



# UNIT-4

## Managing Food and Beverage Operations

### Learning Outcomes

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

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

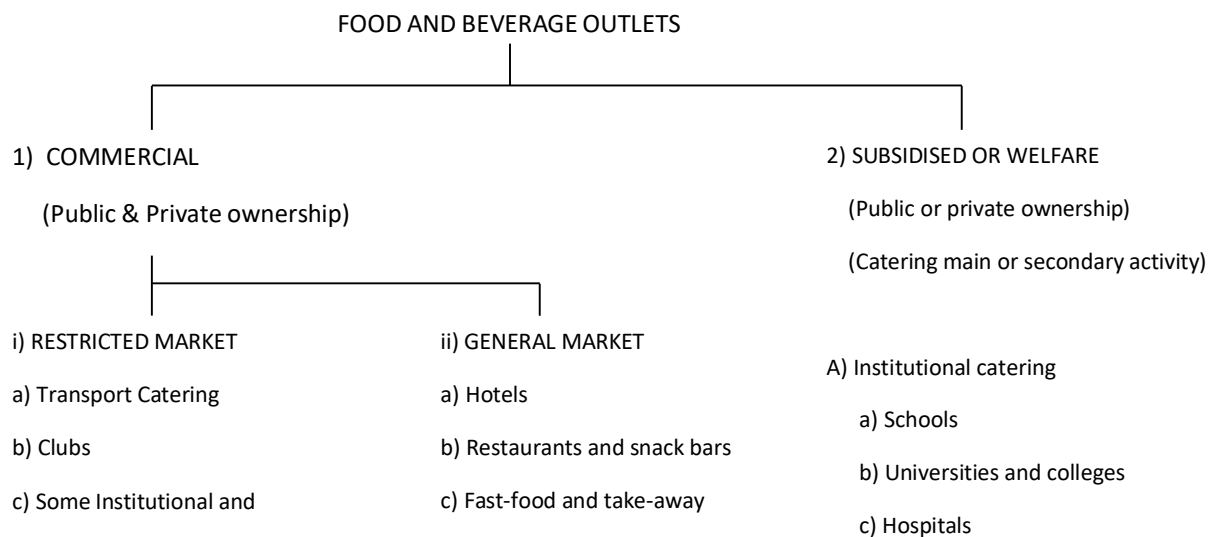
## Unit 4

# Managing Food and Beverage Operations

## Introduction

The hospitality industry is mainly known by its products designed to fulfil guests' demand for accommodation, food and beverages while they are away from home. Generally, the industry is divided into two separate segments: 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 customers' requirements. Recently, eating out has become a choice rather than 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 Food and Beverage outlets. Mainly, you will study the process of opening and operating a food and beverage outlet, regardless of its location or speciality.

## Food and Beverage Operations

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

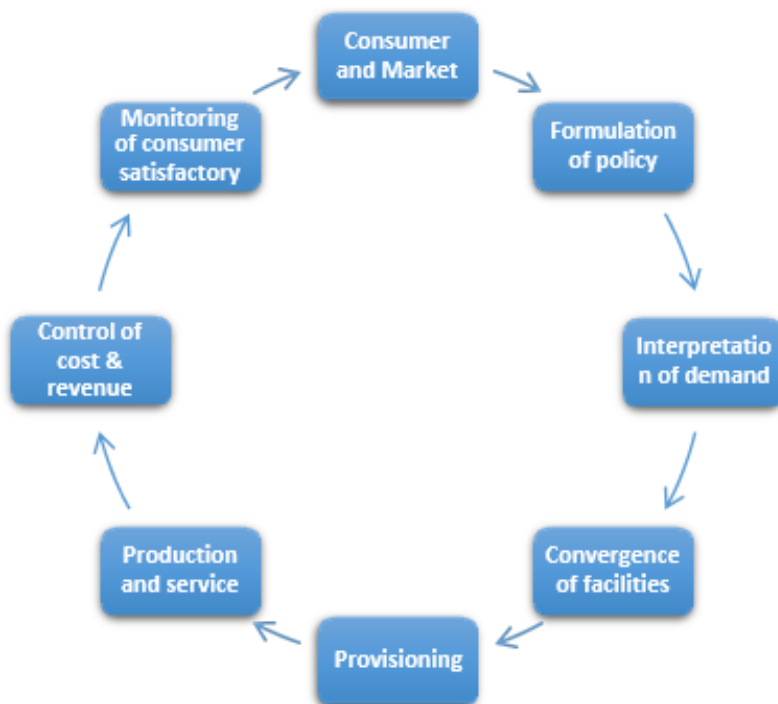


Fig: 4.2 the Catering Cycle (Source: Cracknell, et al.,1983)

