
UNIT: 01

RESTAURANT PLANNING

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1.1 Introduction

Restaurant planning for layout and design have a great impact on its appeal to the guest and on the productivity of employees. If the planning is not proper, the guest orders might get delayed, as production people will take more time to prepare and the extra walking time will make them tired. It will also reduce their interactions with guest. Moreover design and layout are very important as it is directly related to capital costs.

1.2 Objectives

After reading this unit learner will understand and know about:

- Criteria for restaurant planning
- Role of lighting in restaurant design
- Thumb rules for guest handing
- Flambe & gueridon service

1.3 Restaurant Planning

It is the responsibility of a food service manager to be involved in the process of planning for an up coming food service facility or to remodel or change an existing one. Food service managers must be involved with the development of all aspects of the design to

ensure that the facilities are properly coordinated and functional. Restaurant planning is a guideline and a road map for your restaurant's business. It includes everything, right from the minute details to the critical decisions that you will be making while running your restaurant. It is a blueprint that enlists the documents like summary, business overview, industry analysis, financial analysis operational plan, and marketing plan.

1.3.1 Key Concepts of Restaurant Planning

The key concepts of restaurant planning are as under:

- One should study current trends in design, equipment, regulatory codes etc.
- A written prospectus should be prepared for the project.
- A planning team should be formulated. This team includes: The owner, food services manager, builders/ contractor, chief engineer or head of maintenance department.
- The menu of the restaurant is the key for selecting the equipment and allocation of space.
- Architectural features must ensure and incorporate the concept of cost, clearing noise, sanitation etc.
- Flow diagrams should be prepared to show the location of work units.
- Diagrams of equipment must be drawn to scale to understand space requirements.
- All government regulations have to be considered.
- The entire facility is divided into major work areas, such or receiving, storage, issues, pre-preparation, preparation, service, wash and support areas.

1.3.2 The Importance of a Restaurant Planning

The objective of a restaurant plan is to define the business and enable you to understand the various aspects of running a restaurant. The followings are the main points for Restaurant planning:

1. **Realizing the Vision:** Before your start pitching your restaurant to the customers or the potential investors, you should first be clear about what you want to achieve. Deciding the format and the type of the restaurant is just one thing, do you want your restaurant to be a party place that the young crawled would enjoy or a quiet retrieve that people would prefer spending time at. A restaurant planning would help you to put your vision on paper and go a long way in making your restaurant dream a reality. Based on these decisions, you can go ahead and create a fantastic restaurant business plan that incorporates these visions into actionable objectives.
2. **Creating an operational and financial plan:** The primary aim of a restaurant business plan is to create an operational plan that enlists all the action that you

would be taking to make your restaurant successful. Having a clear business overview ensures that you have a clear vision about the concept and theme of your restaurant, the kind of food you would be serving, with a sample menu for reference, and the kind of service you would be offering. Creating a restaurant plan also helps you estimate the number of employees you would be needed. You should also have a clear financial strategy that helps you keep track of the inflow and outflow of cash. Cash flow management is one of the biggest challenges of running a restaurant and must always be given prior thought. How would you be paying the rent, staff salaries, vendor payments, etc.

- 3. Evaluating the progress:** Restaurant planning is important as it not only helps you create a roadmap to follow, it also helps you set benchmarks for your business and assess the progress. When you set timelines to your restaurant plan, you can also work to achieve the goals within the set duration. You should set the monthly sales target and measure it regularly to see if you are close to achieving your goal.

1.4 Planning and Operating various F &B Outlets and Ancillary Areas

There are other ways that menu design also influences equipment and facility designs. Planning is the first and the most important factor to be considered while establishing an outlet. Proper planning reduces project time and labour cost. It yields well organized outlet and operations. There are three steps involved in planning.

Step 1: Doing market survey and gathering information. Actually developing blue prints, and putting plans into practice.

Step 2: Procuring funds and the required area, space or building, and equipment; setting standards and recruiting staff.

Step 3: Listing out policies and procedures, setting goals and targets to be achieved in a particular time frame. Defining service standards and focusing on operations to bring in more profit.

Work centers can be main operational areas or ancillary areas. These outlets and ancillary areas are arranged with respect to the equipment used in a particular area and the flow of operations.

1.4.1 Concept

The concept of a food service operation is the overall plan for how it will meet the needs and expectations of its intended market. A food service operation's concept is expressed in many ways, including its menu, décor, form of service, pricing, and location. Concept development means developing a plan for the success of the operation in its market in advance of actually designing- let alone building-the facility.

It is not unusual for person to consider a new restaurant or, in fact, to open a new restaurant without knowing what type of food facility will have the best chance of succeeding. The potential entrepreneur may have some investment money, a location or a

theme in mind, and a great amount of enthusiasm for the food business, but may not really have thought through the total concept of the operation. Unfortunately, enthusiasm and great food products are only half of the success equation.

The other half of the equation is the market. Concept development precedes the actual design of a food service facility because the food service design team must know what the menu, demand, hours of operation, and mode of service will be.

1. Single Unit Restaurant Concept Development: The Client who most frequently comes to the food facilities design consultant for help with concept development is the individual restaurant owner. The restaurant owner typically organizes a corporation comprised of a small number of local businesspeople and then begins to develop a concept that will eventually become a free standing restaurant. The success or failure of the venture often depends on how well the concept was planned and how well the plan was followed. Numerous concepts are possible for single-unit restaurant. Commonly found concepts often are describe in terms of these general categories:

- i. **Fine-dining restaurant:** Fine dining restaurants are distinguished by fine cuisine prepared by celebrity chefs, attentive service, stylish décor and high prices.
- ii. **Theme restaurants:** Theme restaurants offer a dining experience that evokes special times, places or events, such as English pubs, restaurants owned by sports celebrities, and re-creations of diners.
- iii. **Casual Dinner Houses:** Casual dinner houses emphasize a comfortable and contemporary décor as well as high value. Well-known casual dinner houses are not single-unit restaurant, but chains such as Chili's, T.G.I. Friday's, and KFC.
- iv. **Ethnic restaurant:** Ethnic restaurants are closely tied to the cultures or foodways from which they originated. They include Mexican, Italian, French, German, Thai and Indian restaurant, to name but a few.
- v. **Family restaurants:** Family restaurants specialize in relatively in expensive fare and are kid-friendly.
- vi. **Fast casual:** Fast Casual restaurants generally combine quick service with higher-quality food, a more upscale environment, and an emphasis on fresh ingredients. They include chains such as Panera Bread, Chipotle Mexican Grill, and Baja Fresh.
- vii. **Quick-service restaurants:** Quick service restaurants specialize in convenience and fast service and include fast-food operations as well as delis, bagel shop, and sandwich shops.

Each of these categories of food service concept involves differences in menu, décor, mode of service, and price. However, not all of these factors are equally important within a given concept. Price is a critical factor in the success of quick-service, family, and

casual dinner restaurants, where customers are value-conscious. However, price may not be as important in fine-dining restaurants, where customers expect to pay more money.

Similarly, location is crucial for quick-service restaurants because their clientele depends on convenient access. But for some fine-dining and theme restaurants, location is not critical. Concept development for a single-unit restaurant is thus a complex process.

2. Chain restaurant concept development: Multiunit casual dinner houses and theme restaurants such as Chili's, T.G.I. Friday's and the Olive Garden, follow concept franchise to develop restaurant. Their emphasis is on identifying the key characteristics of their target markets and then locating restaurants where there is a high concentration of individuals who have those characteristics. Key characteristics may include income, age, education and home ownership.

3. Multi-theme restaurant concept development: A particular form of multiunit restaurant for which concept development is critical to success is the restaurant organization that opens and operates restaurants whose concepts are not identical but different.

4. Hotel food and beverage concept development: The development of food service concepts for hotels has evolved in recent years from the traditional view that considered the food and beverage department as a necessary evil to the modern idea that the food and beverage department is an important profit center. Some large hotels have food and beverage sales of over million per years, an amount that exceeds room sales and creates in management a high expectation of profit from these two departments.

Hotel managers have known for many years that hotel restaurants must have certain desirable's features if they are to be successful. These features includes:

- i. Availability of parking
- ii. Unique theme or décor (different from the décor of the hotel itself)
- iii. Strong promotion to the community
- iv. A menu and a method of service that are distinctive.

The developers of hotel properties, and in some cases hotel chains, have used outside foodservice facilities and interior design consultants to create unique specialty restaurants that can be marketed successfully to both hotel guests and the community.

5. Non commercial food service concept development: Institutional food service is usually conceived as a service to an organization and often has a not-for-profit philosophy. Most institutional food operations are expected to break even, and all are expected to budget and operate within well-defined ranges of costs so that they do not become a financial burden on the organization they serve. In some cases, the institutional food operation is expected to make a profit and to pay for all of its direct and indirect operational costs.

Often the development of an operational concept for the institution is ignored, and this is usually a serious mistake. The institution must accurately interpret its market and must "sell" its products, even when the food is indirectly paid for by the customer. For instance, in hospital food service, an unattractive meal presentation will cause

dissatisfaction and complaints on the part of the patient and possibly adverse health effects as well if he or she does not eat meal and thus does not get sufficient nourishment. In a college or university dining hall, a comprehensive concept of service and décor can greatly influence financial success. Attractive food court service or a market place design, for example, can increase the popularity of a college food service operation and generate additional profit. The electronic industry has had a tremendous impact on institutional food services, especially in the college and university sector. The use of an institution-issued identification card that identifies the student/ customer and that contains a rupee amount of funds for the purchase of food can significantly increase sales. The card often can be used in dining halls, vending machines, snack bars, convenience stores, or for a late-night pizza delivery. Parents like the idea of a “food-only” card for their students away at college while students enjoy the flexibility of the card and the cash-free transactions.

A dining facility operated by a corporation for its employees should also have a well-planned concept and décor. The ability of corporate food service operations to attract employees may influence the degree of subsidy that a company is willing to contribute to the operation. Keeping employees within the building or corporate campus has also been shown to increase their productivity, thus benefiting the corporation.

Five M’s of Concept development: The successful food service operation combines these elements of concept development: market, menu, money, management, and method of execution.

1. Market: The importance of conducting market studies before proceeding with the construction of a food facility cannot be stressed too heavily. The basic marketing questions that must be answered are:

- a. To whom is the food operation being marketed?
- b. Is the market large enough to generate sales and produce a profit?
- c. How will the market be identified?
- d. What level of competition exists in the market?
- e. What method will be used to communicate to this market?
- f. Will the potential customer want or need the food product?
- g. Will a quality assurance plan be developed that will encourage the customer to return because of superior service and/ or product quality?
- h. Will internal marketing successfully sell the customer additional services or products after he or she arrives at the food facility?

A class mistake made by both large corporations and individual restaurant operators is to conduct the market analysis and then fail to act on the basis of the information obtained. Even owners (or potential owners) of food operations who have no marketing background can conduct their own market research, with a small amount of guidance and a large amount of energy and common sense.

1. Menu: The importance of the menu to the design of the food facility can not be overemphasized. The subject of menu writing is too broad to be addressed adequately in a book on foodservice facilities design. The owner or manager in

encouraged to seek additional sources of information as a part of the process of developing a menu for a new or renovated food operation. The menu has a tremendous influence on the design and success of a food operation. From a design and layout perspective, these are just some of the factor determined by the menu:

- a. **Amount of Space Required:** A complex menu requires more space to prepare than limited or simple menu because separate work stations and additional equipment are necessary.
- b. **Service area size and design:** The greater the number of menu items, the more area required for service. For example, in a cafeteria each beverage requires a dispenser and each entrée a point of service.
- c. **Dishwashing area size and dish machine capacity:** Complex menus often require multiple plates, dishes and utensils, so the dishwashing area and machine capacity will need to be greater than in the case of simple menus.
- d. **Types of cooking equipment:** Complex menus require multiple types of equipment, especially in the final preparation area, where it may be necessary to steam, fry, bake, broil and sauté.
- e. **Equipment capacity:** Limited menus may require relatively few pieces of equipment but with large capacities. Complex menus may require many different types of equipment with relatively small capacities.
- f. **Size of dry and refrigerated storage areas:** Complex menus may require large storage areas to maintain the par stocks necessary to meet demand.
- g. **Number of employees:** Simple menus require fewer employees than complex menus.
- h. **Amount of investment required:** when large or complex menus require more equipment, space and employees, cost rise.

2. Money: Successfully capitalization of a food facility includes funds for:

- a. Planning costs
- b. Building construction or renovation
- c. Equipment
- d. China, glassware, utensils
- e. Furniture and fixtures
- f. Décor
- g. Start-up and operating costs

Planning for capital funds is a two-step process: First the financial needs are estimated and sources of financial support are contacted to determine the possibility of obtaining investment funds, then, after concept development has

taken place, preliminary designs and construction estimates have been made, and market research is completed, financial commitments are made by lenders and investors.

3. Management: The quality of the management of the food service operation will be the most important element in achieving success. Following are typical questions to be addressed by the owners:

- a. Who will operate the foodservice facility?
- b. What kind of food experience and educational background must this person have?
- c. Who will assist this person in covering the long hours that are usually required to operate a food service facility?
- d. What level of pay will this person receive?
- e. Will this person be rewarded in some way for excellent sales and profit results?
- f. How will the owners set operational policies and communicate these to the management staff?

The answer to these questions will determine the organizational structure and the kind of management team that will be used to operate the food facility. The successful restaurant often is owned and operated by one individual whose personality becomes a part of the guest's dining experience. In contrast, the management of the food and beverage department of a hotel may be under the control of more than one person and usually is part of a more complex organization team. The policies and procedure of the food facility should be described in an operations manual to ensure consistent implementation of management policy.

4. Method of Execution: The last step in concept development involves operational matters. Although the opening date might seem to be in the distant future to the person planning a food facility, decisions about operating methods must be made during the concept development phase on matters such as production methods, control systems, and personnel.

- a. **Production methods:** Will convenience foods or traditional "from scratch" cookery be used? This decision will have a great influence of the size of refrigerated and dry storage areas and on the size of the kitchen. Production methods will also determine the number of employees in the kitchen and the skill level of these employees.
- b. **Control System:** Food and beverage controls involve many different parts of the facility, and planning for these controls before the project is under construction is strongly recommended. These areas of control should be carefully considered:
 - Cash control
 - Sales analysis
 - Guest check control
 - Food production forecasting
 - Storeroom and refrigeration control
 - Back door security

- Labour control
- Purchasing and receiving control
- Quality control
- Portion control

c. **Personnel:** The development of financial feasibility studies cannot begin until the amount of labor required is known. The employee schedules, hours of operation, staffing patterns, staff benefits, skill levels, and level of supervision employees must all be determined before serious development of the food facility begins. As part of its concept development, the fast-food industry based its low labor costs on the use of hourly unskilled labour, scheduled to work short periods of time. When the food operation is busy, part-time employees are scheduled to work. The use of part-time employees in fast-food restaurants has also significantly reduced the cost of benefits, and was an important part of concept development in the fast-food industry.

1.4.2 Menu

A menu is the range of food and beverage items offered by a food service outlets. The menu covers (card) is the written document which is used to present the guest. The word 'menu' is a French term. The English refer to it as the 'Bill of fare'. The menu also clearly defines the chef's tasks. He can:-

1. Order appropriate raw materials without having to keep high inventories.
2. Design the menu around the cook's skills.
3. Plan his production schedule for the day.
4. Gear the kitchen with the appropriate equipment and suppliers required.

The menu has the following characteristics and importance:

- **Sells:** It is a great 'silent sales person' and stimulates sales. Great pains are taken in compiling the menu.
- **Image:** It is the signature of the restaurant. It therefore has to be attractive, informative and gastronomically correct. It promotes the image of the property and becomes a talking point in many social gatherings.
- **Identity:** It identifies the restaurants theme. This is especially important for specialty restaurants.
- **Experience:** It certainly contributes to the dining experience. People find it novel and a talking point. Many even collect unique menu cards for display in their homes.
- **Informative:** The menu informs the guest what is on offer and how much each item is priced. Most guests come with a budget and make choices to what one can afford. The menu also describes each item. It explains exotic dishes and gives prices so that guests can adapt their choices within their budget.

Types of Menu

Menu may be classified in four different ways:

Pricing	Menu Schedule	Meal Times	Specialty
A la Carte Menu	Fixed Menu	Breakfast Menu	Children’s Menu
Table d’ Hote Menu	Cyclic Menu	Lunch Menu	Diet Menu
Combination Menu		Dinner Menu	Desert Menu
		Supper Menu	
		Brunch Menu	

1. **Pricing:** Under this category, menus are differentiated by their pricing options. Menu items may be individually priced or priced for a whole meal.
 - a. **A La Carte Menu:** This is a menu in which each food item is separately priced to give the guest choice to suite his or her tastes and budgets. Each course has a number of choices. The courses generally follow the sequence of the classical menu.
 - b. **Table d’ Hote Menu:** A menu which prices the entire meal, irrespective of whether the guest avails of the entire meal or not. Sometimes there is a choice of two items under each course to accommodate those who are vegetarian or allergic to certain foods or quite simply to give dinners a choice.
 - c. **Combination Menu:** This menu combines the a la carte and table d’ hote menus. A la Carte menus for instance may offer a combination of rice/ breads, vegetables, potatoes in the entrée dish price. Table d’hote menus, on the other hand, may offer an option of the whole meal or a choice of individually priced appetizers or desserts from the menu.

2. **Menu Schedule:** This category focuses on the frequency of menu revision. Some establishments offer menus that last months while others are changed daily.
 - a. **Fixed Menu:** A fixed menu is one which is used for months or a year, like most restaurants. The restaurants that use such means either have a large variety of items within each course or when there is less frequency of repeat guests. Establishments like transit hotels, specialty restaurants or weekend resorts may choose fixed menus because the guests are in for a short visit or visit the restaurant as a variety from the usual. The cost to change a menu is prohibitive. The best that a restaurant with a fixed menu can do in offering variety is to have specials of the day.
 - b. **Cyclic Menu:** These are designed to offer frequent guests a variety. The cycle of menus can be on a daily, weekly or monthly basis. These menus may be found in downtown lunch restaurants

frequented by a dedicated business clientele. Dedicated clients need variety otherwise they can experience 'food fatigue'. Isolated resorts may offer cyclic menus to their guests who do not have any where else to go. Cyclic menus will require multi skilled cooks, flexible purchase and production schedules.

3. **Meal Times:** The traditional meal times of breakfast, brunch, lunch, tea and dinner have their special types of meals justifying separate menu for each. There may be restaurants specializing in a particular meal time.
 - a. **Breakfast Menu:** The breakfast menu is an important meal to many cultures which want cheap and whole some meals. Being the first meal, wholesome meals. Being the first meal, guests are in a hurry and want a quick service therefore breakfast buffets are common in outlets.
 - b. **Lunch Menu:** Lunch menus can vary from elaborate meals to light meals depending on the purpose and culture of the guests. Business delegates prefer sandwiches, salads and soups due to limited time at lunch breaks. Restaurant that have dedicated clientele may choose to rotate menus every week to break the monotony. They may even offer specials of the day displayed along with their regular menu.
 - c. **Dinner Menu:** These menus are elaborate, as guests have more time and leisure for eating. Dinner menus are an entertainment and people are willing to pay extra for these meals. Dinner menus will have house specialties and real chance to sell their expensive items.
 - d. **Supper Menu:** The term supper comes from England that varies in purpose around the European continent. It is a light dinner had already evenings or late nights. It is filler between two major meals lunch and dinner or dinner and breakfast.
 - e. **Brunch Menu:** These menus are designed for families or guests who wish to wake late. This menu is popular on holidays and weekends. This word 'Brunch' derived from the combination of breakfast and lunch. The brunch will have combinations of breakfast and lunch items to suit the mood and taste of the individual.
4. **Specialty Menu:** Specialty Menu caters to market segments that have particular needs.
 - a. **Children's Menu:** Children have become prime demand makers in homes. Advertisements today are all directed towards children. Fast food outlets have exploited this trends with family and children's packages. They offer children's birthday arrangements

from ballons to games. They now offer several incentives for children's menu including free animated films and games. A typical children's menu has burgers, fried chicken, sandwiches, French fries and ice creams etc.

- b. **Diet Menu:** Diet Menu have become significant with the health conscious modern public. Health food will have salads, steamed items, non-fat sauces and non-cholesterol items. Senior citizens are an important segment to cater too and they are often moneyed.
- c. **Dessert Menu:** This menu is offered by restaurants that have good patisserie. Dessert menu may be a found on a dessert trolley in an up-market restaurant.

1.4.3 Space & Lighting

When deciding how much space you will need for various parts of your restaurant, consider how much food you plan to serve, what types of meals you will prepare, and the costs to either build or rent the space. The amount of space needed for each area will vary. The number of persons who can be accommodated during a meal period is determined by the space occupied by the chairs and tables and by the seat turnover rate.

Adequate lighting is essential in food preparation and service. Employees need sufficient light to observe the quality of the food products they are handling and to monitor the cleanliness of their work area. The standard light from a standard candle that strikes a one-foot square surface from a distance of one foot. The farther away a light is placed from the surface to be lighted, the lower number of foot candle. In casual dining are 40-50 foot candle is required. Restaurants that are multipurpose-serving business lunches during the day and intimate dinners in the evening-should install dimmers on the lighting system to enable a change of light levels to reflect different moods. Light sources and level of intensity should cause both the guest and the food to look good. There are several different ways to use light. The most common are indirect or direct. Indirect lighting washes a space with light instead of aiming the light at a specific spot. Indirect lighting minimizes shadows and is considered flattering in most cases. Often the light fixture itself is concealed. Direct lighting aims a certain place, to accent an area such as a table top. When that area is directly beneath the light fixture, it is referred to as down lighting. A chandelier is an example of direct lighting. Lighting in food and beverage outlets is mainly categorized into two kinds:

1. **Functional Lighting:** This kind of lighting is required for operations in the back area and kitchen. It is also required on the tables to enable the guest to read the menu and see the food and beverage presentation. This kind of lighting amounts as much as 75 per cent of the total restaurant lighting. Functional lighting is more common on tables, at buffet counters, display articles, and on the pictures and painting.
2. **Decorative Lighting:** This kind of lighting is used to create ambience and décor. It is a part of decoration. This includes wall bracket lamps, serial lamps, and picture focus lamp, etc.

Restaurant designers use tips from ‘psychology of lighting’ in developing lighting system for a restaurant. Below are a few tips on creating a correct lighting system:

- Brighter or strong lighting is not comfortable to eyes, thus gives a message of ‘eat quickly and leave’
- Soft lighting creates a mood of ‘relax and dine at leisure’
- Sparkles enhance the appetite and encourage conversation
- Spotlights on seating areas should be avoided. Guests should be surrounded with light rather than spotting them
- Candles between people draw them together
- Direct lighting to be countered with soft lighting

1.4.4 Colour & Market

The colours used in Restaurant area obviously affect the atmosphere. Designers follow a wide range of rules while selecting colours. A great care must be taken while choosing the right colour, since food and colour are closely associated. The colour scheme used must reflect the character of the restaurant. Usually, white, cream, beige, blue and yellow are the mostly colour in food and beverage establishments. A combination of different colours can be used to balance and to create the desired effect. Colours also affect the mood of the guests. It is observed that cool colours such as light, green, blue and violet give a relaxed dining experience. In contrast, warm colours such as yellow, red and orange will stimulate activity; thus, encourage fast table turnover. Colours also have an impact on the room size. A small room can be show cased as a large room by painting it with some bright colours. Similarly, a large area can be painted with a dark colour to give a more intimate feel. Even though blue is shown to have decreasing effect on customer appetite, formal restaurants tend to use it often because it has a calm effect and is shown to be relaxing restaurant customers and bringing them in state of comfort and satisfaction. Colour also has influence on waiting time, so with blue colour time is seemingly passing quicker, while with red colour time seems to be passing slower.

