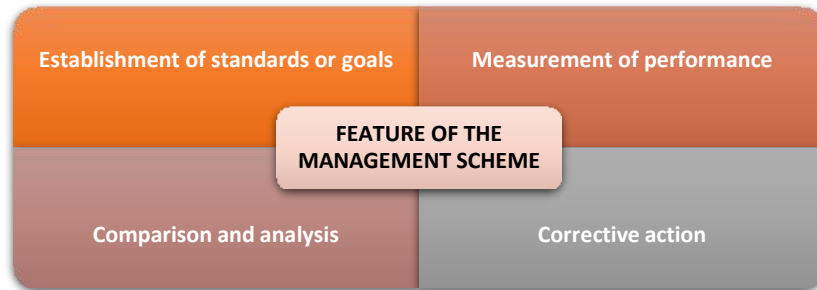


Fig. 4.7

- 1) **Establishment of standards or goals.** These standard or goals can be expressed in various ways, for example, as a percentage or a budget, or even a performance, a figure, such as, meals served per hour. Several industry standards are available for contemplation by various food service operations.
- 2) **Measurement of performance.** Performance must be measured by some means. Usually this measurement is a quantitative figure such as a dollar amount, it can also be a percentage, or a goal such a number of meals served each serving hour.
- 3) **Comparison and analysis.** It is possible to compare the standard or goal to actual performance determined once both parameters have been established. This figure will not always be the same, how much variance is acceptable, and how often the comparisons is to be done are to be determined by the manager.
- 4) **Corrective action.** Once significant variation has been established, the manager must take corrective action to maintain it. These actions may include more observation, staff changes, or changing the methods of operations, among other choices. Also, it may be determined that the standard is not realistic and has to be changed.

The behaviouristic approach is dependent on the enthusiasm of the staff toward the best interest of their employer. The employer usually has a good relationship with their staff in the food service industry. However, they feel that the need for traditional control systems is imperative. Another cost control tool is menu pricing. James Kieser believes that factors important in menu pricing include:

- Elasticity of Demand - what effect will a change in the selling price will have on customer demand;
- Perception of Value - what a customer believes should be the price of a meal or an item irrespective of the cost of production;
- Effect of Competition - the competition in the area will hold down the selling price, whereas, no competition will allow you to get higher prices than normal; and
- Whether the operation will try to increase their profit by keeping a low selling price which will increase sales or keep a higher price which will result in fewer unit sales.

Besides the menu, the other major costs in foodservice industry include:

- a) **Purchasing of Food:** The amount of raw materials needed has to be as accurate as possible, since storage of perishable items can cause loss. Keeping proper inventory of raw materials in storage will safeguard misuse of these items
- b) **Labour Cost:** Another major cost in food production is labour cost. Workers, that are new to the business, usually causes more harm than good. A good Human Resources Policy in effect will make sure that good workers are employed by the organisation. Motivation of staff and knowing how many personnel are needed to efficiently carry out the job will help cut costs.

The Computer Applications in Food and Beverage Services

Computers have become a large part of all successful businesses. Use of computers in the Food and Beverages operations help as:

- It improves guest service;
- Streamlines handling of paperwork and data;
- Improves control over day – to - day operations;
- Generates complete and timely reports;
- Reduces costs of paper supplies;
- Increases sales revenue;
- Increases employee productivity;
- Reduces clerical staff;
- Reduction of repetitive tasks; and
- Helps in maintaining current sales and expense data on file.

Selecting a Computer System

Before selecting a computer system, all available options should be carefully considered. Some executives in the business suggest the following guidelines should be followed while making your decision.

- 1) Do not be the first user of a computer system. The initial user is usually placed in a high-risk position.
- 2) Try not to purchase or lease a computer system from a business that has many large clients, unless you are among them. The computer firm will give its large businesses priority service.
- 3) Before making the final decision on your computer system, investigate other users with similar systems. Seek the opinions of similar businesses that use those systems.
- 4) Choose precisely what jobs you want your system to carry out for you. This will help you decide what type of software you will need to purchase.
- 5) One you have decided on your software then check the market for the appropriate hardware. The hardware you select should be compatible with other computer systems in use already in the business. Do not get hardware that may require you to remove data from one computer, rearrange it, and re-enter into another computer. Data re-entry greatly reduces the benefits of computerisation.

- 6) Pick an efficient computer service firm. This firm should provide you with appropriate training and technical backup. The firm should provide you with “help-line.” The firm should also be able to provide the necessary software to coincide with your businesses overall system.

It is very important to have proper computer back-up system even if the hotel has computer people on staff. The computer people on site may not have sufficient training to handle complex computer problems that may arise.

Computer Uses

In the Food and Beverage Industry, software can be purchased to carry out the following tasks:

- 1) Desk-top publishing for menus, brochures, and other similar promotional materials;
- 2) Sales analysis;
- 3) Bookings analysis;
- 4) Cancellation report;
- 5) Group-booking long;
- 6) Daily tracer-list printout of current and previous clients;
- 7) Sales-call report;
- 8) Group-profile sheet;
- 9) Banquet Event Order (BEO);
- 10) Function resume;
- 11) Lost-business report;
- 12) Pre-function sheet;
- 13) Catering contract;
- 14) Daily event schedule;
- 15) Forecast;
- 16) Daily function-room schedule;
- 17) Work schedule;
- 18) Room layout;
- 19) Space management;
- 20) Link to outside suppliers and service contractors;
- 21) Payroll processing;
- 22) Recipe costs;
- 23) Menu pricing;
- 24) Inventory management;
- 25) Recipe-nutrition analysis;
- 26) Invoice control
- 27) Product-cost analysis;
- 28) Payroll-cost analysis;
- 29) Equipment scheduling;
- 30) Word processing;
- 31) Time clock;
- 32) Production schedule;

- 33) Break-even analysis;
- 34) Menu planning;
- 35) Tip reporting;
- 36) Tip allocation;
- 37) Server analysis;
- 38) Stock requisition;
- 39) Department-by-department comparison;
- 40) Open-guest-check report;
- 41) Cashier analysis;
- 42) Communication with other hotel departments;
- 43) Link with corporate headquarters;
- 44) Billing;
- 45) Inventory reorder; and
- 46) Yield management.

Further Reading:

- ✓ *Michael J. O'Fallon, Denney G. Rutherford, (2011), Hotel Management and Operations*
- ✓ *Bernard Davis, Andrew Lockwood, Ioannis Pantelidis, Peter Alcott, (2012), Food and Beverage Management*
- ✓ *John Cousins, David Coskett, (2007), Food and Beverage Management*