The Catering Cycle is a dynamic model in that it is concerned not just with operations but with all the elements in the cycle, as a problem in one section will 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 production will affect the control system.

We can conclude from the cycle that a perfect food and drink service would do the following:

- Deliver food and drink on request;
- Make best use of labour and skills, raw materials, and equipment;
- Employ an efficient and straightforward system of operational design; and
- Have an adaptable system design permitting flexibility

To institute and administer an ideal food and beverage outlet, the business would have to carry out careful planning, both before and after the outlet has opened. However, the most popular belief is that a 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, you will know how to run a restaurant. These beliefs are unfounded. We will now look at the different elements involved in opening and running a restaurant successfully.

## Assessment of Market and Consumer Needs

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



Fig: 4.3 Product- Consumer Relationship Development Framework

Market Research requires a lot of time and money. It can be conducted using questionnaires, holding interviews, carrying out a sales analysis, employing consumer panels, collecting market information from specialised publications, commissioning market information, and collating other information that is readily available. Large businesses use all approaches to 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 identifies the target consumer.

Markets can be divided along the lines of demography, geography, and other factors. The same product, owned by an international food chain, can be priced differently in various countries. The generation of ideas might be based on Market Research reports or prompted by brainstorming sessions. The aim is to produce a product based on consumer requests, demands and needs. The ideas generated have to be vetted, including the type of restaurant and the type of food to be provided.

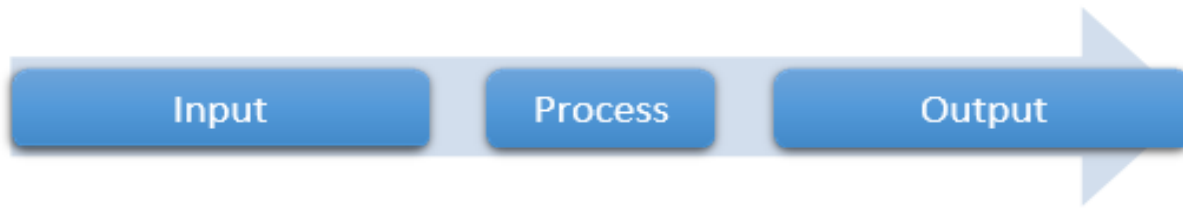
Once an idea has been selected and agreed upon, the various elements of the products have to be conceptualised. Different factors such as the price, amount, amount of variation or choice, quality perception of the consumer, and the consumer demand are used to place a concept. Once a model has been produced based on the idea behind it, it has to be tested in the market for which it was produced. The conceptualised product is then tested, and surveys and interviews are conducted; prospective clients are asked about the prices and location of the outlet, which helps to finalise the product. The Product Development Stage turns the concept into a product. The Food and Beverage products, the type of service outlet, and the kind of service (self-service vs. speciality restaurant or take-away outlet) all help define the complete product. It is important that we take care over how we present ourselves in order that the consumers might have a positive view of our outlet.

Presentation is important; it influences how the consumers view our outlet (as a Gourmet establishment or a cheap meal outlet), the ambience, and the price and service of the food and beverages. When all the major decisions about the product have been taken, a promotional campaign must be launched to reach the target consumers.