1.4.5 Restaurant Design Team

The design process is very much a team effort. The composition of the team will vary depending on the capabilities (and budget) of the owner and the requirements of the project. This team will consist of these professionals:

- An architect (with engineering, mechanical, electrical, and heating ventilation and air-conditioning)
- An interior designer
- A kitchen designer
- A foodservice consultant
- A general contractor with construction crew (builders, plumbers, painters, electricians, roofers, etc)

More complex jobs may include other types of specialists-lighting, landscaping, acoustics, kitchen exhaust consultants, and so on. Equipment suppliers usually offer design services, but you should not rely only on their recommendations.

The foodservice consultant guides the owner through the conceptual development of the restaurant, a process that includes defining the concept, researching its applicability and financial viability in a chosen market, and determining menu and wine list needs. The

architect then coordinates the building plans to execute the concept. The designer provides colour schemes and suggests materials for floors, walls, and ceiling as well as choices of fixtures and furniture.

A foodservice consultant should be hired if there's any uncertainty about how to proceed with a project. Often, if a person has money and wants to be involved in the restaurant industry but doesn't have any hand-on experience, the consultant is hired to help brainstorm concepts, conduct research, analyze sites-a sort of personal trainer for the would be owner. However, the owner should not abdicate the decision-making responsibilities but rather listen carefully to the advice for which he or she is paying. When hiring any kind of consultant, be sure you understand the charges for their services, exactly what is (and is not) included in their fees, and when payment will be due. Often the bill can be paid in segments as certain aspects of the job are completed.

Like any good partnership, the team members should support each others strengths and curtail each others excesses. For the owner/ manager, this may mean reminding the designer of the real-life intricacies and practicalities of running a restaurant, and nixing those ideas that simply don't lend themselves to a smooth-running operation. The owner/ manager is also far more aware of budget constraints and can prioritize the team's list of ideas, deciding which can be afforded now and which must wait until later.

The professional team contributes creativity, expertise, knowledge of industry trends, and familiarity with the construction and decorating crews it will take to get the job done. They can save time and often get better deals on furnishings, fabrics, and other items from suppliers. However, the team's most important contribution may be objectivity. Often the new restaurant is so captivated by an idea that he or she loses the ability to judge accurately what will work best for the dining public.

Together, they can manage to incorporate both big-picture elements and small-picture touches that reflect the personalities of the owner and/ or chef-but only if there is accurate and timely communication among the team members, who all must be working under the same assumptions and heading in the same direction. In the interest of running the team smoothly, some written direction is required. The design program is a document that details all the criteria and assumptions on which the restaurant design will be based. From entry way to receiving dock, it should specify the equipment and flow patterns necessary to operate the business. The design program will change over time, as the project progresses.

A time schedule is key to successful completion of this type of project. Start dates and deadlines, as well as assignment of responsibility for each task, should be written and shared with all team members. Planning meetings should be part of the schedule, each with a preset agenda to keep everyone on task. Not every team member must attend every meeting but accurate and detailed minutes of the meeting should be sent to all.

A separate contract for each company or individual consultant involved in the project, which specifies the terms of others involvement and the fess they charge, is a requirement. (This makes an attorney an ancillary, but every necessary, part of the design package). During construction, most projects seem to take on a life of their own. Inspectors don't show up when they're supposed to. Weather causes delays. Deadlines

aren't met and costs exceed budgets. There are all manner of hurdles and challenges. Communication, coordination, trust, and respect for the other team members-and all agreement in writing-will get you through the rough spots.

Because this interaction is so intense and important, choose your design team members carefully. Visit other restaurants they have worked on, and talk with other owners if you can. The designer's personality is especially important. Choose one who listens to what you are saying and is excited about the project. Of course, just as there are celebrity chefs, there are celebrity architects and designers who specialize in creating dining spaces. You might hire a newer firm, or someone who has been known for home décor, to get professional results with lower fees than those of big-name design stars.

It is helpful to stand back periodically and evaluate the final design. Ask other trusted associates to do the same. Will it impress the guests the first time they come in? Is it comfortable enough to promote them to return? Why not ask the guests themselves? The design process is all-consuming at first, but it should not be shelved after opening day. Constant evaluation and modification are part of a good design. Keep in touch with your design team, and ask them to come in periodically to share news about trends and make recommendations for updating design components. Look at your competitors and listen to your customers.

A few restaurateurs prefer to tackle the design process themselves, without the aid of a professional. They believe a restaurant's personality is best communicated to the guest by the owner. Those who do it themselves say the chief advantage is that they control the process. And there are feelings among some longtime foodservice operators that designers "decorate," with little concern for comfort or functionality; that they're more concerned with how something looks than how it works. It is true that storage is as important a space need as an attractive dining area. It's not all about the spaces the public will see. Think about the best use of every square foot.

One caution for do-it yourselfers: If a menu item- or even a whole menu, for that matter doesn't work out, it can be changed relatively easily. But what about wall treatments carpeting, or furnishings? If they don't work out, change is expensive and inconvenient. It may be easier in the long run to pay for the services of a designer. Just resolve to stay as involved as possible in the process, on every level. Remember, the architect creates, the contractor builds and the designer designs the restaurant-once. The operator must run it for years to come.

CHECK YOUR PROGRESS-I

Q-1 What is restaurant planning?

Q-2 Define Menu.

1.5 Restaurant Problems and Guest Situation Handling-(Thumb Rules)

Do not take offense, however, when guests do complain. Valid complaints are the restaurant’s feedback and should be used to improve service for those who come to the restaurant in the future. Allowing a complaint to be ignored or handled poorly will result in a disgruntled guest, who will then talk negatively about the restaurant.

Some complaints can be prevented before they occur. For example, if a guest orders a separate side order for which there is a charge, mention the extra charge for this specialty so that there is no surprise when the guest finds it on his or her check. When an order is delayed in the kitchen, reassure the guest that the order has not been forgotten. Remain professional and never place blame on other employees for a mistake or a delay, especially when the table is under your control.

By all means, avoid arguing with guest. Use tact and courtesy, and respect their opinions. Remember, the guests are always right. A good procedure for handling complaints is as follows:

1. Listen to the details of the complaint and take time to understand it.
2. Restate the complaint briefly to show you understand.
3. Agree truthfully to a minor point (e.g. “Thank you for bringing that up”). This puts you in the position of empathizing with the guest and looking at the complaint from the guest’s point of view.
4. Handle the complaint promptly. Make an immediate adjustment or correction if you can. Treat your guests as you would like to be treated if you were in their position.

Approach the guest and ask politely if there is a problem:

- Excuse me, may I help you Mr. Shyam Sharma (Listen with concern and empathy)
- Stay calm. And never argue with the guest.
- Be aware of the guest’s self-esteem. Show a personal interest in the problem, try to use the guest name frequently.
- Tell the guests what can be the best done. Offer choices. Don’t promise the impossible, and don’t exceed your authority.

- Set an approximate time for completion of corrective actions. Be specific, but do not underestimate the amount of time it will take to resolve the problem.
- Monitor the progress of the corrective action done to resolve the guest complaint.
- Follow up. Even if the complaint was resolved by someone else, contact the guest to ensure that the problem was resolved satisfactory.
- Restaurant staff should take corrective actions without any hesitation.

Apologizing and taking action as per issue:

- I'm so sorry (about this), Mr. Shyam Sharma
- I'm terribly sorry (about this).
- Please accept (our/ my) sincere apologies, Mrs. Sharma.

For Complaints about the food:

- Shall I bring you another Juice?
- I'll bring you another one right away.
- I'll change it right away.
- I'll speak to the chef, and see what we can do.
- Would you like your kabab cooked a little more?
- Would you like to order something else instead?
- I'll have the kitchen prepare another one. Would you like some wine while you are waiting?

About the service:

- I'll attend to it right away. / I'll look into the matter at once.
- I'll see about your order right away.
- Excuse me, Mr. Arvind it will be about another (15) minutes for your chicken soup to get ready.
- Your food will be ready in about (15) minutes. (Apologize if there has been a delay)
- Thank you for your patience.

About the air-conditioning:

- I'll turn the air-conditioning (down/ up/ off).
- Would you like to move to a warmer place/ table?

About the table:

- I'm afraid all the tables (near the pool/ lake view area) are already taken. I'll let you know as soon as when one is free.
- I'm sorry, but the restaurant is very full at the moment. This is the only table I can offer you.

Spillages and Breakages:

- Let me help you, Mr. Ram/ Allow me, Mr. Ravi.
- I'll fetch you a (towel/ some water)
- I do apologize for the accident, Mr. Roshan. May I have it dry cleaned for you?

Guest situation Handling (Thumb Rules)

- Stick to the words ‘Customer is Always Right.’
- Train your staff to deal with various situations.
- Always ask for a feedback.
- Monitor your online reputation.
- Always respond to complaints.

1. **The Customer is Always Right:** The golden rule of any customer service: the customer is always right, no matter what! If a customer is not satisfied with the food or service, listen to them, empathize and apologize. You can offer them compensation in the form of a dish on the house, discount on the bill or a discount coupon for a future visit. Even if you don't agree with the customer, stay calm and politely try to resolve their grievance. It might not be possible to accommodate every customer request, but you can always try to make them feel valued. Remember to be always courteous, no matter what. Humility goes a long way in customer management. More than often your customers demand extra personal attention. The trick is to give them what they ask! Even the most aggressive customer would calm down when treated with patience and respect.
2. **Staff Training:** A restaurant takes the entire staff to perform efficiently. Therefore, it is important to have a strong and efficient staff what works and coordinates smoothly with each other to deliver a seamless service. It is not just the responsibility of the waiter or the server to cater to the customer, but everyone, right from the doorman, the host, the busboy to the manager, to play their part well in restaurant management. Pre-launch training is a must before the restaurant opens. Even if the person is experienced, you must train them to get them versed with your restaurant's code of conducts and the art of customer management.
3. **Asking for Feedback:** Feedback gives you opportunities to grow. When customers are not satisfied. They will never return but they might voice their opinions later on social media channels, forums, complaint register or review sites. Remember, this will damage your restaurant's reputation as well as business. The best method to minimize complaints is to encourage customer to give you feedback. After the guests have finished dining, ask them to share their experience and feedback. Let the host or the waiter directly ask them-in this case; you should remember that often customers might not be reluctant to give their feedback openly. To break the ice, you can present a feedback form along with the check to let them pen down their opinions at their convenience. The feedback form will also facilitate you gathering customer's contact details and use it your Customer Relationship Management (CRM) campaigns. But what to do in case of negative feedback? When it comes to customer management in restaurants, the best thing to do is to listen intently to what the customer is saying, empathize, and try to resolve their issues.
4. **Monitoring online Reputation:** People often rely on other's experience when it when it comes to judging a restaurant since word of mouth seems to be the

most reliable source of information. In the age of digital media, it has become a norm to check out the restaurant's reviews online before trying a new place or booking tables. There are many restaurant listing and review sites where people log their opinions about the place, ambiance, food, service, and overall experience. The restaurant's ratings and reviews give a clear picture of how the restaurant functions and what to expect from the place. Therefore, monitoring your restaurant's online reputation is extremely important and is an essential part of customer management. You must invest a good amount of time to respond to feedback, whether negative or positive. Acknowledge and responding to feedback help build stronger customer relationships and fixing existing issues. While acknowledging and propagating positive feedback will amplify your restaurant's reputation, on the other hand, addressing negative feedback will help mitigate the damage which is likely when you leave those unattended.

5. **Responding to Complaints:** Let's face it: no one likes criticism. However, instead of taking complaints as criticism, take those as opportunities to grow and improve. First of all, you must take all complaints seriously. Listen intently to the customer and try to resolve the issue immediately. Take immediate action to rectify the situation. For example, if the customer claims that the food is cold or undercooked, send it back to the kitchen pronto and replace it. The key to efficient customer service is to serve quickly; however, there can be delays at times. If a dish takes more time to prepare, inform the customer beforehand. That way they would expect the time lag and not be annoyed. Offer to bring an appetizer or bread if it is taking too long for the dish to be prepared. This gesture lets your customers know that they are valued. If we can provide an immediate response to the problem at hand, we have to do it. This may mean breaking our own rules every now and again, but then again, isn't that why we are the boss, manager or in an authority position? While this won't- and shouldn't be- the answer for all difficult guest situations, having the flexibility to respond to difficult guests quickly should be considered.
6. **Guest Situation Handling:** Often a customer might act ruthlessly, throw tantrums, or turn volatile when they are drunk. Their harsh behavior or yelling at the staff can disturb the peace at your restaurant. Here is what you can do to handle such customers:
 - The first thing to do is to stop topping up their glasses and offer them appetizers that would help soak up the booze.
 - In case the customer is getting too rowdy and going out of control, the best thing to do is to ask them to leave.
 - Do not hesitate to call the security if they start disturbing the other guests. Apologize to other customers as it may turn unpleasant for them and ensure the situation is taken care of.
 - There are also occasions when customers dig up a problem to get a discount or a complimentary dish. When this happens:

- Don't randomly offer discounts or complimentary food. Review the situation at hand. For example, if the customer complains of dissatisfactory food, you can offer to replace the dish.
- In case of delivery orders, where customers are place the order on phone or online, you can use your CRM database to blacklist them for future references.

No matter how good your service is, odds of unruly customer and volatile situations at your restaurant cannot be ruled out. Then, you would have to take a stand and make the unpleasant decision of asking him to leave. The hospitality industry, rewarding as it is, also calls for some difficult moments and customers. It is then when the management has to deal with, address those difficult situations and handle customer's complaints efficiently. With a little patience and smart customer management, you can soften the toughest of customers. All you need to do is to keep these points in mind and gather the love of your customers! But there will be more, and we are willing to learn from you do share with us how you do it at your establishment.

1.6 Hosting theme Functions/ Lunches/ Events

Themes can also create a buzz prior to the event as guests discuss how they can interpret the theme, what they are going to go as. What their friends are trying and whether they can do joint costumes which can be great corporate team building. Theme function which 'aim to create an atmosphere of another place or time and usually concentrate on one dominant theme, around which architecture, landscaping, costumed personnel, ride, shows, foodservices, and merchandise are coordinated'. Many restaurants have a well defined theme, which is achieved through consistency in operations, marketing communications, materials and employees.

1.7 Preparation of Flambes of Gueridon Service

Flambeing is finishing a dish with flaring, by the addition of spirit or wine. Flambeing enhances the taste, flavour and appearance of a dish. Care must be taken while flambeing as it can cause serious fire accidents. The alcohol bottles must not be placed near the naked flame. Controlling of flame in the pan is very important. Flambeing for long time may burn the dish and give unpleasant flavour. Short flambeing leaves more alcohol which ruins the actual pallet. There are no set rules to describe about the dishes which can be served from the Gueridon trolley. All those items that one has an option of choosing from the trolley (e.g., cheese, fruits, and wines). The dish preparation that creates visual appeal and 'wow' effect can also be served from the trolley (e.g., flambeed desserts, carved meats and cigar presentations).

Gueridon Equipment

- The flare lamp is used in cooking flambeing dishes. It requires daily maintenance; fittings of all the parts of the flare lamp should be checked regularly to avoid accidents. Lamps are operated with methylated spirit/ flammable gel or calor gas. Although nowadays flare lamps have been replaced by hotplates or induction plates, most food and beverage outlets still use flare lamps in flambe trolleys. Calor gas is the ideal fuel used in the flambe trolley because it is odourless, has excellent control of flame, and is the safest fuel.

- Suzette pans or chafing dishes are made of silver-plated copper (to prevent the food from coming into contact with copper), come in various sizes (23-30 cm diameter) and are heated evenly. These pans resemble frying pans. Since copper is a good conductor of heat, it is essential for cooking at the table in the restaurant. Make sure the silver lining of the pan is not damaged.
- Hotplates are mainly kept on the side station and are widely used for reheating purpose. Electrically operated hotplates are now very common, but a few catering units still use methylated spirits or gas hotplates.
- Knives: The following knives are available in the restaurant.
 - ✓ Stainless steel paring knife (100 mm) for preparation of the fresh fruit.
 - ✓ Stainless steel knife (150 mm) for carving of poultry, small joints (double entrecote steak), and large fruits.
 - ✓ Granton stainless steel knife (250 mm) for slicing of York ham.
 - ✓ Thin-bladed stainless steel knife (300 mm) for slicing of smoked salmon and ham.
 - ✓ Rigid blade stainless steel knife (300 mm) for slicing of large joint: roast leg of lamb, roast sirloin of beef, etc.

Mise-en-place for Gueridon

The nature of mise-en- place depends on the type of trolley and menu items offered from the trolley. Nicely arranged items increases the efficiency of the operations and provide additional value to the presentation. All equipment must be cleaned and polished daily:

- ✓ Top and under shelves should be covered with folded tablecloths.
- ✓ Cutlery should be stacked similar to stacking cutlery in the pigeon holes of sideboard.
- ✓ Always place electric/ gas/ methylated heaters or hotplates on the left-hand side and on the top of the trolley. Use a saucer under the burners to avoid spillage, which may lead to accidents.
- ✓ Arrange the carving board and carving knife on top of the trolley.
- ✓ Ensure all types of accompanied sauces and seasonings such as Worcestershire, Tabasco, oil and vinegar cruet, French and English mustard, castor sugar dredger and castor sugar on top.
- ✓ Lower shelves can be used to place service plates, service salvers, side plates, joint plates, and spare plate for dirty cutlery.
- ✓ Silver under plates of different sizes to offer accompaniments (vegetables, potato preparations, and salads) may arrange in lower shelves.
- ✓ Spare napkins; doilies are always useful during operation.
- ✓ Other items, such as KOT pads, check pads, and so forth may be placed on the waiter's sideboard together along with the gueridon equipment.

Steps Involved in Gueridon Service

The Gueridon service is a little complex in design and there are no set thumb rules to follow. However, following are suggested three important and standard steps that should help in smoother operations and better satisfaction of guests:

- ✓ Prepare and maintain Gueridon trolleys and equipment.
- ✓ Stock trolleys and display them correctly with clean utensils and linen.

more profitable, but also help promote longer business lives. At present many food & beverage outlets are not reaching to the success point. The main reason for this is lack of proper planning and forecasting. Space required in a food service is depends on the number of covers and service style offered.

1.9 Glossary

Colour rendering index: A numerical scale from 0 to 100 that indicates how bright a colour appears based on how much light is shining on it.

Concept: The idea for a restaurant, which encompasses menu, theme, décor and other factors that create an image in the minds of customers.

Design: In a space plan, the definition of sizes, shapes, styles and decoration of facility and furnishings.

Gueridon: A Gueridon is a movable service table or trolley on which food may be carved, filleted, flambé or prepared and served to the guest according to his/ her choice.

Light fixture: The base and wiring that connects to an electric power source, and a reflective surface to direct the light of a bulb.

Napery: Tablecloths and napkins.

Place setting: One person's set of flatware, plates and glassware to be arranged on a dining table.

1.10 Further Reference/ Bibliography

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1.11 Suggestive Readings

- ✓ George, B. & Chatterjee, S. (2008) Food & Beverage Service and Management. Jaico Publishing House, Mumbai.
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1.12 Terminal Questions

Q-1 What do you mean by term planning? Explain various concepts to be considered while planning layout of a new specialty restaurant.

Q- 2 Explain how Gueridon service can be an effective marketing tool for your outlet.

Q-3 What is impulse buying and what are the factors that contribute to it?

Q-4 What is flambéing? List any three advantage and disadvantages of gueridon service.

Q-5 Menu is important while planning for a restaurant. Justify it.

Q-6 Write a note on restaurant design team.

Q-7 What are the main thumb rules for handling guest problem? Explain in detail.

Q-8 Discuss the procedure of handling theme functions in detail.

UNIT: 02

BUFFET

Structure

- 2.1 Introduction
- 2.2 Objectives
- 2.3 Buffet
 - 2.3.1 Types of Buffet
 - 2.3.2 Buffet Sectors
 - 2.3.3 Equipments Used
 - 2.3.4 Factors of Buffet
 - 2.3.5 Space requirements & checklist for Buffet
 - 2.3.6 Buffet Presentation
 - 2.3.7 Menu Planning
 - 2.3.8 Staff Requirement
 - 2.3.9 Buffet Management
- 2.4 Function Catering
 - 2.4.1 Introduction
 - 2.4.2 Types of Function
 - 2.4.3 Function Administration & organization
 - 2.4.4 Booking Procedure
 - 2.4.5 Menu
 - 2.4.6 Function Contracts
 - 2.4.7 Seating Arrangement
- 2.5 Other Catering operations
 - 2.5.1 Off-Premises Catering
 - 2.5.2 Hospital Catering
 - 2.5.3 Industrial & Institutional Catering
 - 2.5.4 Airline Catering
 - 2.5.5 Railway Catering
 - 2.5.6 Home Delivery
 - 2.5.7 Takeaway
 - 2.5.8 Afternoon & High Teas
 - 2.5.8.1 Introduction
 - 2.5.8.2 Menu
 - 2.5.8.3 Cover of Service
- 2.6 Summary
- 2.7 Glossary
- 2.8 Reference/ Bibliography
- 2.9 Suggestive Reading
- 2.10 Terminal Questions

2.1 Introduction

Buffets are generally faster and more efficient than table service, using multiple buffet lines to accommodate the guests quickly and efficiently. Visual appeal, efficiency and

adaptability are main reason for popularity of buffets. Function catering refers to service of special functions for specific groups of people at an assigned time, the food, beverages, and other facilities offered being predetermined. Function catering may vary in its size and importance depending on the type of function and the number of people expected to it. Catering industry encompasses those places, institutions and companies that provide meals eaten away from home. Other catering comprises provision of meal to various organizations such as hospitals, railways, airlines etc.

2.2 Objectives

By the end of this unit the student will understand and know about:

- Types of buffet
- How to book and organize functions
- Develop the organizational structure
- Duties & responsibilities of banquet staffs
- Explain the other catering operations
- Define afternoon & high tea

2.3 Introduction to buffet

The word 'buffet' in French means a sideboard or a refreshment room. Buffets are used every day in major hotels, conference centers and stadiums. A buffet style meal allows guests to line up and choose which foods they would like to eat as they move from one end of the serving station to the other. The buffet can range from a simple offering of some hot and cold food items to elaborate presentations including ice sculptures, fresh flowers, and edible vegetables or fruit centerpieces. Buffets are suitable for serving a large number of people in very short time. Buffets are integral to many special events. Buffets can be part of a fundraiser or a gala, or part of an opening reception for a new business, product launch, or an exhibit at a gallery. Buffets are a part of many meetings, conferences, conventions, and similar corporate events. Buffets that are planned around a special event such as a fundraiser, gala, or wedding are generally planned with the client and must be tailored to their needs and budget. The event's theme is typically the starting point for developing a plan for buffet itself. The season, weather and the guest's comfort and expectations hold together the theme. They have a direct impact upon the specific dishes selected for the buffet as well as the ways they are presented. When a buffet is part of a special event or celebration, the food should set the mood and enhance the occasion without overshadowing the occasion itself. When the concept or theme is maintained throughout the buffet presentation, guests can easily recognize it as the concept or theme. Benefits of Buffets are as follows:

- Waiting on-the-table duties are reduced for the host
- Large number of guests can be accommodated
- Less labour, space and tableware required
- Profitable as many served in a shorter span of time
- Variety of foods and cuisine featured
- Gives wider choice to breakfasts, lunches and dinner
- Create informal, friendly atmosphere
- Control possible use of portions, with proper ladles and limited assisted service required

- Scope for imaginative, visual presentation of food

2.3.1 Types of buffet

There are several different types of buffets, largely distinguished by the type of food served.

- 1. Sit down Buffet:** In this type of buffet, the tables are well laid out with the required cutlery and crockery. The food served in this buffet requires both fork and knife to be used at the table, as it usually consist of large piece of meat. Guests pick up the food from the buffet line and return to the table for dining. Usually soups and rolls are served at the table. Once soup is consumed, guests are directed to the buffet counter to collect the main course. Meanwhile, waiters clear the soup bowl and keep the table ready for guests to consume the main course. In the same way, the main course is cleared and the table is kept ready when guests go to pick up the dessert course. These kinds of buffets are usually offered in state banquet parties and formal gatherings.
 - Less limitation on menu items
 - Comfort for server
 - Can serve wine and spirits with ease
 - Proper table layout and aesthetic presentation
 - Several Course and cuisines can be offered for variety
 - Entertainment can be couples with meal service
 - Offer the appeal of quick service
 - Decrease monotony
- 2. Fork Buffet:** It is generally a stand-up buffet where guests collect their cutlery and food from the buffet table. The dishes on the menu are planned in such a way that knife is not required to consume the food. Waiting staff would be available to fill the drinks or offer any other helps if required. Some occasional tables and chairs are made available usually for senior citizens and children. Fork buffets would be suitable for casual dining.
- 3. Finger Buffet:** This buffet offers lights meal and snacks on the menu. The food is prepared in small bite-sized pieces so that it requires no cutlery to consume. Canapés, finger sandwiches, kebabs, tikka, and cocktail samosa are some of the examples which are not messy to handle with fingers. Guests pick up the food from the buffet with their hands along with a serviette and consume it on the move. Service staff would refill the food in the buffet, clear empty plates, and fill the drinks as and when required.
- 4. Cold Buffet:** A cold section of the buffet is called cold buffet. The temperature of the buffet should be maintained at 5°C. The cold section is displayed on a bed of ice, but in modern buffet restaurant, freezer wells or cold wells are most commonly seen. The choice of items available on a cold buffet ranges from salads, cold meats to fresh fruits. Cold buffet are most common in European countries and they are quite popular. The Scandinavian cold buffet (smorgasbord) is world famous for its selection. The foods are not decorated,

but are simply laid out in the natural state. In fact a smorgasboard is more of a home style cooking. The foods used are traditionally Scandinavian.

5. **Cocktail Buffet:** A buffet may be served at any time of an afternoon or early evening. The food presented are small savoury items such as canapés, dips etc. Items should be no longer than two mouthfuls as guests are normally standing, drinking and talking whilst they are served. Coffee and small pastries may also be served at a cocktail buffet.
6. **Breakfast Buffet:** A breakfast buffet is a popular feature in many hotels as an alternative to an a la carte breakfast service, and includes a wide variety of foods such as toast, croissant, sausages, eggs, stewed fruits, cereals, tea and coffee. The customer usually help themselves, however a chef may be present at the buffet to prepare omelettes and fried eggs etc to order.
7. **Brunch Buffet:** The word brunch is derived from breakfast and lunch and is usually served from 10.00 – 14.00. There are two menus styles; breakfast and lunch- combined into one. This is for those people who skip their breakfast and want to have a heavy meal together, a combination of breakfast and lunch. The fundamental principle of brunch buffet is to have easily digestibly light, semi-solid food but in substantial quantity. The buffet brunch usually includes, fruits, soups, eggs, sausages, bacon, ham, quiche, cold seafood like shrimp and smoked fish, large roasts of meat and poultry, salads, vegetable dishes, many types of breadstuffs, and desserts of all varieties. Mimosa, bellini and bloody marry are popular brunch cocktail.
8. **Theme Buffet:** A theme buffet can be any of the above types of buffets but is specifically planned and prepared using a theme for that particular occasion.
 - Wedding
 - Birthdays
 - Religious festivals-Christmas, Easter
 - Seasonal-Winter, Spring, Summer, Autumn
 - Major festivals- Carnival
 - Sporting event- Tennis, football
 - A particular cuisine
 - Indian
 - Spanish
 - Italian
 - A particular type of food-seafood

The food decorations and centerpieces would be select based on the theme of the buffet.

2.3.2 Buffet Sectors

Buffet is divided into different sectors to avoid the disturbance in the flow of the guest while taking their food.

- Centerpiece & plate with Napkins.
- Soups and salads
- Appetizers
- Main Course

- Dessert
- Beverage

2.3.3 Equipments Used

It is necessary for hotels and catering establishments to keep a stock of buffet equipments depending on the level of business, the frequency of buffet service, and the storage space available. Hiring buffet equipment is also a quite common phenomenon because of high capital investment and many other constraints. Buffet equipment are usually classified into major and minor. Major Equipments are as follows:-

- Buffet tables
- Soups warmers
- Chafing dishes
- Canopies for open air buffets
- Centerpiece stand, display cascades
- Electric or gas cooking ranges for live counters

Minor equipments are as follows:

- Chinaware: Plates, Soup bowls, and Tea cups
- Cutlery: Knives, Spoons, and Forks
- Glassware
- Serving ladles and tongs
- Name tags
- Jugs Juices and milk
- Table appointments
- Platters for salad display
- Bread baskets
- Glass bowls

2.3.4 Factors of Buffet

While planning a buffet, a manager should consider the following factors such as location, structure, shape and aesthetics:

- **Location:** The buffet should be located in such a way that soon entering the restaurant or function hall, guests should be able to have a full view of it. Buffet should not obstruct the free flow of staff and guests.
- **Space provided and room configuration:** The available space and the room configuration are the biggest influence on the setup. Limited space leads to very creative techniques like using the back wall for display, tiered arrangements for increasing limited space, using smaller pan inserts, multiple cold foods on a single mirror, breaking up the buffet into various sections.
- **Allotted time for service period:** The time allotted for service also affects the setup. The fastest way to speed up service is a straight line with access from both sides with guests having total control over the portioning and handling. Another way is to set up identical stations in multiple locations. Straight line, double

buffets with guest converging from the sides to a central salad section, or diverging away from the table is also viable alternatives.

- **Number of guests:** The number of people served from a single counter ranges from 50-60 for every comfortable service to 200-500 for limited buffet dishes. A buffet for a smaller numbers may allow many setup options whereas a buffer for 3000 people may still be elegant but functionally would be the first priority. The operator may decide to provide only one plate to reduce the number of trips to the counter or may pre-plate the dishes to speed up service.
- **Type of buffet menu:** The type of menu offered often affect the buffet setup. A themed buffet can be coordinated in all aspects to reflect the central theme. A buffet having live counters like a pasta counter, carving station, tandoor unit for lunches, eggs to order or a dosa counter for breakfast affects the overall setup.
- **Live counter:** Live counters like the ones mentioned above come with their own set of requirements like power, electricity, and running water and fire protection. Also the entire station will be exposed to the guest so everything behind must be arranged as neatly as in the front.
- **Guest requests:** It is the goal of every food service operator to satisfy the customer whether the buffet station is in the parking lot or the conference hall. All requirements should be communicated to the respective departments so that they can be included in the overall setup.
- **Ratio of guests served to attendants serving foods:** The buffet, despite being a self-service counter, may have dishes that are served by an attendant. In a regular lunch buffet in a hotel the soup, breads, dessert and coffee may be served to the guest in which case the space required will be greater. Guest served items will require china to be placed in easy reach of the guests, reducing effective space on the counter. Hard to handle foods served by the attachments are kept closer to the back of the table and sloppy foods served by the guest closer to the guest's side of the table.
- **Staffing conditions:** The staff available affects the spacing of the tables, the types of foods served and the amount of dramatic action along the table. Less staff leads to increased size of serving containers, less space behind the container and less replenishment. The size of the staff also dictates how many dishes the staff will serve. Sometimes an attendant is required to use both hand in serving the dishes.
- **Service standards required:** All buffet styles require courteous, efficient and attentive service. The service standards required is determined by the amount of table service required, the number of prepared to order items, desired speed or leisure, need for hand passed service, check presentation and collection, beverage service, clearance, service of specialty foods like celebratory cakes etc.
- **Proximity of service to production:** Under ideal conditions the kitchen should be at a minimum distance from the service area. The more items that are in the production area the longer, their quality can be maintained on the buffet table. The

items that require less maintenance are placed further, which are produced in batches.

- **Ease of attended service:** Similar consideration should also exist in the case of attendant service. Reasonable space should be available behind the counter for attendants to stand as well as other attendants to pass behind with food replenishment. There should also be space for storage of waste receptacles, empty cans, backup utensils and containers of water.
- **East of guest service:** Placing the foods within the easy reach of the guest and providing the proper utensils are basic to buffet planning. The degree of service difficulty should determine how the food item is to be placed on the buffet. During a long service if the lids are left on the dishes, then the buffet should have space for the lids to be placed if the guests help themselves.
- **Back drops requirements:** Back drops may be a company related banner or logo, a person memento of the guest of honour or an item central to the buffet theme like a butter or ice carving. The backdrop should complement and not overwhelm the food display. The physical needs of the display, like limitation of space, power requirements need to be looked into as well.
- **Power needs:** Without sufficient power the best laid presentation plans cannot be implemented. Power is required for lighting, refrigeration, for electric burners and also to prepare food or maintain warming devices.
- **Aesthetics:** The manager should ensure that there is a centerpiece in the buffet to attract the eye of the guest. The centerpiece can be a particular dish, a floral display, an ice sculpture, or a confectionery display. Proper positioning of items on the table adds value to the buffet. Food items displayed on different levels always level always look more interesting than on a flat buffet table. Buffet tables can be decorated with specially designed table cloths and slips to enhance the image of the food display.

2.3.5 Space Requirements & Checklist for Buffet

Buffets are great for clients who want their guests to have a choice of meal items. Buffets are a lifesaver when the establishment has limited amount of function rooms. While arranging buffet it is best to have separate islands for the different parts of the meal. There can be a separate table for beverages, one for appetizers and salads, one for main courses, and another for dessert. One buffet line is needed to serve every hundred guests. The establishment can use ice carvings to keep cold and chafing dishes or heating units to keep food warm. Food can be displayed on mirrors, in ice carvings, or in edible bread items. All condiments are to be placed in front of or next to the food they accompany. The proper utensils to use for the condiments should be placed on the under liners. In the setup of buffet, the first item at the beginning of the buffet line should be clean plates. The buffet is usually arranged in the same manner as a meal would be served. Appetizers are placed first on the buffet line, followed by salads. Then the main course items, along with starches and vegetables. The rolls, butter, utensils, and beverages generally are the last items on the buffet line. Ideally, they should be on a separate table. By placing them

at the end of the buffet line, it becomes easier for the guests to select the food and carry their plates without having to balance their utensils with their food. Height may be created on the buffet table by using crates or boxes covered with lines. Food items are placed on these covered crates. For a standing buffet you may need to increase the space per person to 7 or 8 ft² each. This gives people more room to circulate and actually eat. To estimate serving space for a buffet, you have to figure out how much space for one line (service for the full menu) and then how many lines. So, you like at both the menu and the number of people to be served plan to set up separate table (s) for drinks/ beverages, or have cups and glasses and pitchers and thermal carafes filled with drinks already at the tables. Unless it is a small group, setting up desserts separate from the main table is also wise. An 8ft by 3ft banquet table is 24 square feet; it requires about 60 square feet for aisle space if the table is against the wall, and about 100 squares about 60 square feet for aisle space if the table is against the wall, and about 100 square fit for aisle space if the table is accessible from all sides. One 8 ft buffet table provide services only 20 to 30 people. If a service area is set up so people can go down both sides at the same time with the same menu, it can count as two lines. Setting up a double line to quickly serve 50 to 60 people requires at least 3 standard tables (24 ft of line, maximum 12 items). The menu affects the serving space requirement. 2 running ft of buffet table for each food container. For example, every 3 chafing dishes require one 8 ft table. So, if you want to display three hot offering three cold offerings, and a bread basket, you should plan to set up a buffet table 14 ft to 18 ft long. If you set up two standard 8 ft rectangular banquet tables as the serving area, you will need about 48 square ft of floor space for the buffet tables and approximately 150 square ft of standard 3 ft aisle space surrounding the buffet table. The total allocation for each of these setups, then, is about 200 square ft. For example with 200 people, you need four serving lines, that is 800 square ft for the serving area. If you are going to have more than twenty people, set up the serving tables so that people can serve themselves from both sides of the table. Each fifty people require their own double serving line; 200 people, menus 4 separate 2 sided serving lines.

Checklist for buffet: Use buffet checklist in operations:

- Food counter should be thoroughly clean
- Chafing dishes to be free from any dust
- Chafing dishes have proper quantity of fuel lamps
- Hot water is placed below the food pans of the chafing dish
- Buffet food tags are properly arranged without any spelling error
- Crockery should be arranged properly and free from any chips
- Glassware should be spotlessly clean
- Soup cups, under liners and half plates should not be stained, chipped or cracked
- Water jug should be clean.
- Service gear should be clean
- All food items should be properly arranged in the display units before service started
- Cloth Napkin or paper Napkin should be placed near the plates
- Bread baskets should be properly filled and arranged

2.3.6 Buffet Presentation

The menu, style of service, head count, room size and timeline all directly impact the final menu and configuration of the buffet. Each of these components needs to be

examined independently. The presentation of the modern buffet must be meticulously planned for the service and equipment style to complement the food. One of the most useful layout tools for a buffet is the buffet presentation work sheet, which communicates the operator's instructions to the setup and attendant staff. It contains all information needed by the setup personnel including:

- Size of plates to be used for each item
- Size and description of serving dishes
- Size and placement instructions for serving utensils
- Type and placement of item identifiers
- Special client or guest placement requests
- Assignment of responsibility for each sector
- Number and conditions of plates, e.g., chilled or warm
- Angling or specific placement of serving dishes
- Information on preparation methods, ingredients or information to be passed on to guests
- Breakdown responsibilities at close of service
- Food handling procedures and destination of leftovers

2.3.7 Menu Planning

A buffet, whether in a restaurant or a banquet, features a large variety of food items attractively presented. A change in menu is required when the restaurant is often visited by regular guests. There must be a set of menus to choose from the banquet, so that it offers a wide range of choices to guests in menu selection. The factors that must be considered when planning buffet menus includes the following:

Price of the buffet: The size of the menu is directly related to the price of the menu. While doing that the manager must consider the purchasing power of the guest and targeted market segment.

Food habit of the consumer: Menu should feature local delicacies and popular dishes to suit the guest's eating habits and preferences.

Meal Period: The spread or the length of the menu should match the time available to have the meal. Usually, lunch buffet menus are shorter than the dinner menu.

Availability of the Ingredient: Like any other menu planning, seasonal availability of ingredients should be considered.

Menu Balance: Menus should be balanced in all aspects such as colour, flavor, texture and taste.

Quality retention especially during long meal period: Once the food is displayed on the buffet counter, it loses its quality as the time passes. Usually, colour coded stickers are used to replace dishes after certain period and to maintain the quality.

Availability if production & service equipment: One must consider the kitchen equipment for its suitability to provide the menu compiled. Proper serving equipments are needed to maintain the temperature of hot and cold foods.

Skill of the staff: The menu compiled should not have any dishes that cannot be produced or supplied by the regular staff.

Advantages of Buffet Menu are as follows:

1. A large number of people can be served with a short duration.
2. Less service staff is required to serve the food to the guest.
3. To serve food items less skilled staff can handle the operation.
4. Better presentation of food dishes is possible.
5. A great range of choices for guest.
6. Skill of production staff are used to the maximum extent

Disadvantages of Buffet Menu are as follows:

1. Food portion control is not possible.
2. If the buffet line is not properly organized, it may lead to congestion.
3. Food dishes may lose eye appeal after repeated serving.

2.3.8 Staff Requirement

The staff available affects the spacing of the tables, the types of foods served, number of dishes to be served and the amount of dramatic action along the table. Less staff leads to increased size of serving containers, less space behind the container, less replenishment and clearance. The staff presents the first impression; they are not merely attendants and servers, neateners and refillers. They are the front line, the traffic directors, the meal deliverers—and, ultimately, their personalities provide whatever it takes to make the guest’s experience memorable. Buffet wait staff should be trained professionally. It’s the ambience. It’s the aroma. It’s the noise level. It’s the attitude. It’s the service. It’s how a guest is made to feel. Focus must remain on the food, but it is the service provided that makes the guest feel at home.

Guidelines for Staffing

	DINNER BUFFET WITH SEATING ON-SITE	DINNER BUFFET WITH SEATING OFF-SITE	COCKTAIL BUFFET ON-SITE	COCKTAIL BUFFET OFF-SITE	STATIONS ONLY ON-SITE	STATIONS ONLY OFF-SITE
Set-up Team of Servers)	1 per 50 guests	1 per 25 guests	1 per 150 guests	1 per 50 guests	1 per 50 guests	1 per 25 guests
Captain/ Maître d’hôtel	1 per 150 guests	1 per 150 guests	1 per 250 guests	1 per 250 guests	1 per 250 guests	1 per 100 guests
Servers	1 per 25 guests	1 per 25 guests	1 per 50 guests	1 per 35 guests	1 per 75 guests	1 per 50 guests
Bartenders	1 per 50 guests	1 per 50 guests	1 per 35 guests	1 per 35 guests	1 per 50 guests	1 per 50 guests
Chefs	1 per 50 guests and 1 per station	1 per 50 guests and 1 per station	1 per 100 guests	1 per 50 guests	1 per 150 guests and 1 per station	1 per 75 guests and 1 per station
Dishwasher	1 per 50 guests	2 per 50 guests	1 per 100 guests	1 per 75 guests	1 per 50 guests	1 per 35 guests
Housekeeping	1 per 150 guests	1 per 100 guests	1 per 150 guests	1 per 150 guests	1 per 100 guests	1 per 100 guests

All service personnel must work as a team aiming for the same goal: to surpass the expectations of the guests by welcoming them willingly and warmly. This includes every worker, from the valet parker, coat checker, and busboy right up to the maître d'hôtel and executive chef. When the service staff is skilled, well trained, and well groomed, and the kitchen surpasses itself in every detail, food is more than prepared and served.

2.3.9 Buffet Management

Designing the buffet to be both intriguing and interactive can be a daunting task. The chef, as architect, builder, decorator, and event planner, must unite the client's vision with all the functions of the kitchen. The layout of the buffet and how it fills the space includes not only the location of the buffet line itself and its stations, but also tables and chairs, plates and flatware and everything necessary to make the event run as smoothly as possible. Design of the buffet and room layout can only be done in conjunction with menu development and client input, as each one hinges upon the other. To design the layout of the buffet, start with a menu in mind and physically sketch the space, indicating length and width, height and shape. This may be evident when at our own location but must be carefully considered for off-site events. By starting with these basics, the physical layout can be plotted and pertinent details added. Use exact dimensions and include anything peculiar that affects the use of the space, such as:

- All doorways, aisles, and paths
- Windows, main entrances, and fire exits
- Distances to and from the kitchen
- Pillars and other impediments
- Locations of restrooms
- Electrical outlets, panels, and utility closets
- Stairwells, stages, or anything hanging from the ceiling

There are many options of buffet layout available, the issue of guest flow and effective presentation of food should be the prime points of concern while designing the buffet layouts. There are four types of buffet layouts:

1. **Scramble:** Buffet counters are scattered around the hall, so that there is even distribution of guest flow.
2. **Single Line:** Buffet counters are arranged in a single row. This is very common while catering smaller groups.
3. **Island:** Round or square buffet counters are arranged at the centre of the hall. This allows the guest to access the buffet from any side.
4. **Double:** A long single-line buffet is arranged at the middle of the room which can be accessed from both the sides.

The most common buffet setup is a single line where food is served from one side or self-served from both sides. For large crowds, multiple lines presenting the same dishes can be placed together or on opposite sides of the room and allow the chef to close one as the initial push to be served dies down. A pair of buffet lines side by side saves space while moving guests along the line quickly. Aesthetically, the overall stretch of the line should

not exceed 16 linear feet without a break. The addition of a carving or specialty station, which also adds energy to the line through the interaction between guest and chef, remedies this. Although a single-line buffet may be the most ordinary, it can be made extraordinary by using tables and risers of varying heights, tall centerpieces, and tiered food vessels. Height pulls the eye upward and captures the guests' attention from the second they enter the room. A vertically styled buffet, therefore, renders the entire view more contemporary and invites guests into the space to anticipate what's to come.

CHECK YOUR PROGRESS-I

Q-1 Define buffet.

Q-2 Explain fork buffet.

Q-3 Write a note on buffet presentation.

2.4 Function Catering

Function catering can involve anything from the simple service of sandwiches and coffee or tea to gala banquets, and the functions can take place, anywhere, indoors of a private

home to a grand ballroom. Today the guest do not only need lodging facilities but also other facilities such as place for meeting, exhibition, wedding, etc. Banquet section is also important to increase the income of the hotel.

2.4.1 Introduction

In catering terms a 'function' means a meal served as a special occasion in a room set aside for these purposes and usually for a large number of people. Any party of customers larger than can normally be seated at one table in a restaurant may be given a private room, where available, and a meal served to a larger number than that may be termed a banquet. A banquet is special meal supplied to a group of persons who belong to a particular association and who wish to meet and eat together because of their like interests, usually annually. This makes it a special occasion and the menu and service should therefore be of higher standard than for the normal daily routine. A banquet can be held at lunch or dinner time and the pattern of operation may vary from one kind to another but it is a formal occasion and traditional protocol should be followed.

2.4.2 Types of Function

All functions are categorized into three main categories:

1. **Formal function:** In this type of function, certain procedures, such as seating the host, chief guest, guest of honour and the invitees, serving the food and beverages are decided by the host. This should be strictly followed during the function. Formal functions always include speeches at a specified time. Dress code for the invitees may be insisted upon. Controlled behavior of the guests prevails in the formal catering. State dinners have their own guidelines that vary from state to state and there are different rules governed by the protocol. In most cases, formal dress code, four-to-five-course menu, musical entertainment, speeches and toast made on behalf of the head of state hosting the state dinner as well as the foreign head of the state.
2. **Semi-formal function:** These functions are less formal in comparison to formal functions. The most common examples of such functions are the annual general meetings, seminars, national and international conferences, press conferences to launch new products, convocation ceremonies, dealers meetings, etc.
3. **Informal Function:** In an informal function, no formalities and procedures are followed on seating, serving the dress codes. The service is indiscriminate of sex and ranks. These functions normally include entertainment. One can witness casual behaviour of the guests in the informal functions. More of normal functions are organized in the presents days. As the name suggests there are informal parties or get-together parties, such as reception parties, cocktail parties, marriage ceremonies, birthday parties and alumni parties.

2.4.3 Function Administration & Organization

In contributing to function administration the staff should be able to

- Appreciate customer needs in function catering
- Operate within health, safety and security requirements

- Demonstrate your knowledge of the menu and beverages on offer together with the range of services offered by your establishment
- Demonstrate your knowledge of the procedures necessary for the administration of functions in your establishment
- Demonstrate your knowledge of the capabilities of the staff, equipment and facilities of your establishment
- Advise Customers on the menu, beverages and other services
- Take bookings for functions according to the establishments procedures
- Follow the administrative requirements for ensuring the booking is recorded correctly
- Follow the administrative requirements for informing other departments of the bookings
- Communicate to other departments involved to ensure the smooth running of the function
- Allocate tasks to various staff as required for the function
- Anticipate potential problem areas and take appropriate action

The banquet department, although a part of the food and beverage service department, is usually organized and staffed separately, as it involves a great deal of planning, organization, communication and coordination and is a significant source of income for the establishment. A typical banquet department will consist of the following, as shown in figure 2.1

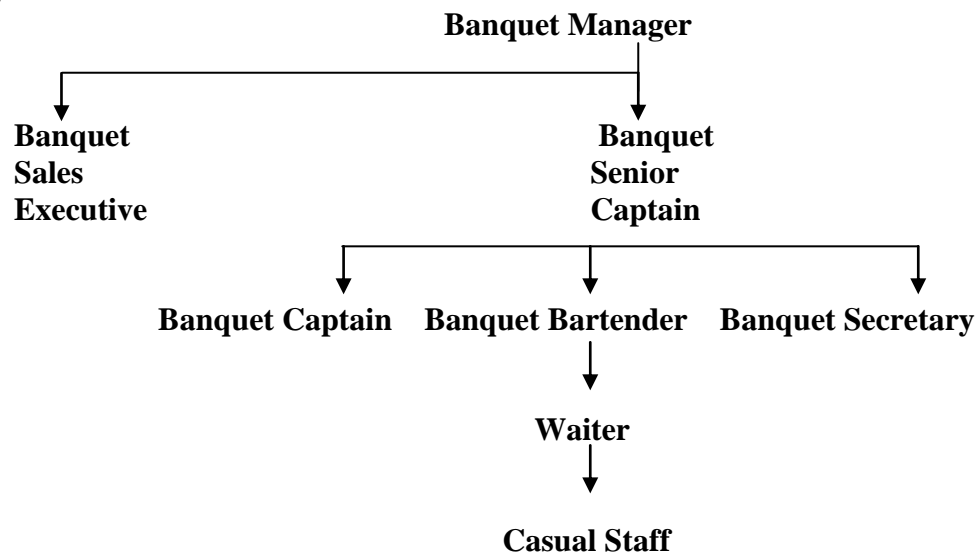


Fig: 2.1: Organization chart of Banquet Department

Following are the duties & responsibilities of key staff of the banquet department:

Banquet Manager: Duties & responsibilities of banquet manager are as follows:

1. Recommend an annual plan and budget to the management for approval.
2. Recruit skilled and competent banquet staff to fulfill the objectives of the department.
3. Train staff to the standards of the establishment.
4. Coordinate with marketing department to get the banquet business.
5. Approve all function prices.