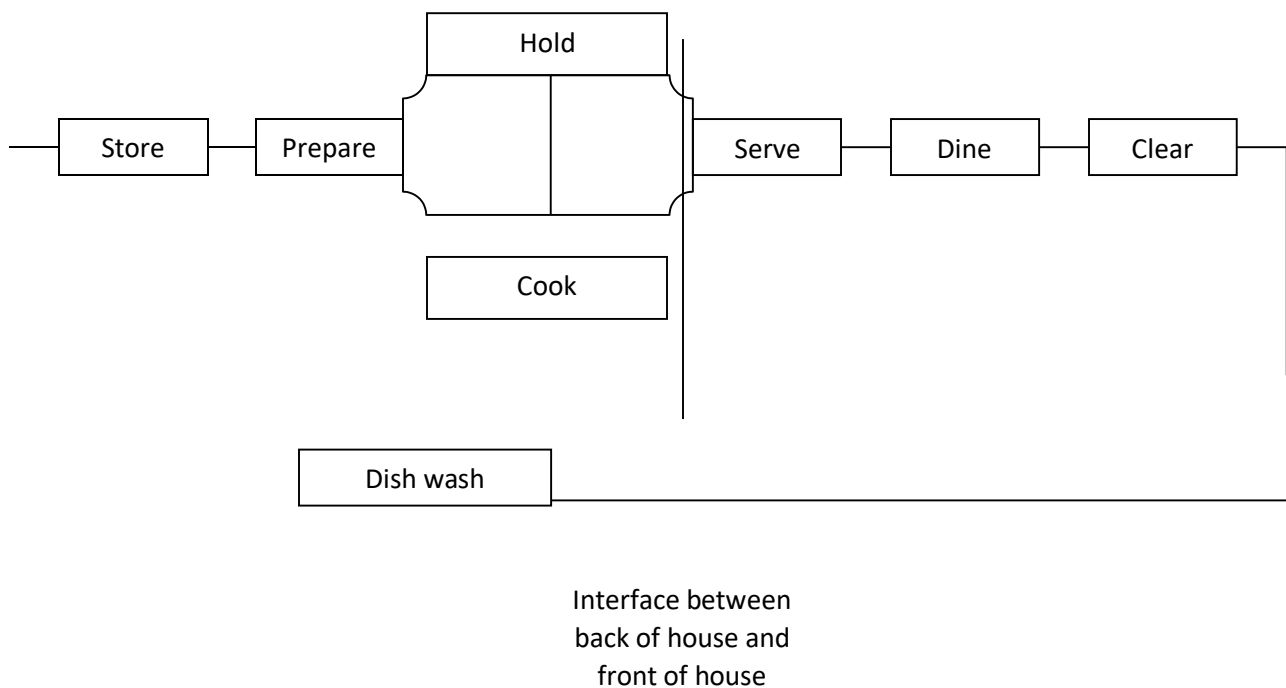
Once a relationship between the consumer and product has been developed, it needs to be maintained and improved. However, consumer demands and requirements are dynamic; hence, market research is always required to maintain a long-term relationship with the consumer. Feedback is important if long-standing consumers are to be retained and new ones found.

## Food Service Operation System

Food Service Operations involve obtaining raw materials, creating food, and delivering the service to the consumers on demand. Considering the different food service outlets, the type of service delivered and the process of food production differs. However, the process can be depicted simply as follows:



The raw materials are the input and 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 food service 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.

Not all contemporary food service outlets 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 for 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, be it self-service or full service. The next step is site selection, depending 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 for new eating places or the outlets required by guests visiting the hotel. In a hotel, the opening of a new outlet is usually carried out by renovating an old restaurant or creating a new one. Once the space has been allocated, work can start on building and running the outlet. This involves building the seating area and kitchen, as well as the office area.

## Designing the Restaurant

The type of restaurant you require should help you design the seating areas. If you are building a restaurant for a breakfast buffet only, the buffet would have to occupy the centre to provide easy access to the guests, with the seating arrangements designed around it. The correct furnishings must be selected for the guest seating area. The seating 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 to 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 realise that 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 should be added. Clean cool air has become a necessity for customers; hence, efficient air conditioning is important. A properly designed kitchen will enable food to be prepared efficiently, since the most important work is carried out here. The main areas of the kitchen can be characterised as follows:

- a) **Storage:** The area where raw materials are stored. This would include dry storage and refrigerated storage areas. 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 that they can be 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 are 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 clothes and rest during their breaks.

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. Consumers' tastes 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) The factors affecting food habits, acceptance, and preferences.