6. Ensure that the policies and procedures of the establishment are always maintained.
7. Supervise all functions and ensure they meet guest requirements.
8. Appraise banquet staff and recommended increments and promotions.
9. Maintain discipline and motivate staff.
10. Coordinate with departments to get their best services.
11. Attend meetings with the clients.
12. Monitor budgets and submit sales report periodically.
13. Follow all local laws regarding functions, including liquor laws, noise levels, pollution, traffic flows etc.
14. Receive any special approvals from government agencies e.g., traffic police, excise, nagar nigam etc.

Banquet Senior Captain: Duties & responsibilities of banquet senior captain are as follows:

1. Responsible to work as banquet manager in her/his absence.
2. Ensure mise-en-scene and mise-en-place of banquet including pre-function area.
3. Maintain an upkeep of all documents and records.
4. Conduct function briefing and supervise meal operation during the event.
5. Check daily attendance, assists banquet manger in preparing duty rota and assign special task to any service personnel as per the requirement.
6. Ensure standard operating procedures during banquet operations.
7. Responsible for monthly inventory and maintaining the stock of all the chinaware, glass ware, cutlery, tableware and linen.
8. Coordinate with the hotel maintenance department to maintain and upkeep of the function area.
9. Ensure receiving of payment before the host leaves.
10. Hiring of casual manpower.

Banquet Captain: Duties & responsibilities of banquet captain are as follows:

1. Responsible for efficient operation of his/ her banquet.
2. Receive instructions to execute the functions of the day.
3. Conduct daily function briefings of the staff and allocate duties.
4. Follow-upon mise-en-place and special arrangements for all the functions prior to the function, to ensure that all services are to the guest requirements.
5. Ensure that the function information is disseminated on time to concerned coordinating department and thereafter follow up.
6. Ensure that the service is timely, qualitatively superior and with utmost personalization.
7. Ensure cleanliness of the function areas in keeping with the establishment's sanitation standards.
8. Handle guest complaints and unplanned needs with diplomacy and tact.

Banquet Waiter: Duties & responsibilities of banquet waiter are as follows:

1. Be properly groomed and hygienically clean for every function.
2. Attend briefings and receive Job allocations, instructions and give feedback.
3. Complete the mise-en-place as per the organization's standards.
4. Arrange different banquet set-ups as per the function requirement.

5. Provide efficient food and beverage service, ensuring speed, quality and personalization during the function.
6. Coordinate with kitchen staff for pick-up of the food, replenishment of items during service and casual staff during the function.
7. Assist guest to serve food during buffet service.
8. Conduct post function clean-up and stack furniture at designated places.

Casual Staff: Duties & responsibilities of casual staff are as follows:

1. Report to the function area before the commencement of the actual operations.
2. Assist waiter in arranging and setting table layups, buffet set-up, cleaning and polishing of the equipment.
3. Assist waiter while serving food and beverage to the guest.
4. Perform wiping activities of crockery, cutlery and glassware.

Banquet Sales Executive: Duties & responsibilities of banquet sales executive are as follows:

1. Well aware with space, services and prices.
2. Develop sales promotion activities with the help of marketing department.
3. Visit to prospective guest with a view to sell banquet facilities.
4. Taking bookings negotiate prices, space and services.
5. Take clients on banquet outlets tours to show the facilities.
6. Report on a daily and weekly basis sales activity concluded.
7. Attend functions to ensure client satisfaction.

Banquet Secretary: Duties & responsibilities of banquet secretary are as follows:

1. Assist banquet manager while taking banquet bookings.
2. Maintain the forms, format and file of the guest communication.
3. Maintain guest history cards of past clients.
4. Do the clerical jobs required in the banquet office like inter-departmental communication, maintaining banquet booking register and inventory register etc.

Banquet Bartenders: Duties & responsibilities of banquet bartenders are as follows:

1. Attend the briefing for the function properly groomed and hygienically clean.
2. Requisition liquor from the cellar area, glassware from the banquet store, linen from the housekeeping and supplies from the general stores.
3. Prepare mise-en-place of the bar which includes liquor display, glass cleaning and stocking garnishes and accompaniments.
4. Maintain a total control of figure dispensation so as to avoid wastage and pilferage.
5. Conform strictly to the local excise laws and maintain the necessary records required.
6. Take account of corkage charges when required.
7. Raise bills with the cashier for liquor purchased.

2.4.4 Booking Procedure

Banquet booking and reservation is a very important part of the banquet operations. There are various ways to enquire about the banquet facility: by e-mail, on telephone or by person. Personal booking is very popular way of banquet booking, whereas enquiry on

phone or by e-mail is mostly use to check facility and availability of dates. Be prompt and courteous while responding on telephone and check from the clients about name of the contact person, telephone number, e-mail address, date of function, start and end time of the function and guaranteed pax. While attending clients personally welcome them and follow the booking procedure as per the hotel guidelines. Banquet booking procedure is divided into three phrases:

Phase – 1 Check the date of the function and the number of guests to be catered and the cross check the capacity and the availability of the banquet on that particular day. At the initial meeting on contact with the client the details are taken and entered in a register called the ‘Function Book’ or ‘Function Diary’. This gives the basic and temporary information about the function. This book is placed in the banquet administration office for easy access to all banquet personnel. Before confirming any banquet booking, the function diary is referred to avoid confusions. This book also eliminates the chances of double booking and overbooking. Each sheet of the book is allotted to a single calendar date. It contains all the details such as name of the client, contact number, type of function, time of the function and number of pax. Along with the function information, booking status is also noted in one of the columns. Each enquiry is followed up until the function is confirmed.

Phase- 2 The bookings are confirmed only on the receipt of the deposit amount. Usually, 50 percent of the expected bill amount is taken as deposit. Once the booking is confirmed, the details are taken down in a format called ‘Contract agreement’. This format contains all the details such as date and time of the function to be held and requirements such as type of the set-up and menu requested by the client, amount received and balance to be paid. This format is used for a mutual and common understanding between the client and the hotel. This also stands as a legal document for the deal. Other than the above information, this format has terms and conditions that are to be accepted by the client. This document is signed by both the parties, that is, the guest and the hotel manager.

Once the contract is agreed upon, a deposit amount is taken from the client and a receipt is issued for the same. A copy of the receipt is attached to the contract document.

**Hotel ABC
Booking Diary**

Date: 17-11-2018
Day: Saturday

Venue	Meal	Nature of the Function	Name of the Client	Contact No.	Pax	Status	Remarks
Banquet Hall	B'Fast Lunch Dinner	Seminar	Mr Muralimohan	9854576650	55	Tentative	
Ballroom 1 ordered	B'Fast Lunch Dinner	Birthday Party	Mr. Kishore	8986871234	150	Confirm	cake to be
Ballroom 2 Board Room	Dinner B'Fast Lunch Dinner	Board Meeting	M/s Indus Ltd	66749238	25	Tentative	8 am-11 am
Pool Side	B'Fast Lunch Dinner	Cocktail Party	Mr. Prasad	9957371049	100	Confirm	

Phase-3 Just before the function date

Fig 2.2: Format of Booking Diary

Function Prospectus				FP No.:
Day	Date	Time function	Type of	Venue
Name of the guest		Contact	Tel No.	Address
No. of guests		Plate: Rs.		Pick up time
Guaranteed:		Hall rent: Rs.		Soup:
Expected:		Board to Read		Snacks:
				Lunch dinner:
Special Instruction		Kitchen		
Engineering		Arrival time:		
Air conditioning		Amt:		
On at:		Menu		
Microphone				
• Podium Nos @				
• Collar Nos @				
• Cordless Nos @				
• Table Nos @				
• LCD Nos @				
• Overhead Nos @				
• Carousel Nos @				
• Screen Nos @				
• Electronic pointer Nos @				
• TV Nos @				
• Video scoop Nos @				
• Channel music				
• Special lighting				
House keeping				
• Cloakroom attendant		End time		
• Flower type				
Set-up				
• No. of buffers				
• Ice carving				
• Banquets				
• Theatre style				
• U-shape				
• Boardroom				
• Classroom				
• Informal				
• Fish bone				
• White Board				
• Dias				
• Pads				
• Pencils				
• Entertainment				
• Photographer				
Videographer				
Beverages	Rates	Billing instructions		
		Advance paid Rs.		
		Date:		
		Balance amount		
		Cash	Cheque	Bill of company
Distribution GM/Chef/Dis bar/EHK/Stores/BQTS/ENGG/Banquet manager accounts manager				

Fig. 2.3: Format of Function Prospectus

(Approx. a week early) the ‘Function Prospectus’ is issued. This is made in multiple copies to distribute to all the departments such as housekeeping to ensure cleaning of area and flower arrangements, to the front office for display on the board to read, to the

account section for processing of bills and cheques, to food and beverage controls to keep a check on the stocks and liquor distribution, and to the engineering department to provide special equipment, etc. The function prospectus sheet is very important format that includes name of the booking party, date and time, billing address, menu details, mode of payment, price per head, nature of function, number of expected and guaranteed pax, venue of function and other extra equipments required. This document is duly signed by the banquet incharge before sending it to the concerned departments. Copies of the function prospectus should be sent to the banquet operations department, kitchen, housekeeping, front office, engineering, security, food and beverage controls, finance and human resource department.

2.4.5 Menu

A banquet menu is a fixed menu at a set price offering usually no choice whatsoever to the customers, unless the client informs the caterer in advance that certain guests require, say, a vegetarian or non-vegetarian meal, and is available to all guests at a predetermined time. Meals are served in courses, which may vary from four to six. The price ranges offered should suit the pocket of the target clients. The banquet menus are compiled by a team of managerial staff considering cost, profit margin, style of service, production skill, service skill, equipment availability, dietary needs, availability of raw ingredients and guest preferences. The compiled menus are neatly printed and filed in the folder which will be discussed with the potential client at the time of booking. The banquet manager may assist the host in selecting the dishes during the booking of function. The categories of dishes offered in Indian menu are salads, soups, Indian breads, fish, chicken, mutton, paneer, vegetables, rice or biryani, dal, sweets and ice cream. Each of the categories have more than eight dishes thus offering more options to the host to choose from. The number of categories and the dishes under each category a host can avail are predetermined by the hotel. The number of choices offered will vary according to the price. The prices for non-vegetarian and vegetarian menu.

2.4.6 Function Contracts

This is the most important sheet to be used in the function rooms. It contains menu, deposit amount, date, contact details, number of pax, extra facilities and terms. Once this sheet has been signed by the representative of the hotel and the guest, it is treated as a valid contract and legally bound. A deposit is required for almost all banquet events. The deposit protects both parties. The banquet hall will not sell the date that the client has reserved to another client; while the client will not cancel the event without losing the money that has been put down the event. Each hotel should determine the amount of deposit that it will charge. It should be expensive enough to deter the client from canceling the party. Different operations have different policies on refunding the deposits. When booking functions, clients should be informed of the policy on guarantees of the establishment. A guarantee is a promise made by the host of the party that a certain number of guests will show up for the party and that the client will pay for that number unless more guests attend. Purposes of banquet contract are as follows:

- Both the parties have their rights protected.
- It details what the penalties are if either side does not come through with its part of the agreement.
- It details the necessary deposit and advance to be paid.

- It details the items and facilities to be provided to the guest.
- It details the name of the party against whom bill is raised

Function Contract	
Hotel ABC	Date: 30.09.2018 Day: Friday
Name of the Guest	Menu
Contact Details 9987432910	Vegetable Spring Rolls Paneer Tikka Vegetable Manchow Soup
Type of Function Birthday Party	Navratan Korma Paneer Pasanda Aloo Kofta Curry
Date & time 25/12/2018 at 6 pm onwards	Bhendi Fry Dal Tadka
Number of Pax 150 (expected 180)	Naan / Roti Vegetable Pulao
Price per head 450	Raita Papad
Table Plan Theater set-up	curd Gulab Jamun Vanilla Ice Cream
Extra facilities required Stage decoration and 5 Kg cake to be ordered.	
Deposit Paid: Rs. 10,000	Receipt No: 006391
Terms & Conditions	
Signature of the Guest	Signature of Hotel Manager

2.4.7 Seating Arrangements

On the total number of people attending a function it must be determined how many will be seated on the top table and how many on the sprigs, round or oblong tables, making up the full table plan. It must be known whether the number of guests on the top table includes the ends, and care should be taken to avoid seating 13 people on this table. All tables, with the exception of the top one, should be numbered again avoiding using the number 13. It is permissible to use 12A in place of 13. The Table numbers themselves should be on stands at such a height that may all be seen from the entrance of the banqueting room; the approx. height of the stands being 30 inches. After the guests are seated and before the service commences, these stands are sometimes removed. As far as possible, when formulating the table plan, one should try to avoid seating the guests with their backs to the top table. There are three copies of the seating plan. Spacing means space between two sprig tables including the width of the chairs and gangway from wall to back of the chair and gangway. To calculate the space required for any particular function, one must know some standard measurements of the furniture used in a banquet department. There are some standard guidelines to be followed while doing seating arrangement. The basic types and sizes of banquet furniture are as follows:

- a. Rectangular/ buffet table (Big) : 6' x 3' x 2.5'

- b. Rectangle/ buffet table (Small): 5' x 3' x 2.5'
- c. Conference table : 6' x 1.5' x 2.5'
- d. Half moon table : 2' Radius
- e. Round table: 5'(Diameter) 2.5' (Height)
- f. Serpentine table : 8' (Outer Diameter) 3' (Inner Diameter)
- g. Banquet chair dimension: 1' – 9" x 1' – 7" x 2.5' (L x W x H)

Standard guidelines for leaving space while planning a banquet set-up are as follows:

- a. Aisle : 3'
- b. Space from the wall to the table: 5'
- c. Space between rows: 1.5'
- d. Space between the head table and the row tables: 6'
- e. Space between a table and a chair: 1'

2.5 Other Catering Operations

The other catering operations are concerned with feeding very large numbers with standard nutritious meals in the context of fulfilling a moral duty as well as satisfying the consumer's needs. Catering manager in this sector is primarily preoccupied with food production and spends relatively little time on the food service side of the operation or in contact with the customers.

2.5.1 Off-premises Catering

Off-premises catering is a banquet service at external sites. People choose of premises catering to personalize an occasion. All social, professional or state functions can have off premises at their own premises. A housewife may order off premises catering at her villa for a large gathering of friends, or a corporate house may call for an in-house meeting, training program or conference. The banqueting procedures remain the same. The organization and management needed by these off premises catering companies are very similar to a banqueting department in a large hotel or a conference centre and in addition would have to take into account a number of factors specific to off premises catering:

- The location of the event, whether a semi permanent site is being used where limited services are already in situ in terms of water, sanitation, heating and lighting.
- The transportation of the food beverage items, the distances involved and whether heated or chilled trucks are needed.
- Hygiene problems associated with food being transported and held at the correct temperatures and the added worry of possible power failures on a temporary site; the losses and pilferage that can occur at any stage during transportation and the setting up and the difficulties of ensuring back up facilities and supplies and staffing miles away from the organization's main base.

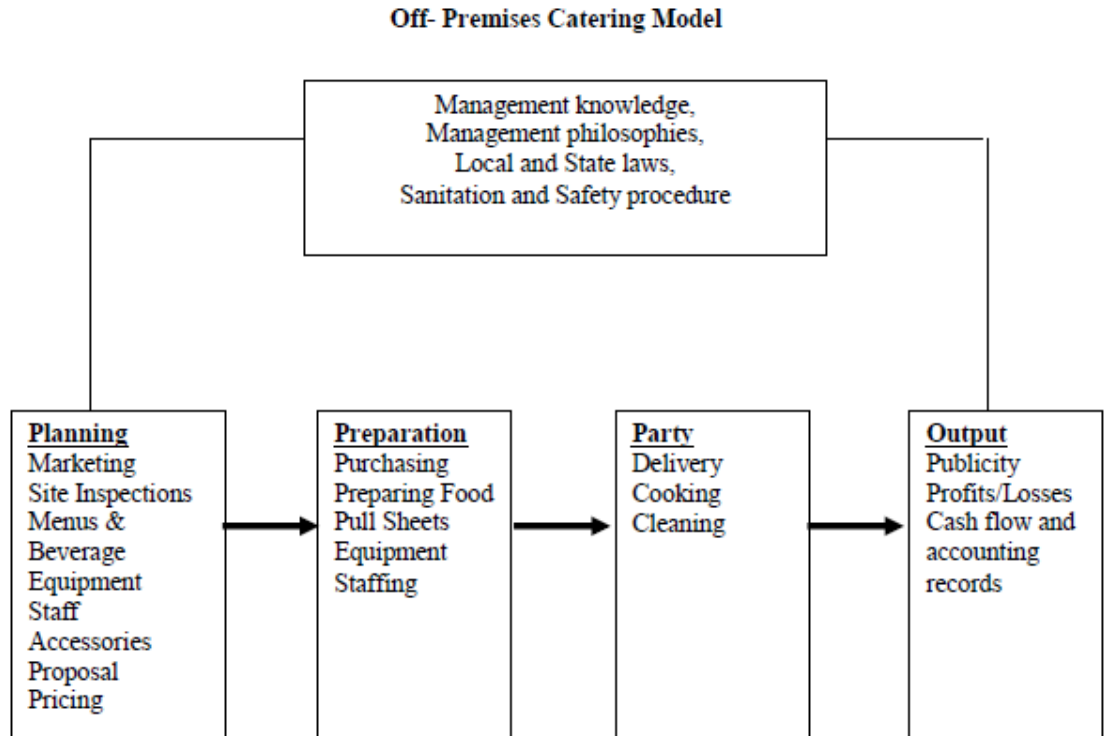


Fig. 2.5: Off-Premises Catering Model

2.5.2 Hospital Catering

Patient meals are an integral part of hospital treatment and the consumption of a balanced diet, crucial to aid recovery. Proper food service and nutritional care in hospitals has beneficial effects on the recovery of patients and their quality of life. Hospitals have several other factors which need to be taken into account when considering the provision of a meal service:

1. For the majority of hospital patients there are no alternative catering facilities available to them so that, in effect, they become captive consumers.
2. Modified therapeutic and medically prescribed diets are often needed in addition to the normal dietary meals being produced.
3. Flexibility is needed in terms of production and service in the event of additional admissions from casualty, early discharges, large scale emergencies etc.
4. The catering service is not seen as a priority in the overall planning and financial budgeting of hospitals, although customer satisfaction with hospital meals is recognized as being beneficial in terms of patient recovery- good presentation, quality and service of hospital food encouraging patient to consume and enjoy their meals.
5. Hospital meals are not sold in cash terms to the patients but form an integrated part of the total hospital package of customer care.

A menu for each patient is sent to the wards, so that the patient can select the dishes and specify the portion sizes. Alternatively the nutritionist decides the menu depending on the needs of the patient and sends the requirements to the kitchen. These menus are sent back to the department for summarizing and totaling the number of meals required for the various meal times. Food is plated on the trays by various catering staff using a moving conveyor belt at the rate of 6-8 trays a minute. This speed may be reduced depending on the efficiency, as each tray has to be checked for consistency in portioning. A 300 bed hospital should take about one and a quarter hour to serve their meals.

The food is kept hot in a variety of way either by insulating the trolleys, having an electrical plug in all the wards, or regeneration of cold food if the food transported is of the cook-chill type. The food is usually served at staggered timings considering the length of service but always ensuring that the meal interval remains the same. This system lends itself to better advanced selection of food, advance planning in terms of production and service leading to foods being cooked closer to delivery time and reducing the service gap and customer dissatisfaction. Hospital catering is a continually evolving service changing and adapting to new instructions and constraints, new markets, innovations and concepts, in particular that of total facilities management.

2.5.3 Industrial & Institutional Catering

Industrial & Institutional catering may be described as the provision of catering facilities at a place of work for use by the organization's employees. The catering facility may range from vending machines supplying a limited variety of beverages and snacks, to a waiter silver service restaurant with an extensive menu. Catering amenities are an important aspect of industrial situations and as a department in an organization can evoke the emotional feelings of the employees. Companies are appraised on the type of facilities they provide for their staff, and it is a service that once provided should not be allowed to fall below its initial standards. This is particularly important where companies have developed and employed more staff over a number of years without due consideration to the catering service which has long since become over-stretched. The catering facilities in industrial & institutional situations such as factories, office block etc are an ancillary service to the main function of the organization. The two methods by which catering may be organized in such industrial or institutional situations are direct management or contracted out. Direct management is where the parent company chooses to establish and operate the catering facilities itself. The second method involves the parent company employing a firm of contract caterers to operate and manage the catering department for them. In the first situation the parent company is completely responsible for the type and standard of catering service it provides; the catering department thus becoming another department in the organization that is under its direct control and management.

Where contract caterers are employed the organization of the catering service is transferred to an outside firm. Contract caterers are usually engaged for a specific period of time, after which the contract may be renewed or dissolved as both parties wish. Contract caterer are involved in all types of industrial catering situations, ranging from the small independent concerns to the large multi-national organizations and may become involved for different reasons. The organization's dissatisfaction with the existing services; complaints about the standard of catering have been made at staff meetings and repeated attempts to improve the facilities have failed, or the company does not wish to

become involved in operating the catering facilities itself or recognizes that it does not have the expertise and so engages the services of contract caterers. Establishing and operating catering services are the main functions of contract caterers and as such they can have a more professional approach than many of those organizations who try to operate their own catering facilities; this professional attitude and approach are reflected in the standards of facilities provided and in more effective cost control in addition to a well organized catering department, other financial benefits can accrue because of the purchasing power of large contract caterers, such as cost saving products prepared to the company's own specifications. Companies consider the provision of a catering service as a valuable and important contribution to the welfare of their employees and are proud of the standards they achieve. The total market available for industrial catering facilities may be quite restricted and this may be further limited as the individual catering facilities usually cater to quite specific groups of employees. Customers in industrial & institutional situations require a meal of a good standard and quality, at an acceptable price, and one that can be comfortably consumed in the amount of time they have available for their meal. In industrial & institutional cafeteria the menus are generally more limited in terms of choice than are the menus offered in comparable commercial operations.

2.5.4 Airline Catering

Catering for people on the move is a much more demanding job than when doing so in the usual static environment; it is a job that calls for skills and knowledge above and beyond the norm. Doing a job whilst moving at speed or on an undulating floor brings a need not just for good equilibrium but also be able to cope with a rush of passengers, all of them wanting to be served in a hurry.

Airline catering is concerned with the provision of food to air passengers. A characteristic of airline catering is that pre-cooked or frozen food is loaded into the aircraft galleys and later heated in specially fabricated ovens. The catering for airline food may be undertaken by the airline company or contracted to a specialist firm which may be supplying a similar service to many airlines. Airline catering is probably one of the most complex operational systems in the world. A large scale airline catering production unit may employ over 800 staff to produce as many as 25,000 meals per day during peak periods. A large international airline company may have hundreds of take offs and landing everyday from just their main hub. While the way food is served on trays to airline passengers bears some resemblance to service styles in restaurants or cafeterias, the way food is prepared and cooked increasingly resembles a food manufacturing plant rather than a catering kitchen. The way food and equipment is stored resembles a freight warehouse, and the way meals and equipment are transported and supplied has a close affinity to military style logistic and distribution system.

Airline catering starts with an understanding of the number of passengers and their needs, such information is available from both market research and actual passenger behaviour. On the basis of this, airlines, sometimes in consultation with caterers and suppliers, develop their product and service specifications. Such specifications determine exactly what food, drink and equipment items are to be carried on each route for each class of passenger. At the heart of the airline catering system is the airline production unit, which is part warehouse, part food manufacturing plant, part kitchen and part assembly belt. In

response to forecasts of passenger's numbers on any given flight, the production unit follows a series of complex steps to produce trayed meals and non-food items ready for transportation to the aircraft. Loaded trolleys and other items need to be stowed on board to ensure the microbial safety of edible items and the security and safety of the crew passengers, and aircraft. At the designated time during the flight, the cabin crew then carries out the service of meals, snacks and other items. On arrival at its destination, each aircraft is then stripped of all the equipment and trolleys, which are returned to the production units for cleaning and re-use. It is necessary to understand the impact of flying on the physiology of the passenger to manage a complex supply chain, assure the safety of the food and drink, apply the principles of international logistics.

For each of the stages in the airline catering operation, there are some features that are unique to airline catering. These derive from one simple fact, while the food is prepared on the ground it will be consumed in the air. This impact on:

- Customer and their needs the prime motivation for travel is not eating
- Menus-some food and drink items are not suitable for consumption in pressurized cabins 10 Km above the ground
- Production methods-the volume of business necessitates large-scale meal production
- Service style since passengers are seated in rows of aircraft seats, tray service predominates
- Shelf-life-the time difference between production on the ground and consumption in the air which determines the adoption of cook-chill methodologies
- Transportation-moving trayed meals from production unit to aircraft and then storing on board is based around modular trolleys

2.5.5 Railway Catering

Catering to passengers during the journey and at halts at stations is called railway catering. This catering may be conveniently divided into two major areas: terminal catering and in-transit catering. Catering at the terminals usually comprises licensed bars, self-service and waiter service restaurants, fast food and take-away units, supplemented by vending machines dispensing hot and cold food and beverages. IRCTC (Indian Railway Catering and Tourism Corporation) was formed on 27th Sept 1999 with an objective to 'enhance customer services and facilitation in railway catering, hospitality, travel and tourism with best industry practices'. Today company has made a significant mark in its customer-services oriented business like setting up of Food Plazas on Railway premises, 'Railneer', 'Rail Tour packages' and 'Internet Ticketing' bringing great deal of professionalism into the operations. IRCTC deals in two kinds of catering i.e. Railway catering and Non-Railway catering includes departmental catering, static catering, food plaza, jan ahars, hotels, executive lounges, base kitchen and minor units. Non Railway catering includes institutional catering, consultancy services, kiosks, food courts, housekeeping etc. Static catering means catering on platforms, jan ahars, refreshment rooms, stalls, trolleys etc falls under this category. IRCTC introduced e-catering in 2014, under which food is served to passengers on their seats or berths. Initially, it was based on call centre and was called 'tele catering'. IRCTC also takes order online through website (www.ecatering.irctc.co.in) and mobile app 'Food on Track'. Ministry of Railway also gives contract to IRCTC to make executive lounge on railway station to provide better sitting facilities to passengers. E bed rolls facility was started in February 2016 to provide

hygienic and clean bed rolls to passengers. Retiring room complex is also operated by IRCTC. At present 554 stations are operated with 2000 rooms. IRCTC is having 244 catering units to serve customers. It has four base Kitchen in New Delhi, Noida, Patna and Howrah. IRCTC Noida Kitchen in central Kitchen which supply food to railways as well as corporate sector. IRCTC is managing 59 trains under on board catering license and 33 trains through departmental operation.

2.5.6 Home Delivery

In this hustle and bustle of life, people tend to compromise majorly on the kind, quality and amount of food they eat. Most of the time, people away from home tend to skip meals or eat any kind of fast located junk food that they can find easily around them. That is what made home delivery service providers realize that there is a growing need for tiffin, Dabawala or home delivery services. Online food ordering is a process of ordering food from a local restaurant through a web page or app. Much like ordering consumer goods online, many of these allow customers to keep accounts with them in order to make frequent ordering convenient. A customer will search for a favourite restaurant, usually filtered via type of cuisine and choose from available items, and choose delivery or pick-up. Payment can be amongst other either by wallet or cash, with the restaurant returning a percentage to the online food company. But the current aspect which the customers are concerned about is time. The growth of online food ordering a delivery platform by mobile apps has made business man awake and takes notice. The some popular food hubs like swiggy, food panda, uber eats and hungry house are feeding the world online and making profits.

1. **Swiggy:** Swiggy is food ordering and delivery company founded by Nandan Reddy, Sri Harsha Majety and Rahul Jaimni in August 2014. It provides a single window for ordering from a wide range of restaurants and have their own exclusive fleet of delivery personnel pick up orders from restaurant and deliver it to customers. It is a complete food ordering and delivery solutions that connects neighborhood restaurants with urban foodies. Swiggy has also started cloud Kitchen, which are kitchen-only operation with no dine-in facility as part of its offerings to restaurant partners looking to serve in areas where they do not have a physical presence.
2. **Zomato:** Zomato initially named as Foodiebay was started was started in 2008 by Mr. Deepinder Goyal. It is a restaurant searching platform providing in depth details with autonomous reviews and ratings. Foodiebay, the initial name was changed to Zomato in November 2010 to increase their reach among people. Zomato use different platform to engage their customers with them like facebook and twitter. Zomato answers all the queries raised over the platform by the customers. Zomato uses their blog as their mouthpiece to share all the latest updates. Pinterest is the platform shares the food experience with great content to attract the customers. Zomato's advertising is very specific, when people search for specific key words, advertisement of restaurants are shown for that specific keyword. This makes it highly targeted. This is also hype local. Zomato has forayed into the events space by partnering with restaurants and creating exclusive events. They make a sale through the price of the tickets. A lot of zomato hosted new year parties were held.

3. **Food Panda:** It is one of the most leading food delivery company in India. It was found in the year 2012 and its headquarters is in Germany. So on after that it was started in India. It has a tied up with many restaurant such as Haldiram, Dominos, Ammis Biryani etc. and it has been started in around 24 cities across India and is still growing. It has both vegetarian and non-vegetarian menu. One can order the items through App (Android and IOS) or through the website. Payment can be done either by cash on delivery or online through cards and wallets. Food panda processes and sends orders directly to partner restaurants, which then deliver to the customers. The service is available via its website and mobile applications. Customers order food by entering their postcodes on the site and browsing for food from a list of the restaurant. They can create meals by browsing restaurant menus and selecting items they want to order before entering an address and proceeding to the checkout. Restaurants receive these orders and then deliver to customers. Foodpanda sends out an SMS (Short Message Service) to confirm orders and their estimated delivery time.

2.5.7 Take away

A takeaway may be defined as an establishment that caters a limited choice of popular foods at reasonable prices with little or no waiting time. Takeaways may or may not have space on their premises to dine in but have all facilities for food to be packed and delivered or taken away. Diets and attitudes to food have changed markedly over the past there decades and continue to evolve. While on the one hand people aspire to eat more healthily, there is great demand for convenience foods and the food we eat outside the home makes up an increasingly important part of our diet.

2.5.8 Afternoon & High Tea

Afternoon tea became popular about 150 years ago, when rich ladies invited their friends to their friends to their houses for an afternoon tea. They started offering their visitors sandwiches and cakes too. Upper class took their tea at around three O'clock in the afternoon with light staffs. High tea evolved as a version of afternoon tea that was delayed until later when the working classes would return home from their factories and would often be combined with supper and was typically a heavier meal than its original.

2.5.8.1 Introduction

Afternoon tea is also called low tea because it was usually taken in a sitting room where coffee table were place near sofa or chairs. According to history, it was started in the mid 18th century by the Duchess of Bedford. At that time, there were only two meals in a day, mid morning breakfast like meal and other was an increasingly late dinner like meal are other was an increasingly late dinner like meal. The Duchess used to get exhausted because of long interval between both the meals and decided to have some friends over for assorted snakes and tea in the afternoon time. This idea of tea gathering spread across high society and became a favourite pastime of those days.

High tea is often a misnomer. Most people refer to afternoon tea as high tea because they think it sounds regal and lofty. But in reality both are different concepts; the afternoon tea was mostly patronized by elite women folk, whereas the high tea was more of a working class family meal. High tea was a working class meal served on a high table at the end of

the workday, shortly after 1700 hours. It was a heavy meal dishes, fish dishes, vegetables and other heavy foods.

2.5.8.2 Menu

The afternoon tea menu usually consists of some or all of the following items, which are generally served in the following order:

- Beverages
- Hot toasted items such as hot buttered toast, tea cake, and crumpets
- Assorted afternoon sandwiches such as cucumber, smoked salmon and tomato
- Warmed scones (with butter or clotted cream)
- Bread and butter along with preserves
- Gateaux and pastries

The high tea menu usually consists of some or all of the following items:

- Beverages
- Hot snacks such as grilled fish and grilled minute steak
- Hot toasted items such as hot buttered toast, teacake and crumpets
- Assorted afternoon sandwiches such as cucumber, smoked salmon and tomato
- Warmed scones (with butter or clotted cream)
- Bread and butter along with preserves
- Gateaux and pastries
- Ice creams and cold sweets

2.5.8.3 Cover & Service

Cover for Afternoon Tea: The following cover should be laid for afternoon tea:

- Side plate with paper napkin and side knife placed in the centre of the cover
- Pastry fork
- Cup and saucer with tea spoon
- Preserves on an under plate with preserves spoon

Service sequence for afternoon Tea

1. Serve beverages
2. Serve toast, tea cakes and crumpets
3. Offer sandwiches
4. Serve buttered scones
5. Serve butter and bread
6. offer cake and pastries

Cover for High Tea: The following cover should be laid for high tea:

- 1- Joint knife and fork
1. Side plate with side knife
2. Cup and saucer with teaspoon to the right hand side
3. Napkin
4. Cruet set
5. Sugar bowl with tongs
6. Preserves dish on the underplate

at the institution itself. The institution usually contracts with a catering company to have this service provided.

Off-premises catering: The caterer has a production facility but holds events somewhere else. The caterer transports all required food, beverages, personnel and equipment for event to a location usually choose by the client.

Standard Buffet: Platters or chafing dishes of food are placed on centralized tables and guest serve themselves.

2.8 Further Reference/ Bibliography

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2.9 Suggestive Reading

- George, B. and Chatterjee, S. (2008) Food Beverage Service and Management. Jaico Publishing House, Mumbai.
- Scanlon, N.L. (2007) Catering Management, 3rd edn. John Wiley & Sons. New Jersey.

2.10 Terminal Questions

1. What are the various types of buffet found in a 5star hotel? Explain them briefly.
2. Discuss the effect of seating arrangements in a banqueting room, using different arrangements.
3. Draw an organization chart of banquet department of five-star hotel. Enlist duties and responsibilities of Banquet manager.
4. What are the various types of function? Explain in detail the booking procedure.
5. What is the purpose of function prospectus? Draw the format of function prospectus.
6. Discuss the role of IRCTC in the development of railway catering in India.
7. Write a brief note on home delivery.
8. What is high tea? Plan a menu for 10 pax.

UNIT : 03

FOOD AND BEVERAGE CONTROL

Structure

- 3.1 Introduction
- 3.2 Objectives
- 3.3 F & B Control
 - 3.3.1 Introduction of F & B Control
 - 3.3.2 Objectives of F & B Control
 - 3.3.3 Problems in F & B Control
 - 3.3.4 Methodology of F & B Control
 - 3.3.5 Personnel Management in F & B Control
- 3.4 Cost and Sales Concepts
 - 3.4.1 Definition of Cost
 - 3.4.2 Elements of Cost
 - 3.4.3 Classification of Cost
 - 3.4.4 Sales Defined
 - 3.4.5 Ways of Expressing Sales Concepts
 - 3.4.6 Cost/Volume/Profit Relationship (Break-Even-Analysis)
- 3.5 Summary
- 3.6 Glossary
- 3.7 Reference/ Bibliography
- 3.8 Suggestive Reading
- 3.9 Terminal Questions

3.1 Introduction

Ever-increasing competition in all industries demands that more and more attention is paid to the control of costs to ensure the survival of each business unit. In the long run a business will not survive unless it earns an adequate amount of profit in relation to its capital. It must be an extension of the financial and catering policies as laid down by the top management. In order to evolve a realistic scheme of food & Beverage control, it is essential to determine appropriate cost and profit target for all departments of a business. F & B Control defined as a process by which a manager regulates and guides the cost and revenue of operating a catering establishment or activity in Hotels, Restaurants, and other catering premises. A food & beverage control system in itself will not cure or prevent problems occurring. An effective system is dependent upon correct up-to-date policies and operational procedures. But the system should identify problems and trends in the business. A food & Beverage control system will need management action to evaluate the information produced and to act upon it.

3.2 Objectives

After studying the unit, student should be able to:-

- Discuss about the food and beverage control.
- Understand the methodology of Food and beverage control.

- Understand the definition and elements of cost.
- Understand the break-even Analysis.
- Understand the sales concepts.

3.3 F & B Control

Food and beverage department in a hotel, restaurant, or any catering establishment consists of closely linked system-the-Kitchen, restaurant, bar etc. In a hotel there may exist number of systems, all of these are reading together with the food and beverage facilities to form the total hotel system. The main aim of costing in a food and beverage establishment is to satisfy both the customers’ requirements and the financial requirements. To achieve this objective a suitable food and beverage control system need to be developed which must avoid excessive costs without sacrificing the quality, quantity and competitive price of the varied product being marketed. Since in most of the food and beverage establishment the raw material and payroll costs, are the largest proportion of costs, the cost system aims to control these two costs effectively, at the same time meet the prescribed standards of profit and quality. A series of built-in checks covering entire catering cycles are required to have a proper control over the operating activities. The amount of control is basically related to the size of operation. In a large sized operation, with many selling outlets, employing a large number of staff and producing a large turnover would require sophisticated control system giving precise, detailed, up-to-date information as well as daily, weekly and periodic reports. A small unit operating by a sole proprietor could require a simple system to personally control each and every activity of the operation. All the departmental managers and staff as well as manager of the hotel

must be well conversant with the system. A system should have provision for cost and price percentage analysis of each item, group of items and sales outlet. It is much more enlightening and important to achieve a comparison of the actual food and beverage cost with the potential food costs. The potential revenue and actual revenue should be identical

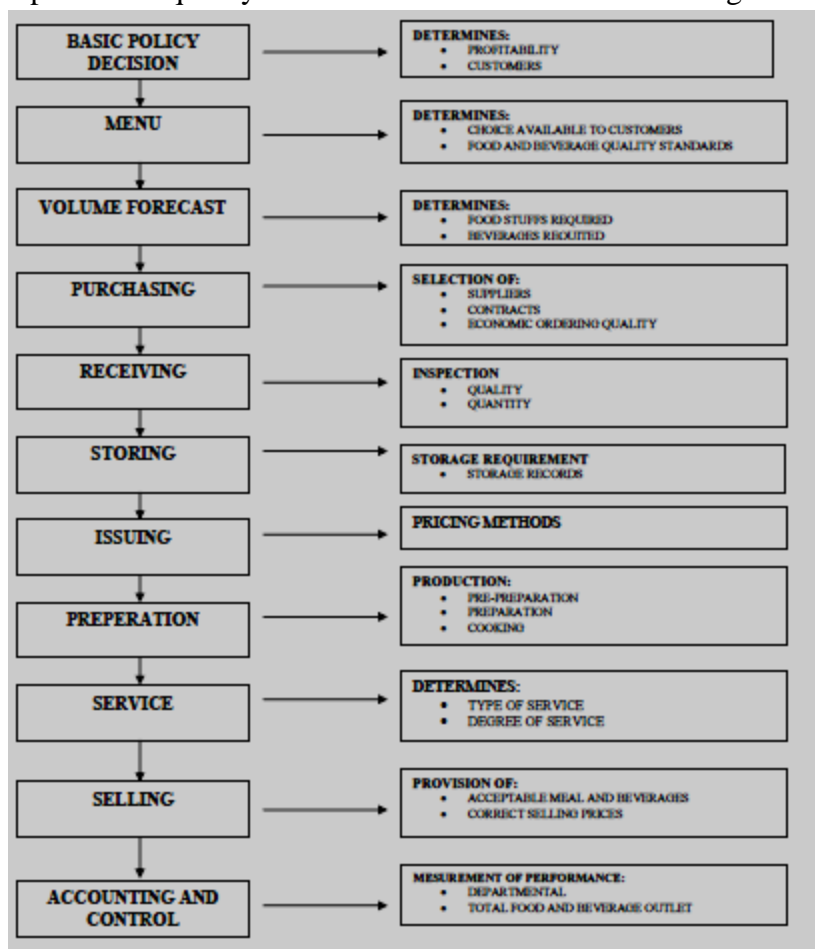


Fig. 3.1: Food and Beverage Control Cycle

must be well conversant with the system. A system should have provision for cost and price percentage analysis of each item, group of items and sales outlet. It is much more enlightening and important to achieve a comparison of the actual food and beverage cost with the potential food costs. The potential revenue and actual revenue should be identical

but this is not so in reality. Any differentials show a lack of control and needs through investigation to find and rectify any loopholes.

3.3.1 Introduction of F & B Control

Food and beverage control can be defined as the guidance and regulations of the cost and revenue for operating catering activities in hotels, restaurants, and other catering establishments. The main purpose of any business is to make profit. Profit not only is earned by sales, but also can be achieved by cost control, and whenever money is saved, money is earned. According to James Keiser, “Control works best when it is used with other management process, such as planning, organizing, directing, and evaluating”.

According to him, there are two basic approaches:

1. Behaviouristic Approach
2. Traditional Approach

The traditional approach has two main aspects. One is directing personnel, or keeping an eye on things or by walking around to see whether he or she can correct what is not right or what is cost control break-downs. The other aspect of traditional approach is, measurement of performance with that desired or deemed attainable. This is the comparison aspect of the management scheme which is usually considered to have four parts:-

1. **Establishing Standards or goals:** It can be expressed in different ways, for instance, a budget figure, a percentage figure, and a performance figure, such as meals served per server per hour.
2. **Measurement of Performance:** It means measuring performance, and it is usually a quantitative figure, such as amount and percentage figure.
3. **Comparison and Analysis:** Once the standard or goal has been established and actual performance is determined, it is possible to compare the two and a manager can find out the variance.
4. **Corrective Action:** Once a significant variance is determined, the manager must take corrective action. Such action must involve more observation, personnel changes, and different methods of operation among many others, or perhaps the standard is unrealistic and needs to be changed.

Control is a process used by managers to direct, regulate, and restrain the actions of people so that the established goals of an enterprise may be achieved.

3.3.2 Objectives of F & B Control

The objectives of a food & beverage control are as follows:

1. **Analysis of income and expenditure:** The analysis is solely concerned with the income and expenditure related to food & beverage operations. The

revenue analysis is usually by each selling outlet, of such aspects as the volume of food and beverage sales, the sales mix, the average spending power of customers at various times of the day, and the number of customers served. The analysis of cost includes departmental food and beverage costs, portion costs and labour costs. The performance of each outlet can then be expressed in terms of the gross profit and net margin and the net profit.

2. **Establishment and maintenance of standards:** The basis for the operation of any food and beverage outlet is the establishment of a set of standards which would be particular to an operation. Unless standards are set no employee would know in detail the standards to be achieved nor could the employee's performance be effectively measured by management. The management would have set SOPs (Standard Operational Procedures) which should be readily available to all staff for reference. This can be aided by regularly checking on the standards achieved by observation and analysis and by comments made by customers and when necessary, conducting training courses to re-establish the standards.
3. **Pricing:** Pricing is important to determine food menu and beverage list prices in the light of accurate food and beverage costs and other main establishment costs; as the average customer spending power, the prices charged by competitors and the prices that the market will accept.
4. **Prevention of waste:** In order to achieve performance standards for an establishment, targets and set for revenue, cost levels and profit margins. To achieve these levels of performance it is necessary to prevent wastage of materials caused by such things as poor preparation, over-production, failure to use standard recipes, etc. This can only be done with an efficient method of control, which covers the complete cycle of food and beverage control, from the basic policies of the organization to the management control after the event.
5. **Prevention of Fraud:** It is necessary for a control system to prevent or at least restrict the possible areas of fraud by customers and staff. Typical areas of fraud by Customers are such things as deliberately walking out without paying; unjustifiably claiming that the food or drink that they had partly or totally consumed was unpalatable and indicating that they will not pay for it; disputing the number of drinks served; making payments by stolen cheques or credit cards. Typical areas of fraud by staff are overcharging or undercharging for item served and stealing of food, drink or cash.
6. **Management Information:** A system of control has an important task to fulfill in providing accurate up-to-date information for the preparation of periodical reports for management. This information should be sufficient so as to provide a complete analysis of performance for each outlet of an establishment for comparison with set standards previously laid down.

3.3.3 Problems in F & B Control

Food and beverage control tends to be more difficult than the control of materials in many other industries. The main reasons for this are:

1. **Perishability of the product:** Food, whether raw or cooked, is a perishable commodity and has a limited life. The caterer, therefore, has to ensure that she buys produce in the correct quality and quantity in relation to estimated demand, and that it is correctly stored and processed.
2. **Business Volume Unpredictability:** Sales instability is typical of most catering establishments. There is often a change in the volume of business from day to day, and in many establishments from hour to hour. This causes basic problems with regard to the quantities of commodities to be purchased and prepared as well as to the staffing required.
3. **Menu mix unpredictability:** In order to be competitive and satisfy a particular market, caterers must often offer a wide choice of menu items to the customers. Predicting menu items preference on top of customer volume can be challenge. Effective forecasting as part of the total food and beverage control system is therefore necessary.
4. **Food and beverage operation short cycle:** The speed at which catering operations take place, relative to many other industries, allows little time for many control tasks. It is not uncommon that items ordered one day are received, processed and sold the same or next day. It is for this reason that in larger catering establishments cost reporting is done daily or at least weekly basis. Perishable items cannot be brought very much in advance of their need; and the problem of availability at times of produce relative to the price that can be afforded in relation to the selling price.
5. **Departmentalization:** Many food and beverage operations have several production and service departments, offering different products and operating under different policies. It is, therefore, necessary to be able to produce separate trading results for each of the production and selling activities.

3.3.4 Methodology of F & B Control

The Methodology of food and beverage control may broadly be envisaged under there phases:-

- Phase 1 : Planning phase
- Phase 2 : Operational Phase
- Phase 3 : Post – Operational Phase (Management Control after the events)

The catering cycle is a model, which represents all the food and beverage activities performed by an organization and provides necessary directives to the owner of the catering establishments to follow the basics of food and beverage operations. The cost control cycle is a sequential flow diagram of the various issues of the food and beverage operations and management and is illustrated in Figure3.2.