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

Figure 8.6 clarifies that food habits' acceptance and preferences are contingent on the following factors:

- Age, sex, and physiological and psychological factors, all of which influence a consumer's choice of food;
- Other factors such as appetite, personality, mood and emotions also influence some people;
- Some guests are influenced by advertising and environmental situations that draw the customer to the restaurant;
- Economic conditions and social prestige of the guest;
- The appearance, quality and flavour of the food served;
- 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 be sure what might appeal to a consumer. Therefore, planning a menu is the key because it involves selecting food and beverages that are acceptable to 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's 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;
- 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 the selection of menu items.

After understanding the factors that affect 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, which offers different items for a certain time period;
- c) Single-Use Menus, which are planned only for special occasions and are not repeated.

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

## Types of Menu

There are many different types of menus. Some of the most common ones are as follows:

### 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 prices and will be changed on a daily basis.

**d) Children’s Menu**

A children’s menu can be à la carte or table d’hote 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 portions and lower pricing when compared to those for adults. This kind of menu is usually available in themed restaurants.

**e) Banqueting Menu**

Banqueting menus can also be table d’hote 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. Seated 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’hote menus that are offered in rotation, covering a given length of time, e.g., one, two or three week(s). They are simple and easy to make compared with those that 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 following:

- 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, providing customers with a higher degree of freedom in selection compared with non-selective ones.

**Table 8.1 – Advantages of 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"> <li>• Additional staff are not required in the production;</li> <li>• Simpler and easier to control purchasing;</li> <li>• Less costly due to the limited items required; and</li> <li>• Better and easier portion control.</li> </ul>	<ul style="list-style-type: none"> <li>• Often less expensive as the menu can be balanced with less expensive items;</li> <li>• A large quantity of food is not required as there are more varieties to choose from;</li> <li>• Items can be frequently updated based on changes in trends and seasonality, so as to stimulate the</li> <li>• consumption of target customers.</li> </ul>

## 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 are as follows:

### a) Food Purchasing:

According to John Stefanelli, 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 they involve cost and quality control guidelines. Appropriate specifications have to be developed for each item bought from outside suppliers. This helps avoid any misunderstanding among the concerned parties. Typically, the restaurant manager produces a list of approved suppliers. This helps to guarantee a consistency in quality and cost and also controls the activities of the buyer.

Normally, only the manager can add or remove a supplier's name from the list. Deciding the size of the order is very difficult. Over-buying 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 upon. 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 4.2** specifies three different types of menus that are used depending on the nature of the outlet.

**Table 4.2: 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

While the menu is the core of the food service industry, the ingredients are the essential element of the food produced. This is where recipe standardisation becomes very useful. It is the most significant tool for controlling costs and safeguarding product consistency and quality.

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

In the following table, **Table 4.3**, the format is utilised for standardisation of a recipe:

**Table 4.3: the Sample Production Schedule Format**

Date
Meal
Unit

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

Even though the standardisation of recipes is important in the food service industry, it is often overlooked. It is part of a manager's job to standardise recipes to achieve quality control as well as the 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. The main source of food contamination is 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. The equipment must also be considered carefully. The cleaning area must be kept clean to ensure food service hygiene. All sinks and work surfaces should be cleaned before and after use. All equipment must be sanitised and sterilised after cleaning. This equipment must 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 and 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 ensure proper hygiene of the food and the surrounding area.

## Beverages

Beverages served can be 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, do the following:

- Obtain a special permit or licence to serve alcohol on the premises,
- maintain specific hours, and
- check the customers' ages to ensure that they have attained the legal age to drink alcohol.

When a restaurant begins to serve alcoholic drinks to the customers, it must maintain a wine and drinks menu. If the drinks are served with the food, 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. For example, white wine complements less flavoured food. The shape and size of the drinks list should be easy for customers and staff to handle.

## Types of Wine and Drinks

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 ingredients;
- 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 wines and drinks on a list tend to follow the order of consumption or are 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 and might include a specialist range of brandies and/or malt whiskies. Vintage and LBV port might also be offered here;
- 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 fine wines to meet all customer preferences;

- In some cases, the banqueting wine will be taken from the restaurant wine list.