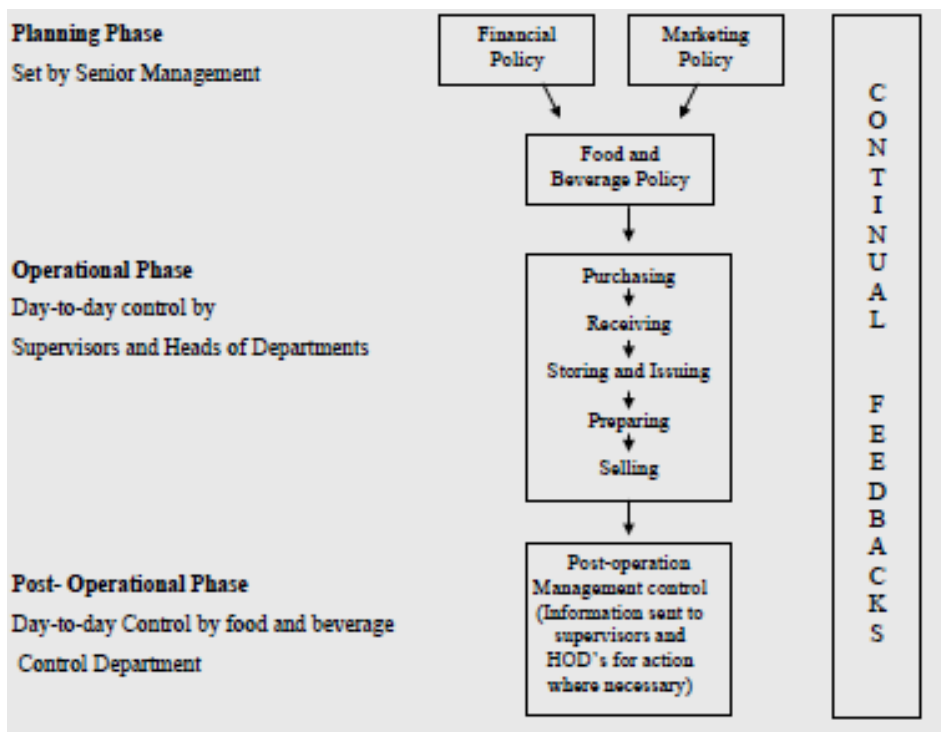


Fig. 3.2: Methodology of Food & Beverage Control

The planning phase of the cost control cycle deals with financial, marketing and catering policies of the establishment. Policies are predetermined guidelines set by senior management according to the goals of the catering establishment to achieve the service excellence, quality control, highest level of profitability, and delighting the guests for repeated business. Financial policies deals with all the decisions to be taken related with the finance such as the budget. The budget has been linked to a road map which gives an accurate route to be followed and serves as a guide to the travellers. The Marketing policy defines the market to be catered for and develops marketing mix to satisfy the needs and wants of the target customers. It outlines the following:

- Identify the target market the operation is intended to serve.
- Identity the market segment's to be exploited for achieving the desired market share.
- Developing the marketing mix (4 Ps- Product, Price, Place, and Promotion) to satisfy the needs and wants of the target customers.
- Designing the promotion mix (advertising, merchandising, sales promotion, public relations, and direct marketing) to facilitate marketing communication.
- Building the corporate image by meeting customer's expectations.
- The Catering policy defines the main objective of operating food and beverage faculties and the methods by which such objectives are to be achieved. It outlines the following:
 - **Outlet profile:** - Types of outlet, operating status, hours, décor, ambience, layout plan, covers, service, staffing etc.
 - **Clientele Profile:** - Age group, sex, food habits, average spending, frequency of visit, etc.
 - **Menu Profile:** - Types of menu, meals, cuisine etc.

The operational phase deals with establishing standards and standard procedures to exercise control in relation to the five main stages of the control cycle:

1. **Purchasing:** Purchasing can be defined as ‘a function concerned with the search, selection, purchase, receipt, storage and final use of a commodity in accordance with the catering policy of the establishment’. The person employed to purchase foods and beverages for an establishment will be responsible for not only purchasing, but also for the receiving, storage and issuing of all commodities as well as being involved with the purpose for which items are purchased and the final use of them. Coordinating with production departments to standardize commodities and therefore reduce stock levels. Purchasing is not a separate activity. What how and when you buy must always reflect the overall goals of your establishment. Purchase the right product, right quality, right price, right time and from the right source.
2. **Receiving:** In large hotels, receiving is a specialized job. While receiving the food or beverage items check delivery note to see if the products delivered agree with it. Inspect products/ raw materials to determine if they are in agreement with the purchase order and specification. List all items received on the daily receiving report. Accept the products by signing the delivery note and returning the copy to the delivery driver.
3. **Storing and Issuing:** - The main function of this department is to store and issue food and beverages items that pertain to food and beverages operations of the hotel. Raw material should be stored correctly under the right conditions and temperature. A method of pricing the materials must be decided and adopted for charging the food to the various departments. The cost of items does not remain fixed over a period of time; over a period of one year a stores item may well have several prices. The establishment must decide method of pricing (actual purchase price, simple average weight and weighted average price) as per their convenience.
4. **Preparing:** A production system needs to be organized to produce the right quantity of food at correct standards, for the required number of people, on time, making best possible use of staff, equipment and material available. A method of predicting the number of Customers using the catering facilities on a specific day, and also of predicting as accurately as possible what items they will eat and drink. A method of controlling food and beverage costs in advance of the preparation and service stages. It is done by preparing and using standard recipes for all food and beverage items and also by using portion control equipment.
5. **Selling:** After the selling price is fixed, the price is verified with the cost price and the reconciliation statement generated. It is necessary to ensure that all items sold have been paid for and that the money is received or credit has been authorized. This is necessary to keep control of the number of covers sold and of the items sold. This may be done through a standard type of waiter’s check system. The sales control is done with KOT and BOT for kitchen and bar, respectively, and tailed with the sales. Post operation

management control phase base on comparing and correcting the activities held in operations. Need to observe the measurement of performances, preparation and comparison of various reports and statement, and need to provide information to HODS for further improvement. This phase give chance to take corrective actions on the basis of feedback, further forecasting and future planning. Post-operational phase of food and beverage control is concerned with three main points:

- a. **Food and beverage cost reporting:** Providing accurate and up-to-date data for the preparation of periodical reports on current operations.
- b. **Measurement of Performance:** Monitoring performance and comparing actual performances with established standards.
- c.
- d. **Corrective Action:** Taking the appropriate action to correct deviations from standards, where necessary. Proper feedback of information to management, future forecasting and future planning whenever required.

3.3.5 Personnel Management in F & B control

F & B Control is a process by which managers try to direct, regulate, and restrain the action of employees. A manager of an organization cannot be in all places at all times to observe how all the staff members are performing. The observation is usually made by the records and reports, which are scrutinized on a daily, weekly or monthly basis to understand the goals set by the organization and the fulfillment of the same. The success or failure of F & B control really depends on the staff. Ideally, if they know the standards, understand the system and what is to be accomplished, and have a real desire to carry it out, their intelligent cooperation with adequate instruction and supervision should ensure a satisfactory outcome. In large hotels full time clerical staff employed to monitor day to day operation. They may employ receiving clerks and storeroom managers. The job specification for these employees follows the typical pattern. It is divided into three broad areas of technical, conceptual, and human skills. For some positions relating to the buying activity, technical skill and extensive experience are very important. For other positions, a desire to learn may be the only requirement. The complicating factor is that purchasing personnel often have responsibilities other than purchasing, receiving, storing and issuing; thus, these other responsibilities may take precedence when a manager undertakes to develop overall job specifications. Entry – level purchasing that consists of an orientation to the job and the company, formal instruction, and on-the-job training (OJT). In addition, management training seminars and courses sometimes supplement in-house training.

3.4 Cost & Sales Concepts

Systems and procedures used by managers to ensure that the actual costs of doing business are consistent with the expected costs. Sales is the revenue obtained from the exchange of products or services for a value. Sales can be of two types-monetary and non-monetary. Cost-volume-profit ratio is based on how profits respond to prices, costs, and volume.

A cost-volume-profit graph describes the relationship between sales volumes in units to other expenses such as fixed expenses, variable expenses, total expenses and total sales. The graph also gives knowledge about how costs and profit respond to change in sales volume. The contribution margin ratio is the relation of total contribution margin to sales. The ratio can be used to estimate the implications of change in total sales on net operating income.

The Same ratio is also used in break-even analysis. The break-even point is that level of sales at which there is no profit or loss for the organization. It can be calculated using various techniques which are based on cost-volume-profit.

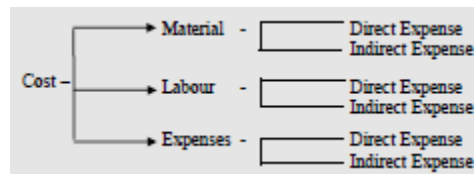
3.4.1 Definition of Cost

‘Costs’ is generally defined as a reduction in the value of an asset for the purpose of securing benefit or gain, however, in the food and beverage business, it means the price to the hotel or restaurant of goods and services when the goods are consumed or the services rendered. Costing is a specialized area which is gaining ground in many of the industries related with the processing and manufacturing of a product or rendering a service. It may be defined as ascertainment of costs relating to a suitable unit of output. The cost of any item may be expressed in a variety of ways as in units of weight or volume, or total value. The cost of chicken can be expressed as a value for 250 grams, or a value per individual portion. The cost of liquor can be expressed in terms of the cost per bottle, per drink or per ounce.

Cost includes as well as price, the cost of not going somewhere else, the cost of transport and time, the cost of potential embarrassment, the cost of having to look and behave in a required manner and the cost in terms of effort at work to earn the money to pay the required price.

3.4.2 Elements of Cost

There are broadly three elements of costs by nature of expenses-material, labour and expense.



Material: Material is a substance from which the product or dish or drink is made. Food and beverages are the most common raw materials or ingredients. Raw ingredient used for preparing any food item is known as material for food. Material may also comprise semi-processed ingredients such as sauces or pickles which are used in the food industry. The material could be direct and indirect.

Direct Material: The direct material cost is the cost incurred for commodities which are used in preparation of food, for example, meat, fish, oils, herbs and

spices. It is the cost which is an integral part of the finished product which is served to the guest.

Indirect Material: The indirect material cost is the cost which is ancillary to the business and is not an integral part of the product but is necessary for preparation. For, example, fuel cost such as gas or electricity used for preparing food and cleaning supplies.

Labour: It is the compensation given to employees for completion of a particular job for which they have been assigned and to convert the raw materials to the finished products to be served to the guests. It includes salaries, commission, bonus and wages which are paid to employees. The employees include workers, managers and supervisors. The labour cost can also be both direct or indirect.

Direct Labour: Direct labour includes chefs and cooks, and bar and beverage service staff who are directly responsible for preparation and service of food and beverage to guests. The salary or wages earned by direct labour can be identified with the particular product prepared, job, or the process.

Indirect Labour: Indirect Labour cost or wages is the labour employed for carrying out tasks which are secondary to the goods or services. For example, the storekeeper of F & B outlet and kitchen stewarding.

Expense: All other costs excluding labour and material cost used in preparing a product or providing service are said to be expenses. An expense can be direct or indirect.

Direct Expenses: Expenses which are directly related or allocated to various cost units are called direct expenses. They are allocated to particular job or service rendered which are also known as productive responses. The hiring of a particular machinery or equipment for preparing certain dishes would come under this category.

Indirect Expense: Expenses which can not be directly charged and are neither indirect wages nor indirect materials are said to be indirect expenses. Rent and taxes, insurance, depreciation, and repairs and maintenance are examples of indirect expenses.

3.4.3 Classification of Cost

The classification of cost is done on various bases such as behavioral in respect to the change in volume such as fixed costs and variable costs. For decision-making purpose of the management, costs are classified into opportunity cost, replacement cost, and sunk cost. The cost based on time period of assessment can be historical and budgeted cost. Other costs such as joint cost, outlay cost, and prime cost are based on the industry production process. The classification of cost is as follows:

- **Actual Cost:** Actual cost is the cost or expense which is actually spent. For example, the amount spent on buying the raw ingredients or materials for preparing a menu.

- **Budgeted Cost:** Budgeted cost is the cost which is expected for a particular period of time. For example, you might be expected total food sales and many forecast the cost incurred for purchasing ingredients for a month based on the sales. Later, comparing the actual cost incurred with the forecasted or budgeted cost will help in determining the cause of the difference.
- **Controllable Cost:** The cost that can be changed in a short period of time is known as controllable cost. The cost of food and beverage can be changed in several ways, in particular by changing the portion size or reducing some ingredients used for preparation or the quantity of each or some the ingredients or the quality of the ingredients.
- **Non-Controllable Cost:** Non-Controllable costs are costs which cannot be changed in a short period of time. These costs are usually fixed costs which include rent, taxes, depreciation and license fees.
- **Fixed Cost:** Fixed costs are costs which are not affected by changes in sales volumes. They do not have a direct relationship with the change in volume and so do not they do not change considerably with increase or decrease in sales. Examples are rent, taxes and insurance premium. Though fixed cost might change in due course of time, it is not related to the volume of sales.
- **Variable Cost:** Variable cost is directly proportionate with the sales and revenue generated. An example of a variable cost is the F & B cost. As sales increases, the cost of goods purchased increases. The F & B cost is variable cost which is linked with the volume of business made. The payroll costs include salaries, wages, and employee benefits which come under labour costs and are also variable costs.
- **Direct Cost:** Direct Cost is the cost of a particular department or a section and the manager concerned is responsible for the cost. The direct cost may increase or decrease proportionately to the sales made during a particular period of time. Examples of these costs are food cost, beverage cost and wages.
- **Indirect Cost:** - Indirect Costs are the cost which are not directly related to a particular department and cannot be charged to any particular department, for example, energy cost such as electricity charges. They can not be directly charged only to the kitchen or the service department and no departmental manager would be responsible for the same.
- **Joint Cost:** It is the cost shared between two joints or two departments; for example, F & B Production and service is the labour cost shared between beverage and kitchen departments. Mostly indirect costs are joint costs.
- **Outlay Cost:** Outlay cost is the financial expenditure incurred by an organization for improving the infrastructure, product, sales, etc. This is similar to modernization of a kitchen or renovation of restaurants. This cost can be recorded in the books.

- **Opportunity Cost:** Opportunity cost is the profit that is lost by an organization for choosing another option as an alternative venture using its available resources. It refers to the cost incurred by taking an alternative decision by choosing an alternative and thereby giving up something else. It is the value of the best alternative forgone, in a situation in which a choice needs to be made between several mutually exclusive alternatives given limited resource. An organization with additional cash can invest in various marketable securities.
- **Sunk Cost:** It is a cost that has already been met with and cannot be reversed or altered and is also referred to as started cost. Equipment which has been worn out after several years of usage and the buying of that equipment which could not be reversed is known as sunk cost.
- **Standard Cost:** Standard cost should be constant for a level or volume of revenue. It is the realistic estimate based on historical data. The standard cost of a recipe for a dish or cocktail or beverage can be prepared, finalized, and then standardized. After the dishes are standardized, the same is used as benchmarks to be compared with those prepared later.
- **Prime Cost:** Prime cost is the sum of food, beverage, and labour cost. It is the largest portion of all costs for a food service organization and is of concern for both managers and owners.

3.4.4 Sales Defined

Sales can be defined as the revenue resulting from the exchange of products and services for a value. In the F & B industry, the dishes and drinks served are products and services of both bar and restaurant which are served for value. The value may be cash or a promise to pay in cash. These sales are expressed in monetary terms for the value of goods or services. The success of any business is totally dependent on the sales of product or services. If sales are not recorded properly, than a manager cannot achieve the expected target of profit. It is crucial to match the cost of production with sales to avoid or reduce pilferage and wastage. The selling price of a product or service is generally set by management. As regards to food and beverage item, the sales prices are printed on a menu or placed on signs appearing thought the food and beverage outlet. The sale price is mainly determined on the basis of cost. However, there are other considerations such as maximization of sales differentiated products, price sensitivity, excluding certain customers or to cater to a specific clientele. The main objective of an unit is to have profitability in business. The total must be greater than total costs. The manager be constantly aware of the costs of operating the restaurant and to keep them below sales.

3.4.5 Ways of Expressing Sales Concepts

There are two basic group of terms normally used in food and beverage operations to express sales concept:

1. Monetary
2. Non-monetary

1. Monetary:

Total Sales: The total sales refers to the total volume of sales which is expressed in rupees.

Total Sales by Category: It refers to the total sales of a category compared to the total sale volume; for example, total dessert sale as compared to all dishes sold.

Average Sale: An average sale in business is determined by adding the individual sales and then dividing it with number of individual sales.

Average Sale per Customer: The average sale per customer is the total sale divided by the number of sales made, customers, or covers. It is also given as follows:

$$\text{Average Sale} = \frac{\text{Total Sale in rupee}}{\text{Total Number of covers}}$$

Average Sale per Server: The total sale per server is the total sale amount for which sales are expressed in monetary terms for the value of goods or services. The express value does not include taxes imposed by the state or local bodies. Tip is not included in the selling price. Sales expressed in terms of the quantity of units sold are very useful for purposes of control. For example, in a bar one would be interested to ascertain the number of drinks one expect to get out of a quart of liquor in order to determine on the basis of actual sales if any drinks were given away. The average check price is calculated for food per meal and for liquor each day. It is calculated by dividing the total value of all the sales for that meal or day by the number of customers. This will indicate how the menu is working, the effectiveness of all over all selling efforts, and determination of price.

A restaurant may express sales per waiter. In order to know the efficiency of the service personnel and provide a basis for better scheduling, the sales per waiter is expressed as the number of customers served per waiter by the number of customers he servers. For the purpose of scheduling personnel, opening and closing hours and providing efficient service to customers, restaurant may calculate total rupee sales and the total number of sales per hour, day, week and month. Sales of the restaurant could also be expressed in terms of rupees or in numbers of persons served. A comparative study could be made to find out why one unit is more profitable than the other one.

All the food and beverage outlets are constantly attempting to increase sales in order that the profit may be maintained or increased. For a restaurant to succeed it must meet a sufficient number of the characteristics to appeal to a large market and hence to cover constant higher costs. Most of the customer to patronize one particular outlet due to the following reasons:-

- Location- Convenient
- Service and Style
- Products differentiated
- Variety of Menu items
- Acceptable Prices

- Décor-Pleasant
- Portion Sizes
- Product Quality

The selling price of a product or service is generally set by management. As regards to food and beverage items, the sales prices are printed on a menu or placed on signs appearing through the food and beverage outlet. The sale price is mainly determined on the basis of cost. However, there are other considerations such as maximization of sales, differentiated products, price sensitivity, excluding certain customers or to cater to a specific clientele. The main objective of an outlet is to have profitability in business. The total sales must be greater than total costs. The manager and cost controller be constantly aware of the cost of operating the restaurant and to keep them below sales. On daily basis, cost information may be collected and compared with the sales. Rate of various types of costs to sales are calculated and compared to the ratios from previous period and judgments are made as to whether the ratios are satisfactory. If required, remedial steps are taken to bring down costs. Remedial measures will be effective if the cost and sales information is current.

2. Non-monetary:

Total Number Sold: The total number sold is the total number of dishes, for example, menu items, sold in a given time period. The figures help us in many ways as it helps managers identify the popular and not so popular items. It also helps to identify the total number of specific items sold from historical data which helps to forecast and make decisions regarding purchase of raw materials and production thereafter.

Cover: A cover is a term used to describe a single dinner regardless of the quantity of food he/she consumes. A guest can choose an elaborate menu in the breakfast or may opt for cereals and eggs to order with tea/coffee but it would be considered as a single cover.

Total Covers: It refers to the total number of covers/customers served in a given time period which could either be an hour, a meal period say lunch or dinner, a day, a week, or any such time period.

Average Covers: Average covers are determined by dividing the total number of covers for a certain time period by the desired numbers as follows:

$$\text{Cover per hour} = \frac{\text{Total number of covers}}{\text{Total Number of hours operated}}$$

$$\text{Cover per day} = \frac{\text{Total number of covers}}{\text{Total Number of days operated}}$$

$$\text{Cover per Server} = \frac{\text{Total number of Covers}}{\text{Total Number of Servers}}$$

Sales Mix: Sales mix is used to describe the relative quantity sold of the relative quantity sold of any item as compared to other items in the same category. The idea is to achieve the combination, or mix, that would yield the greatest amount of profits. The profits would be greater if higher margin items are sold more than the lower margin items as these would lead to a relatively large proportion of total sale. A shift in sales mix from higher margin items to lower margin item to a dip in total profits even through sales may increase. Similarly, if it is reversed, a shift in sales mix from high margin item to low margin items can cause total profits to increase even through sales may decrease.

3.4.6 Cost/ Volume/ Profit Relationship (Break Even-Analysis)

Cost Volume profit analysis (CVP) is a technique which is used to examine the relationship between the three elements of financial performance, mainly the sales and the cost associated with the volume and the profit. This helps us to analysis and understands how costs respond to various change in activity and the planning and decision making process. CVP helps to predict the sales in rupees and the volume required to achieve the desired profit based profit based on the known costs. Its main focus is on interaction among the following elements:-

- Price of Products
- Total Fixed Costs
- Volume or level of activity
- Mix of product sold
- Per unit variable costs

For planning and decision-making, it is important to look at the relationship among profit, sales, and costs and how it changes in different situations. A manager of an outlet may question which may directly have an impact on the profit. Consider the following examples:

- What will happen if the sales volume reduces/increases by 15%?
- What will happen if the vendor/supplier increases by 10%?
- How would the target market be affected if the selling prices are reduced/increased by 5%
- How much sales is needed to obtain a said profit?

For answering all these questions, it is best that we identify the type of costs and how they respond to changes in the levels of activity. Since variable costs is directly proportional to the volume of business increases, the cost also increases though the fixed cost remains constant (change by time). Considering the knowledge and importance of fixed cost and variable cost, if separated they can help to understand the relationship between costs, volume of activity, and the profits made. The costs cannot be kept as semi-fixed and semi-variable costs as they have to be changed to either fixed or variable costs. The CVP stress on the contribution margin is made towards fixed cost and profit. It is expressed by the following formula:-

$$\text{Contribution Margin} = \text{Sales Revenue} - \text{Variable Costs}$$

Contribution margin can also be said as the amount left from the sales once the variable cost is deducted that is available to contribute towards the fixed cost and the contribution is towards the profit.

For Example: A Restaurant name Food Garden, which has a set menu at a fixed price of ₹ 100 per customer/cover. In a particular month, the meal sales are between 6,000 and 9,000 Units. The Variable costs is ₹ 20 and fixed cost is ₹ 1,60,000. The contribution margin profit statement for Food Garden restaurant is given in Table.

Table Contribution margin profit statement for Food Garden Restaurant

Total Meals	6,000 (₹)	Units (₹)	9,000 (₹)	Unit (₹)
Sales revenue	6,00,000	100	9,00,000	100
Less Variable Costs	1,20,000	20	1,80,000	20
Contribution Margin	4,80,000	80	7,20,000	80
Less fixed costs	1,60,000		1,60,000	
Net Profit/Loss	3,20,000		5,60,000	

Therefore, the contribution statement presents the impact of sales volume of profit. Considering the relevant range, the selling price and variable cost have remained constant per unit sold as total fixed costs. The interpretation of the date for the manager is as follows:

For every ₹ 100 sold, ₹ 20 goes directly towards covering the variable costs which means that there is a contribution of ₹ 80.

$$\text{Selling price} - \text{Variable cost per unit} = \text{Contribution per unit } ₹ 100 - ₹ 20 = ₹ 80$$

Every time a meal is sold, there is a contribution of ₹ 80 towards fixed costs; once these are covered, the contribution goes towards profit. Food Garden has a fixed cost of ₹ 1,60,000. When it sells 6,000 meals, the total contribution is ₹ 4,80,000 and when it sells 9,000 meals, the total contribution is ₹ 7,20,000.

Therefore, we can calculate the profit or loss, if any, from the following formula:-

$$\text{Profit/Loss} = \text{Total Contribution} - \text{Fixed costs}$$

$$4,80,000 - 1,60,000 = 3,20,000 \text{ when 6,000 units are sold}$$

$$7,20,000 - 1,60,000 = 5,60,000 \text{ when 9,000 units are sold}$$

Therefore, if the total meal sale increases by 50%, the profit almost nearby doubles up as in the case of Food Garden, if the sales is reduced from 6,000 to 2,000 meals, the total contribution would be ₹ 1,60,000. Since the fixed cost remains constant for the restaurant and both the fixed cost and the contribution margin are the same, the total profit or loss would be zero as there would not be any profit or loss made by the restaurant on selling 2,000 meals. Where there is no profit or loss, it is known as breakeven point. As Break-

even point is reached, the net operating income will increase by the amount of unit contribution margin for each additional meal sold.

Contribution Margin: Contribution margin is the amount remaining from the sales revenue after the variable expense has been deducted. It is the amount available to cover the fixed expenses and to provide profit for the period. If the contribution is not sufficient to cover the fixed costs for a period, loss would occur for the same period.

Contribution Margin Ratio: Contribution Margin Ratio is the contribution margin as a percentage of total sales. It could also be used in cost/volume/profit calculation. The ratio is given as follows:-

$$\text{Contribution Margin Ratio} = \frac{\text{Contribution Margin}}{\text{Sales}}$$

For Food Garden, if 6,000 meals are sold, the C M ratio would be as follows:

$$\begin{aligned} \text{Contribution Margin Ratio} &= \frac{\text{Contribution Margin}}{\text{Sales}} \\ &= \frac{4,80,000}{6,00,000} \\ &= 0.80 = 80\% \end{aligned}$$

In Food Garden where only meals are sold and there are no other products, the Contribution Margin Ratio is given as follows:

$$\begin{aligned} \text{Contribution Margin Ratio} &= \frac{\text{Unit Contribution Margin}}{\text{Unit Selling Price}} \\ &= \frac{160}{2000} \\ &= 0.8 = 80\% \end{aligned}$$

The C M ratio is extremely useful as it shows how; contribution margin could be affected by a change in total sales. As calculated here, for 6,000 meals sold, there is a C M Ratio of 80% which means that for every rupee increase in sales, the total contribution margin will increase by 80 paise (₹ sales x C M ratio of 80%). The net operating income will also increase by 80 paise considering that fixed costs do not change.

Cost/Volume/Profit Equation: In an establishment or an F & B outlet, there is a relationship between sales, cost of sales, cost of labour, cost of overhead, and profit. The relationship can be expressed as follows:-

$$\text{Sales} = \text{Cost of Sales} + \text{Cost of Labour} + \text{Cost of overhead} + \text{Profit}$$

Since the cost of sales is variable cost, cost of labour includes both fixed and variable, and the cost of overhead is fixed, then the equation can be restructured into

$$\text{Sales} = \text{Variable cost} + \text{Fixed Cost} + \text{Profit}$$

Some important Points to be remembered are as follows:

- In a normal range of business operation, there is a relationship between variable costs and the sales which remain constant. The ratio could either be in decimals or expressed in percentage.
- The fixed costs usually remain constant in rupee value though the sales value in rupee may be altered by a change in volume. The ratio between fixed costs and sales changes as volume of sales increases or decreases.
- When acceptable levels are determined and fixed for costs, they must be controlled so as to make the operation profitable.

Target Profit Analysis: The CVP Formulas can also used to determine the sales volume needed to achieve a target profit.

$$\text{Sales} = \text{Variable expense} + \text{Fixed expense} + \text{Profits}$$

Variable Rate: The Variable rate is the ratio of variable cost to the sales in rupees. It is calculated by dividing the variable cost by the sale in rupee and is usually expressed in decimal form.

$$\text{Variable rate} = \frac{\text{Variable Cost}}{\text{Sales}}$$

Contribution Rate: When the variable cost is known, the balance would be fixed costs and the profit. As there is an increase in sales, more amounts would be available to meet fixed costs and the profit. Therefore, it can be concluded that if the cost remains constant, there is an increase in sales because of the contribution rate, resulting in increase of profit. The increase is known as contributed rate/percentage/ratio.

Contribution rate is given by the following formulas:-

$$\text{Contribution Rate (C R)} = 1 - \text{Variable Rate (VR)}$$

Break – Even Analysis: Break–even analysis represents the relationship between cost, volume, and profit and is an important exercise in the business it depicts the following:-

1. The Financial state of the business.
2. The profitability of the business at different levels of output.
3. The break-even point (i.e., the point at which neither profit is made nor loss is incurred)
4. The relationship between fixed, semi-fixed and variable costs and the contribution.
5. The margin of safety and the profit-volume ratio.

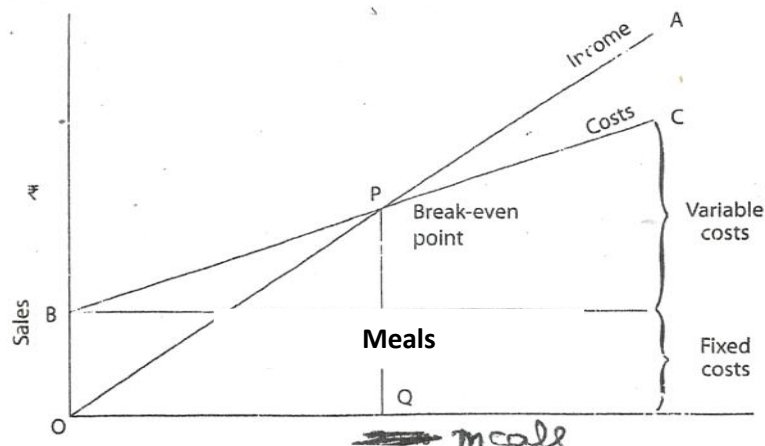
Advantages of Break-even Analysis: The advantages of break-even analysis are as follows:-

- It helps the management decide on the exact volume of goods to be manufactured.

- It helps the management decide on preparing or making or buying policies.
- It helps the management decide on the exact selling price of dishes or drinks prepared.
- It helps the management to take decisions regarding current and new production system.

Break-even analysis is a procedure widely used by production management and management accountants. It is based on categorizing production costs between those which are variable (costs which change when the production output changes) and those that are fixed (costs which are not directly related to the volume of production). Break-even analysis enables the relationship between fixed, semi-fixed and variable costs at specific volumes of business to be conveniently represented on a graph. This enables the break even point to be identified and the level of sales necessary to produce a predetermined level of net profit. The term break-even point may be defined as that volume of business at which the total costs are equal to the sales and where neither profit nor loss is made. The technique is based on the assumption that: the selling price remains constant irrespective of the volume of business; that certain unit costs remain the same over the sales range of the charted period that only one product (for example, a meal) is being made or sold; that the product mix remains constant in cost price and volume and that labour and machine productivity is constant. Nearly every action or planned decision in a business will affect the costs, prices to be charged, the volume of business and the profit. Profits depend on the balance of the selling prices, the mix of products, the costs and the volume of business. The break-even technique discloses the interplay of all these factors in a way which aids food and beverage management in selecting the best course of action now and in the future. Pricing is a multi-dimensional problem, which depends not only on the cost structure of a business and its specific profit objectives but also on the level of activity of the competition and the current business economic climate.

In figure 3.3, the line OA represents the variation of income at varying levels of production activity (output). The span OB represents the total fixed costs necessary in running the business. As the output increases, variable costs are incurred, meaning that total costs (fixed + variable) also increase. At low levels of output, costs are greater than income. At the point of intersection P, costs are exactly equal to income, and hence neither profit nor loss is made.



Contribution Margin Ratio: It is a contribution margin as a percentage of total sales.

Cost-Volume Profit: It is the relationship between an organization's revenue, costs and the level of activity presented in a graphic form.

Fixed Cost: It is cost that is normally unaffected by changes in sales volumes.

Internal Control: An accounting method, procedure, or system designed to promote efficiency, ensure the implementation of company policies, safeguard assets, and discover and avoid errors or fraud.

Labour Cost: The amount paid to employees.

Opportunity Cost: It is the value of the best alternative predetermined in a situation in which a choice has to be made between several mutually exclusive alternatives with limited resources.

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3.9 Suggestive Reading

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3.10 Terminal Questions

1. What are the various types of costs.
2. What is cost volume profit analysis? How does it help in planning a business operation?
3. What are sales? How are they classified?
4. Explain the objectives of food and beverage control?
5. What is break even point? Explain in short.
6. Discuss break-even analysis with the help of a neat chart and suitable examples.

UNIT: 04

BUDGETARY CONTROL

Structure

- 4.1 Introduction
- 4.2 Objectives
- 4.3 Budgetary Control
 - 4.3.1 Kinds of Budget
 - 4.3.2 Budgetary Control Process
 - 4.3.3 Stages in the Preparation of Budgets
 - 4.3.4 Budgeting for Food & Beverage Operations
- 4.4 Food & Beverage Control
 - 4.4.1 Food Control
 - 4.4.1.1 Food Purchasing Control
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 - 4.4.1.3 Food Storing and Issuing Control
 - 4.4.2 Beverage Control
 - 4.4.2.1 Beverage Purchasing Control
 - 4.4.2.2 Beverage Receiving Control
 - 4.4.2.3 Beverage Storing and Issuing Control
- 4.5 Menu Management
 - 4.5.1 Introduction of Menu Management
 - 4.5.2 Types of Menu
 - 4.5.3 Menu Planning Considerations & Constraints
 - 4.5.4 Menu Costing and Pricing
 - 4.5.5 Menu Merchandising
 - 4.5.6 Menu Engineering
 - 4.5.7 Menu Fatigue
 - 4.5.8 Menu as a In-House Marketing Tool
- 4.6 Summary
- 4.7 Glossary
- 4.8 Reference/ Bibliography
- 4.9 Suggestive Reading
- 4.10 Terminal Questions

4.1 INTRODUCTION

Budgetary control is a control technique whereby actual results are compared with budgets. Any differences are made the responsibility of key individuals who can either exercise control action or revise the original budget. Food & Beverage management deals with various aspects of managerial practices in a catering operation, such as planning for purchasing, receiving, issuing and storing. But the most important aspect is to bring down the cost so that maximum profit can be achieved by an organization. Food & Beverage Management is concerned with the management of an operation, which is constructed from three identifiable operating system (food production, service sequence and customer

process) that are interlinked and each of these three systems is made up from a variety of subsystem.

4.2 OBJECTIVES

By the end of this unit the student will understand and know about:-

- Food & Beverage control .
- Different types of menus offered in the hotel and catering industry.
- Menu planning consideration.
- Menu merchandising, engineering, costing and pricing.
- Different kinds of budget
- Budgetary control process
- Steps in preparing budget

4.3 BUDGETARY CONTROL

A budget is, according to Nordstedts dictionary as “a plan for use of income and its distribution of different expenses during a certain time, usually a year”. A budget is a planning process wherein the necessary resources to generate revenue is recorded. A budget may not always be expressed in monetary terms. A hotel budget may include the estimate of total number of guest served both in-house as well as in restaurant and banquet. When individuals decide to operate a business it is usually because they have a special interest or specific expertise in the product or service the business is selling. They are expecting that an income and profits can be made. Setting up and running a business involves large amounts of money, possibly several hundreds of thousands each year. To produce an income and profit for the owners this money must be managed very carefully. The budget operates as a guide that provides the manager or department head with the standards by which they can measure the success of operation. It provides a financial structure within which all departments operate. The management committee takes care of budgeting in a hotel. All the department heads are responsible for creating the budget for their respective departments and send to the finance manager for his/ her final approval. The budget helps in providing an opportunity for taking an important look on the cost incurred by the department, reviewing past planning, and taking appropriate steps to accomplish better outcomes in the next financial year.

Budgeting is one of the main planning activities in the hotel. It also involves daily, weekly, monthly, and annual planning for an establishment. It helps in controlling costs and keeping the costs in line with the forecasted revenues. The forecast is usually done considering the future guests the establishment is expected to receive and the purchases of food and beverage supplies so that the requirement are met.

The intent and purpose with which budgets of an organization are formulated, used and administered give rise to the concept of ‘budgeting’ and ‘budgetary control’. It may be mentioned here that the ‘budget’ forms the basis of both the ‘budgeting’ and ‘budgetary control’. Budgeting refers to the process of budget preparation and its administration while ‘budgetary control’ signifies the financial control over the working of the organization.

4.3.1 Kinds of Budget

A budget could be of varied kinds depending on the types of expenditure involved, the departments and various budgets.

1. Type of Expenditure: According to the type of expense and assets, a budget is characterized into the following:

- ▶ **Capital Budget:** It allocates the capital assets usage whose life span is more than a year; they are the assets which are not normally used regularly in daily operations. For example: Hotel Building, Furniture & Fixture etc.
- ▶ **Operating Budget:** Operating expenses are the costs made to generate revenue while doing business. The inventory cost of all items which cannot be recycled such as cleaning and guest supply are also operation costs.
- ▶ **Pre-opening Budget:** The budget designates resources for various opening parties and functions, advertisements, and initial generation of goodwill for the start-up. The pre-opening budget will also include the preliminary employee salary cost, equipment, and additional items. Preparing a pre-opening budget for an establishment requires the individual to have required know-how about it with current trends and the understanding of the management.

2. Categorization into Department: Based on the departments concerned, budget may be categorized into the following:

- ▶ **Master Budget:** It represents the forecasted targets set for the whole organization and combines all income and expenditure estimated for the organization.
- ▶ **Departmental Budget:** Each department of the hotel prepares and forwards a budget for its estimated expenses and revenue to the financial manager. Example: Food & Beverage Service department

3. Various Budgets: The various budgets that comprise the budget-making process are as follow:

- **Sales Budget:** While preparing the sales budget, a realistic sales forecast has to be made for food and beverages. While preparing the sales budget, market research has to be done about sales value with the help of various statistical methods. The establishment has to consider various points such as pricing policy, income and taste of customers, and competition.
- **Labour Budget:** Financial implications & manpower requirement have to be considered while preparing the labour budget. The various positions or hierarchy of staff required and the salaries to be imparted as per the destination and incentive as per the establishment norms have to be considered. The labour budget is directly related to sales. This will facilitate preparation of an estimate of different grades of labour required.

From this the standard hours required to be worked can be prepared. The labour budget can be divided into direct and indirect labour budget.

- **Purchase or Raw material Budget:** Budgeting for purchase has a major role in Food & Beverage industry as it is important to consider the cost of raw materials required as well as the financial implications of high or low stock levels. It also considers the storage space required.
- **Cash Budget:** It is a cash plan for a defined period of time. It sums up monthly payments and receipts made. The cash budget helps an establishment maintain flow of cash requirements. It also helps initiate precautionary measure for any investment or loan and helps the establishment in financial implications for change in management policy.
- **Zero-based Budget:** When budgeting is done from the beginning without any reference to historical data, it is known as zero-based budgeting. Programmes to be implemented in an establishment may require such an approach. The process is time-consuming as it starts at zero level for each category of cost and then figure into the new budgeted expense level.

4.3.2 Budgetary Control Process

Operating budgets are meaningless unless they assist in controlling the business in optimizing revenues and costs to maximize profits. The objectives of control are to:

- Safeguard assets
- Ensure accuracy and reliability of data
- Promote efficiency
- Encourage adherence to prescribed managerial policies

Use of the Uniform system of accounts for the catering industry or similar enables departmental reports to be produced for the managers for both actual and budgeted (standard) results. These should also include both financial and non financial ratios that will then allow common size comparisons to be made. Variances are calculated by monetary or numerical and percentage amounts and are used by managers to identify areas for concern. The process is:

- Identification of variances, and determination of which are significant
- Analysis of these and identification of the causes
- Establishment of action to be taken

Methods of control may be both physical or via systems, with increased technology such as EPOS(Electronic point of sale), procurement, and scheduling system aiding in the control of food and beverage or payroll. However, managers should be aware which costs are available in nature and therefore more controllable, and which are more fixed in nature and hence less manageable. If the reason for the variances are unable to be solved then it may be necessary to reforecast the budget using flexible budgetary techniques.

4.3.3 Stages in the Preparation of Budgets

When the preparation for budget begins the finance manager collects all information about establishment and then presents a rough draft for a budget. The draft is then placed in front of all department heads for their opinions. All department heads individually

prepare their own budgets in consent with the finance manager by considering the budget and the sales made in the previous year. The stages in preparation of budget are as follow:-

1. Establishing achievable goals: While selecting goals, the most pleasing situation must be moderated with pragmatism. There are many factors which limit revenue to a certain maximum level. The following factors should be considered:

- Consider an example of any restaurant where all fixed numbers of seats are there. If the restaurant is running at full capacity, the revenue can only be increased by increasing the dish prices or increasing the seat turnover, but since there is a limit of increasing prices as guests want value for money. The seat turnover may be increased but it will lead to guests having rushed or hurried service and in the end revenue will fall as they would prefer to go somewhere else.
- Need of skilled labour is another limitation.
- Insufficient capital could limit the expansion plan.
- The guest requirements and competition have to be considered while budgeting as in the short term, there is only limited business to be made. As it is not possible to add more rooms to a hotel, or add covers in the restaurant at a short notice and keep up with all the latest trends happening in the market, the budget estimate must be made ensuring provision for realistic growth of the business.

2. Scheduling the process to achieve these goals: When the objective is finalized, plans must be placed to achieve them. For example: a restaurant manager would require skilled staff to manage the expected volume of business. A chef or purchase manager must procure sufficient raw materials to meet the prerequisite standard quality.

3. Examining the difference between the actual and the planned: Some important points to be considered while formulating the budget:

- Is excessive pricing keeping the customer away?
- Is any nearby competition affecting the business?
- Is the staff in the organization able to handle the work pressure?
- Is marketing targeted to the appropriate market?

A few more similar questions can be raised and the answers could help in analyzing the budgeted figures and actual result available.

4. Measures taken for corrective action: The reason for the difference between the budgeted and the actual could be due to a particular situation which could not be foreseen or predicted. It may also seem that the loss in business is due to some reason quite obvious and is better to act on those measures and take corrective action on the same.

5. Enhance the efficiency of the budget: It is the final stage in the budget making process. All those involved in the preparation of the budget should be aware of the constant need to improve the budgeting process. Therefore, the information provided after analyzing the variance between actual and budgeted values helps in improving the accuracy in budgeting.

4.3.4 Budgeting for Food & Beverage Operations

There are three phase in budgeting for food & beverage operations:

1. **Evaluation Phase:** In the evaluation stage, the external factors are analyzed (outside your control) which influences the Food & Beverage business and the internal factors (within your control) governing the future performance. Competition, events, and economy are external factors. The most important factors are the F & B service outlets or sales creators. These sales creator or office space are buildings, residential areas, schools, and any other business or gathering of people that may generate sales for your outlet. After the sales creators are categorized, their special characteristics such as age groups, estimated income levels, in-house eating facilities, and hours of operation can be used as a reference to develop the budget.

(i) **The external process** aims to analyse the competitors of the outlet. The activities of the competitors can affect the sales of the outlet. Visiting some competitors might help in obtaining answers to some of the following point:

- **Pricing of menu by the competitor's and comparing it with the outlet:** If competitors are charging increased prices for the dishes served by the hotel, the hotel may also increase the prices by which revenue may increase but in the long run, the number of covers will be decreased.
- **Portion sizes of each dish:** While the dishes are being served, the hotel can determine the portion sizes. If the portion sizes of dishes are larger than those of the competitors, the hotel can reduce the portion size as a marketing advantage considering that the prices are similar.
- **Observe the USP (Unique Selling Point) of competitor's restaurants:** Efforts must be made to determine to understand what makes competitors unique. It could be the owner's appeal, the décor, ambiance, or the dishes served. It may result in evaluating the strengths incorporated into the restaurant.

(ii) **The internal process** consider to observe the profit and loss statement, employee schedules, guest account, cash shortage or cash excess during the year and financial performances of the operation.

2. Planning Phase: The initial step in the planning stage is projection of sales. The projections have to be made for each typical day of the week for each month of the year. The cost of goods sold is the cost of food items and cost of beverages. The information examined during the evaluation phase forms the basis for future predictions. If the food cost percentage has been increased for some reason, the same would also lead to a total increase in the cost percentage. If the establishment plans to reduce the portion sizes or use less expensive ingredients, the forecast would lead to a decrease in the cost. In this stage forecast payroll, controllable expenses, non-controllable expenses and profit before depreciation. Deduct all the expenses from the sales to calculate the forecasted profit.

3. Control Phase: When the budget has been prepared, it is a tool for control. In the control stage, the accountant should compare the actual results with the budgeted amount and then calculate the variance and then act upon any important unfavorable variances. For every month, rupee variance and percentage variance should be calculated for each budgeted amount. On calculating the variance, it should be examined whether the variance is significant or worthy of further investigation and then set it as a standard.

4.4 Food & Beverage Control

Food and Beverage control may be defined as the guidance and regulation of the cost and revenue of operating the catering activity in the hotels. An effective Food and Beverage control system is based upon correct up-to-date policies and operational procedures. This control system requires constant management supervision and action. The amount of control necessary is related to the size and complexity of an establishment. The management of any catering operation has to be fully aware of everything that is taking place within and outside the operation and, to be successful needs to be continually collect, analyse, and evaluate data and take any necessary steps to correct anything which is irregular to the standards set for the operation.

4.4.1 Food Control

A Profitable food & Beverage operation is an operation that has solid controls and procedural guidelines designed to minimize waste, theft and perishability of those raw materials. One of the most important areas of food control is the kitchen. The production process begins and ends in the kitchen area. Preparation of food items and the production cycle are centered on the raw materials required to create various menu item selections. The production cycle begins with the menu and ends with the disposal or re-use. Maximizing food profits requires minimizing waste, theft and spoilage. The food control refers to directing and regulating the cost and revenue of any food service outlet. The cost of food might vary from 25% to 50%, depending on the type of catering – institutional or commercial. As the amount of money involved in an operation could be high, control measure have to be established. Therefore, for a larger commercial establishment, more precise, accurate, and detailed information is required as compare to a smaller establishment. An effective control system can assist the management to identify problem areas and the course of the food establishment. The management has to act on the problem area and the course of food establishment. The management has to act on the problem areas and come up with a solution, keeping the system under its strict supervision. In any catering establishment, the raw materials have to be processed so that the finished dishes can be served to the guest. A receiving procedure has to be laid down with proper financial and security consideration so that the exact quantity and the right quality of goods are received. When storing food, proper inventory measures have to be taken. The product's quality has to be verified and stored as per the respective area. The stores should record all items received and all items which have been issued to production. The items to be issued have to be requisitioned and approved by the authority on which the items have been issued. When items are issued, care must be taken so that the product rotation is done properly.

4.4.1.1 Food Purchasing Control

Purchasing may be defined as a procurement function concerned with search, selection, purpose, receipt, storage, and final use of commodity in accordance with the catering policy of the establishment. Food purchasing control involves the following:-

- Developing purchase specification
- Preparing an approved supplier list
- Determining appropriate order size
- Establishment appropriate receiving and storage procedure

Food purchasing control consists of developing standards and standard procedures for purchasing and outlines the following:-

1. Purchasing Policy
 - Corporate
 - Centralized or decentralized
2. Purchasing Research
 - Markets and materials
 - Marketing channels
 - Price trends
3. Product Evaluation and assessment
 - Product testing
 - Yield testing
4. Food Purchase Specifications
5. Purchasing methods
 - By contract
 - By Quotation
 - By cash and carry, etc.
6. Clerical Procedures
 - Documentation
 - Information Processing

Once a menu is planned, a number of activities must occur to bring it into reality. One of the first and most important stages is to purchase and receive the materials needed to produce the menu item. Skillful purchasing with good receiving can do much to maximize the results of a good menu. It is important to determine yields from the range of commodities in use, which will determine the unit costs. Yield testing indicates the number of items or portions that can be obtained and helps to provide the information required for producing purchasing specifications. Yield testing should not be confused with product testing, which is concerned with the physical properties of the food texture, flavour and quality. In reality, tests are often carried out which combine both of these requirements. Unless communication lines are set up to inform buyers of production needs and to inform receiving clerks, accounting personnel and others of orders and expected arrival times, poor buying and control occur. Management will establish many requirements that must be met in control: the routing of paperwork, payment policies, receiving procedures, check to ascertain quality.

Requisition and inventory control must be implemented. Control begins with the calculation of the amount and the writing of the specification. Orders are usually placed through a purchase order. This states the item or items required, amount, size, weight and other pertinent information. All purchase orders have numbers so that they can be quickly identified. Purchase orders should be signed only by an authorized person. One copy is normally held by the individual issuing it, one may go to the accounting department, and another to be receiving rooms. Copies are sent to the supplier. In some cases, it may be a requirement to have the purchase order signed and returned by some individual in the supplier's company so it is known that the order will be honored.