### Room service drinks list

- This may be a mini-bar or choice from a standard bar list;
- A limited range of wines is 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, but a good wine can be stored for decades. Overstocking will require extra storage space but under-stocking will result in the guests not being properly served. Past sales data can help determine the amount of stock required. A helpful formula 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 might 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 a 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 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 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 forms should be used by the units selling alcoholic beverages to draw items from the cellar;
- Record of goods received and issued from the cellar must be maintained; and
- A record of the sales taking place. At the end of the day, an auditor should be able to go through all the records and find the exact sales and profit records.

## Cost Control

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

According to James Keiser, control is best achieved 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.

The traditional approach has two main aspects. The first aspect is being watchful over the staff, correcting mistakes and undertaking 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:



- 1) **Establishment of standards or goals.** These standards or goals can be expressed in various ways, such as a percentage or a budget, or even a performance or 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 as the number of meals served each serving hour.
- 3) **Comparison and analysis.** It is possible to compare the standard or goal with the actual performance determined once both parameters have been established. This figure will not always be the same, and the acceptable variance and the frequency with which the comparison is to be made are determined by the manager.
- 4) **Corrective action.** Once a significant variation has been established, the manager must take corrective action to maintain it. These actions may include more observation, staff changes, or a change in the methods of operations, among others. It may also be determined that the standard is unrealistic and has to be changed.

The behaviouristic approach is dependent on the enthusiasm of the staff in serving the best interests of their employer. Employers usually have good relationships with their staff in the food service industry. However, they feel that traditional control systems are essential. Another cost control tool is menu pricing. James Kieser believes that factors important in menu pricing include:

- Elasticity of Demand - the effect that 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 a lack of competition will allow you to charge higher prices than normal; and
- Whether the operation will try to increase profits by keeping a low selling price which will increase sales or by keeping a higher price which will result in fewer unit sales.

Besides the menu, the other major costs in the food service industry are as follows:

- a) **Purchasing of Food:** Estimates of the required amount of raw materials must be as accurate as possible, since the storage of perishable items can cause losses. Keeping a proper inventory of raw materials in storage will help avoid the misuse of these items
- b) **Labour Costs:** Another major cost in food production is labour costs. Workers who are new to the business usually cause more harm than good. A good Human Resources Policy will ensure that good workers are employed by the organisation. A motivated staff and a knowledge of how many personnel are needed to carry out the work efficiently will help cut costs.

## Computer Applications in Food and Beverage Services

Computers have become a large part of all successful businesses. The use of computers in food and beverages operations helps in the following ways:

- Improves guest services;
- Streamlines handling of paperwork and data;
- Improves control over day-to-day operations;
- Generates complete and timely reports;
- Reduces paper costs;
- Increases sales revenue;
- Increases employee productivity;
- Reduces the need for clerical staff;
- Reduces repetitive tasks; and
- Helps maintain current sales and expenses 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 when making a 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 one of 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, check the market for the appropriate hardware. The hardware you select should be compatible with other computer systems already in use in the business. Do not choose 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 a helpline. The firm should also be able to provide the necessary software that is compatible with your business's overall system.

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

### 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 reports;
- 5) Group-booking logs;
- 6) Daily tracer-list printouts of current and previous clients;
- 7) Sales-call reports;
- 8) Group-profile sheets;
- 9) Banquet Event Orders (BEO);
- 10) Function resumes;
- 11) Lost-business reports;
- 12) Pre-function sheets;
- 13) Catering contracts;
- 14) Daily event schedules;
- 15) Forecasts;
- 16) Daily function-room schedules;
- 17) Work schedules;
- 18) Room layouts;
- 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 schedules;

- 33) Break-even analysis;
- 34) Menu planning;
- 35) Tip reporting;
- 36) Tip allocation;
- 37) Server analysis;
- 38) Stock requisition;
- 39) Department-by-department comparisons;
- 40) Open-guest-check reports;
- 41) Cashier analysis;
- 42) Communication with other hotel departments;
- 43) Link with corporate headquarters;
- 44) Billing;
- 45) Inventory re-orders; 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*