Regular purchase orders are for one single order to be delivered at a specified date. 'open delivery' purchase orders establish the purchase of items over a period of time. Items

needed daily or weekly are often purchased by open delivery orders. A purchase record may be maintained. This record may indicate what was ordered and from whom, as well as any other information that may need to be maintained. A purchase price record usually is maintained on cards to keep information on the price paid for a particular item.

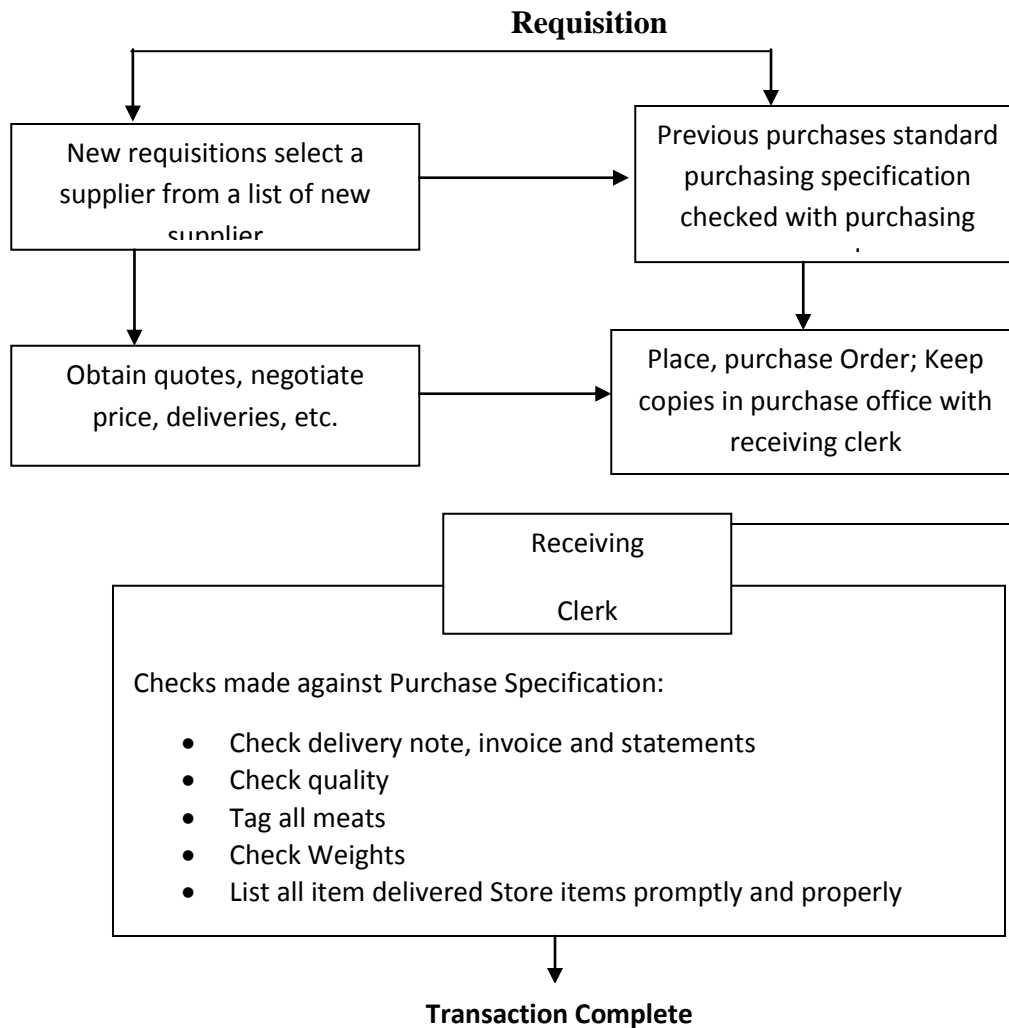


Fig.4.1: Purchasing Control System

4.4.1.2 Food Receiving Control

All goods which come to the establishment are sent to the receiving department. The receiving department has to record all the items received and maintain the records in various files or books. Nowadays, all records are computerized and the details of each item can be easily queried. Records such as invoice, delivery notes, goods received note, and daily receiving report are maintained by the receiving section.

Invoice or Bill: As and when food or any item is delivered to the hotel, it should be always accompanied with a document, which supports that the items have been delivered. The document delivered is known as the invoice, which is similar to the bill. An invoice is a business document issued by a vendor to a purchaser, signifying the products and

their quantities, approved prices for the products or services, which the vendor has already provided the purchaser with. An invoice also states briefly that if it is not paid in advance, the payment is due by the purchaser to the vendor as per the decided terms. A bill is a document which is generated for claiming the payment for goods either already supplied or just delivered. It provides the total price for services and goods delivered to a client, but for which no amount is paid and is presented in anticipation that payment would be made in full. An invoice is always prepared in duplicate is presented to the receiving clerk by the delivery person, who will expect the receiving clerk to sign and return the second copy. The invoice serves as an acknowledgement to the vendor that the establishment has received the products listed on the invoice. The original copy is, in effect, a bill which must now be routed to the accounts department or to whomsoever responsible for paying the bills. On receipt of the bill, the receiving clerk should rubber stamp the bill and verifies the information such as date, name of the receiving person, signature, price, and mention the bill is verified for payment.

Format of Invoice

XYZ Suppliers Ltd.				
Invoice				
No: _____		Date: _____		
To ABC Hotels				
Sl. No.	Description	Quantity	Unit Price	Amount
Less Discount				
Total				
Signature _____				

Figure: 4.2 Specimen of Invoice

Delivery Notice: A delivery note comes along with each supply sent by the vendor. It mentions only the details about the quantity and does not disclose information regarding the rate or amount. The delivery note received is then tailed with the purchase order to confirm the quantity ordered. Two copies are prepared for the delivery note, which mentions that goods received are as mentioned in the purchase order and the delivery note. The original copy of the delivery note is taken by the receiving department and the duplicate copy is signed by the receiving department’s official which is sent back to the vendor by the delivery person.

Goods Received Note: For any well-organized organization, all material would be received by the goods-receiving department. The receiving department checks the quantity, quality and condition of items to be received against the copy of the purchase order from sent to it as well as the supplier’s advice note. If the goods are acceptable, a goods received note (GRN) is raised. The GRN mentions the date, vendors name, purchase order number, quantity and explanation of the goods. After it is prepared, the GRN is usually signed by the head of the department or any person who has been authorized to do so. The number of copies of GRN to be prepared depends upon the establishment. In general, five copies are prepared and distributed to the purchasing, accounts, receiving, stores and ordering department.

ABC Hotels						
Goods Received Note						
GRN NO: _____						
Supplier: _____		Date Received: _____			Advice Note A/c: _____	
Sl. No.	Goods	Pack Size	Price	Order Quantity	Deliver Quantity	Comments
Received By: _____				Checked By: _____		

Figure 4.3: Specimen of Goods Received Note

The food is divided into two different quantities as some food purchased is for immediate use, whereas some items are kept in the inventory until required. As per the controls, the food that are charged to the costs are known as directs and those charged to costs when issued from the inventory are called stores. Directs are those food items, which are extremely perishable in nature and are more or less purchased on daily basis for immediate use. These items are purchased everyday and are issued to the respective departments as soon as they are received and are included in the food cost on the date of delivery. The F & B controller of an establishment may categories the food into directs and stores as per the storage capacity available and usage. The receiving clerk daily report is prepared for all items received on a particular day. It is prepared by the receiving clerk who records the data obtained from the invoice in appropriate columns on the report followed by totaling each invoice into one of the there columns under Purchase Journal Distribution- food direct, food stores and sundries. The food items are directly issued. The receiving staff should follow some form of standardized receiving, and look for sign of spoilage and adulteration. When the goods received are returned by the receiving clerk to the vendor with the returned quality and amount for the return goods, a debit note is prepared requesting for return of money. When there is a shortage of goods or if the goods are not as per SPS, the receiving clerk writes as credit memo/credit note mentioning the details and requesting the vendor to remove the goods mentioned in the

bill. The credit note notifies the vendor about the misses or shortage and also explains the credit made in the account of the buyer with the reasons.

4.4.1.3 Food Storing & Issuing Control

The main aim of a food store is to ensure that an adequate supply of foods for the immediate needs of establishment are available at all items. Foods when accepted at the receiving department are categorized as perishable and non-perishable items. The perishable items go straight to the kitchens, where they would be stored in either refrigerators or cold rooms depending on the item. Perishable foods going direct to the kitchen are often referred to as being on direct charge in that they will usually be used within one to three days of delivery by the kitchen. Ideally, meat, fish, dairy Product, fruit and vegetables, and deep frozen foods should be stored separately from each other. The non-perishable items go to a food store where they are unpacked, checked for any damage and placed on racking. All deliveries to be recorded in the foods received book and credit notes obtained for any variance between what is started on the delivery note and what is actually delivered. All deliveries of food to be entered into bin cards/ledgers on the day of the delivery. Maintain certain charges and credits for period inventory. Complete an inventory of all chargeable containers in the store. At set periods complete a full stock take of all food stores and food held in the kitchens and compare to ledgers. Prepare a stocktaking report and stocktaking variance report.

Food products will require additional storage areas within your establishment:-

Frozen (Freezer) storage areas: Keep these units between (-18⁰c to - 23⁰c), and freeze storage foods quickly when received. Check the food’s overall condition. Keep these units clean and maintained and ensure that the thermometer which monitors them can be easily read and is in good working order.

Dry Storage areas: Keep these items between (18⁰c to 24⁰c) and keep a good amount of dry, clean shelving at least 12 inches (300 mm) off the ground for hygiene and ventilation (never store dry foods directly on the floor). Keep bulk items like flour in wheeled bins for easy transportation. Keep it neat and well organized for stock checking and rotation purposes.

Refrigerated Storage area: Keep this area between (0⁰c to 2⁰c), Never allow warm foods to be place in the refrigeration and ensure that they are kept at least 6 to 10 inches (150 to 250 mm) off the ground. Clean them regularly, and insist that items placed in the refrigerator are properly stored, labelled, wrapped and rotated.

Perpetual inventory for period _____							
Name of Item _____							
1	2	3	4	5	6	7	8
Date Delivered	No. of Units	Unit Price	Date Issued	No. of Units	To Whom Issued	Returns to Storeroom	Balances

Figure 4.4: Specimen of Bin Card

A bin card is a record of all food items, or other items, delivered, all items sent to the production areas. In the majority of catering establishments such items of food as meat, special processed meat, special processed meats such as hams, and fish such as smoked salmons, constitute the most expensive of the purchased foods. Because of this high cost it is not uncommon for units operating a detailed control system to set up a form of special control of these items. Tagging expensive food serves many purposes:-

1. It aids the control of expensive foods.
2. It requires the receiving clerk to weigh and record each item, and to check against the specific purchase specification weight range.
3. It assists in obtaining a more accurate daily food cost percentage figure.
4. It assists in controlling the stock levels of these items.

These operations of tagging of expensive items are as follows:-

1. On receiving the items they are checked against the purchase specification as to being acceptable or not.
2. A tag is made out for each item received, with the main information being taken from the invoice or delivery note. The weight recorded on the tag is obtained by actually weighing each item individually
3. The tag is then separated along the perforation with the control office copies being sent direct to the control with the invoice or delivery note.
4. When the item is issued, at a later date, to the kitchen for use the tag attached to the item is removed and sent to control with the date of issue filled in.
5. The control office will usually operate a reconciliation of meat tags form, recording the tags received from the receiving department and from the kitchen.

Issuing of food take place at set time during the day and only against a requisition note signed by an authorized person. When the requisition is a large one it should be handed in several hours before the items are required to allow the store keeper plenty of the time to collect all the food items together.

Location:- XYZ Hotel					
Area-Kitchen			Date-		
Quantity required	Items	Quantity Issued	Unit Price	Cost	Total Cost
3 Bottle	Vanilla	2 Bottle	100	200	200
2 Kilo	Sugar	2 Kilo	42	84	84
3 Kilo	Refined	3 Kilo	20	60	60
			Total	344	344
Requisitioned By:-_____					

Figure 4.5: Specimen of Requisition Form

Issues of all food from the stores to be against authorized, signed requisition only. Entry to food stores to be restricted to authorized personnel.

4.4.2 Beverage Control

Beverage control refers to control of liquor (including non-alcoholic beverages) during purchasing, receiving, issuing and selling. The control measures used are:-

- Keeping less expensive drinks as house-brands
- Avoiding over buying
- Strict storing and receiving procedures
- Regular physical inventory of stores
- Periodically preparing operational statements
- Control checks and BOT (Beverage Order Ticket/Token)
- Regular bar inventory
- Using standards measures
- Following standard bar recipe cards for cocktails

Reason for extra Control over Beverages:

- Pilferage is common among staff for personal consumption. The lure of alcohol can be compelling for some staff.
- Unauthorized Complimentary drinks are served to customers in the expectation of extra tips.
- Failure to record sales: The staff may not raise a check for the beverage served and pocket the cash.
- Bar Staff have been found to carry their own liquor from outside and serve it in the hotel at higher rates. This eats into the bar sales.
- Inexperienced barmen are often found to over pour or under pour drinks.
- High spillage and breakage is another reason for extra control on beverages.
- The barman may be careless in discarding bottle before emptying.
- Pouring less than the standard measure and selling the excess personally.
- Diluting white spirits such as gin, vodka, and white rum with water. This increase the quantity and allows the barman to pocket sales.
- Claiming ‘damage by accident’ by showing broken empty bottles. The liquor is of course not wasted and is sold without will to pocket cash.
- Over charging guests on number of drinks. This is resorted to if the guest seems drunk.
- Using the same bill for more than one customer. This act in hotel parlay is more commonly called ‘check playing’ and is a a very serious offence. The modus operandi is quite simple. For example, if a table for two orders two beers and leaves without taking the guest copy of the bill, then the same bill for two bears is given to the next customer if the order is the same. The sale of course is not registered.
- Using peg measures of lesser capacity. Short pouring as well as over pouring could be reason for suspecting fraud in a bar.

Control Measure Taken:

- Less expensive drinks should be kept as bar-brand or house brand. This lowers the beverage cost and results in increase profits.
- Overbuying beverages should be avoided as it can result in dead stock.
- Strict procedures for receiving and storing need to be in place.
- Regular physical inventory of stores needs to be taken.
- Operation statement should be prepared periodically, the statement is prepared considering the inventory taken, store issues and sales.
- Proper control on checks and BOTs need to be made.

- A regular and strict bar inventory must be taken and overage or shortage must be accounted for.
- Standard measures to be used in the bar. The law requires a bar to use Jiggers authenticated by the 'weights and measures' department.
- The barman must follow 'standard bar recipe cards' for cocktails.
- Daily sales figures must be cross-checked with issues made and popularity or items sold report.

4.4.2.1 Beverage Purchasing Control

The purchasing of beverages aims to purchase the best quality of item at the lower price for a specific purpose. Beverage sales is an important function and a valuable source of income in hotel and restaurant business. An effective purchasing control of beverages is essential. For purchasing of beverages the different sources of supply are as follows:

1. **Cash and Carry and Retail Outlets:** These are many beverages sales units in major towns where purchasing by cash and carry method is prevalent. These establishments offer a limited range of wines, spirits and beers.
2. **Suspended Dept. /Business:** The leading beverage companies/breweries invoice the hotel for its opening cellar stock. The payment is made on subsequent invoice. The first invoice is 'suspended' until the account is closed.
3. **Cellar Stocks and Suspended Debt Accounts:** In this method the supplier stocks the cellar free of charges as per its monthly par stock requirements. All opening stock levels are recorded in a cellar ledger. At the end of every month stocktaking is made and all items issued from the cellar are charged to the hotel.
4. **Wholesalers:** There are many wholesalers who offers a very wide range of products, a regular delivery service and post-sale service. Many wholesalers offer free printing of wine lists and promotion material for your bar. Large companies offer continuity, competitive prices and regular deliveries.
5. **Wine Shippers:** There are some firms who buy beverage in the company of origin and supervise the shipment of it to its destination. They supervised in a particular region and offer a limited in a particular region and offer a limited range of high quality beverages as well as specialist advice.
6. **Direct Buying:** This can be done by visiting the wine-growing regions and tasting the wine at vineyards. The various wine grower's consortia and the suppliers hold annual or bi-annual testing where owners and managers can taste the wine and make arrangement of buy at ex-cellar price. Shipping costs, excise duty are paid separately to the supplier.
7. **Auctions:** Auctions are useful for buying large quantities or conversely for buying extremely small parcels of fine wine or spirits. They are suitable both for large hotel companies and bars which was to include a small number of fine wines on their lists.

While preparing a wine list, the acceptability of customers, must be given due consideration. The methods of purchasing beverages will depend upon type of customer, type size and location of the establishment the storage facilities available and the purchasing power of the buyer. A standard purchasing procedure ensures supply of ingredient and each item is purchased at the option price. There are three types of alcoholic beverages: beers, wines and spirits. The requirement for each will differ from place to place, depending on clientele and nature of operation. All alcoholic beverages are comparatively expensive to purchase and as such involves a large amount of cash. A market study can be conducted to analyse the tastes of potential customers. It will avoid to maintain an inventory of items that move very slowly. The purchasing of beverages is the responsibility of Beverage Managers. He has to note down the beverage purchase specification for the establishment. Specification for beverage are simpler to write and to understand since each one of them is having a brand name, name of the producer, each having a consistent quality and quantity standard of content for each selling unit, e.g. bottles, kegs, cans, barrels etc. A purchase specification for beverage must include:-

- Vintage
- Brand name and manufacturer
- Size-Magnum, Bottle, Half-bottle
-

Hotel XYZ				
Beverage Purchase Specification				
Vintage	Specification	Size		
		Magnum	Bottle	Half Bottle
1995	Champagne			
			
			
	Wines			
			
			
	Beer			
			
			
	Liquour			
			
			

Figure 4.6: Specimen of Beverage Purchase Specification

All beverages are purchased in sealed containers. So long as bottles and kegs remain sealed, their content will not deteriorate if stored in proper temperatures. The life beer is short, for wines is many years and for whisky it is indefinitely. Unlike food items, beverages need not be purchased for use on the day received. The frequency of purchasing policy of the management will depend on typing up of money in inventory, availability, delivery schedules, local and state regulations, and determination of quantity of items needed between ordering dates. In case the operation is having a perpetual inventory system, the figure that reflects experience readily available. If this system is not

in use, either reference can be made to bar requisitions for preceding monthly or past invoices or bills to which the number of units on hand may be increased. The operation should maintain Perpetual inventories of stock. Perpetual inventory cards or book will often show a desired par stock for each item, which will often be equal to approximately 150 percent of the quantity customarily used during a period. The minimum figures given in the card will indicate a order point and maximum will reflect management’s decisions of the limit to which the number of units on hand may be increased. Quality determination is a very important factor in the beverage operations. The quality for alcoholic beverages is a function of several factors including price, customer preference, age, advertising etc. All alcoholic beverages used by a bar operation could be conveniently divided according into two call brands and pour brands. A call brand is that which is used only if specifically requested by a customer. A pouring brand is one that is used whenever the customer does not call a call brand. The stock level will basic depend on the size of the hotel, type of property and the size of storage facilities available. The basic objectives to ensure sufficient stock, readily availability and avoiding unprofitable blocking up of capital. In most of the hotels the rate of stock turnover varies between twelve times and twenty-six times a year depending whether the average stock held equal to one month’s supply or two week supply. These forms are prepared in duplicate. The original is forwarded to the purchase agent in the accounting department. If required purchasing agent may get the approval of the management before placing any orders.

A purchase order is prepared in quadruplicate:-

Original-to the firm from which the beverages have when ordered.

Second Copy-wine steward to confirm that the offers have been placed.

Third Copy- Receiving clerk to know what deliveries to expect and determine the correctness of the qualities and brands delivered.

Fourth Copy- kept by the purchasing agent.

Hotel XYZ				
Purchase Order				
To _____			Date: _____	
Please ship the following supplies				
Quantity	Unit	Item	Price	Amount

Figure 4.7: Specimen of Purchase Order

Purchasing Control Procedure for Beverages:

- The Purchase request may be prepared by the F & B controller and forwarded to the purchase agent/officer.
- The Purchase officer/agent makes out purchase orders and submits them to management for approval.
- A copy of the Purchase request is given to the receiving clerk as authorization to accept the goods from the purveyor as indicated on the request.

4.4.2.2 Beverage Receiving Control

All Stock and equipment of the bar is expensive and if mistakes go unnoticed at the point and time of delivery, and a supplier is paid for items that the bar has not received, this will result in reduced profits. There is also a risk that poor stock control receiving system actually encourages dishonesty, which leads to suspicion amongst employees and the eventual deterioration of workplace relationships. A comprehensive system which includes establishing standards for receiving stock and beverages can counteract these threats and should be adopted and actively operated to the point of delivery for the bar. Access to the main storage areas should be restricted to authorized staff members and not staffed by people with little or no specialized knowledge. All goods received have a monetary value and it is essential to ensure that this value in goods is properly accounted for and received. Most bars/ cellars make crucial mistakes here by taking short cuts:-

- Take the necessary time to inspect the delivery dockets.
- Check the items on the docket correspond with the items in the order book.
- Any inaccuracies with the delivery must be communicated to the manager in charge for a quick decision.
- Examine the stock for best before dates, breakages or missing seals.
- Note any discrepancies for re-checking purposes, and never sign any delivery dockets until you are fully sure that the order for delivery is intact and correct.
- Carry out 'spot checks' during and after the stocks are received to ensure that staff members and delivery personnel are operating in a professional and ethical manner.

4.4.2.3 Beverage Storing and Issuing Control

Beverage supplies must be stored until needed, secure against theft and deterioration. Storage process in cellar/bar consists of four main parts which include placing the products in storage, maintaining their quality, safety and security and determining the stock's value. Storage areas must be kept clean, tidy and clear of any litter in the passage ways cellar/Bar adopt a F.I.F.O. (First in First out) system for rotating your stocks, especially perishable foods or beverages with a short shelf life. This means that the oldest stock is always used first and new stocks are stored beneath the old stocks. Remember that stock is money, so ensure that your stock is given the attention and respect it deserves. Storage of beverage is ideally separated in to five areas:-

- Main Storage area for spirits and red wine (13-16° C).
- A refrigerated area of (10° C) for storage of white and sparkling wines.
- A cold room for kegs (3-16° C), with the temperature depending upon the beers stored.

- An area at a temperature of 13⁰C for storage of bottled beers and soft drinks. A small amount of bottled beverages is sometimes stored in the cold room. This practice ensures that the beverages are cold and ready for immediate service when transferred to the bar service area.
- A totally separate area for empties.

Beverage storage area locked and to issue a single key to one person, but make a second key available in the safe or a secure location to be signed out when the nominated person is away from the bar. In some bars we also decide to install electronic code entry locks, which control the items at which the doors to the storage areas were unlocked and or relocked, or a CCTV (Closed Circuit Television Cameras) in and around the storage areas for additional security and monitoring. The issue of any stock should be recorded on a requisition form, usually from an authorized member of staff, for example Senior Bartender, Bar Manager, informing store keeper or purchasing manager of low levels of items. Using the requisition book depends on the size of the company. A requisition system is a highly structured method for controlling issues and in beverage control a key element in the system.

Hotel XYZ							
Beverage Requisition form							
Bar:- ABC				Date:			
Bin, Bottle Code No.	Quantity	Unit, bottle Size	Item/s	Cost Price		Selling Price	
				Unit Value	Total Value	Unit Value	Total Value
Cost and Sales Price							
Add: requisitions			Other				
Less : Credit							
Total							
Received By: _____				Requisitioned by: _____			

Figure 4.8: Specimen of Beverage Requisition Form

Hotel XYZ						
Bin Card						
Bin No: _____			Size: _____			
Type: _____						
Date	Received	Issued to Bar				Balance
		A	B	C	D	

Figure 4.9: Specimen of Bin Card

Hotel XYZ Cellar Inward Book						
						Date: _____
Date	Beverage	Delivery or Invoice No.	Bin Code No.	Bottle	Halves	Other sizes

Figure 4.10: Specimen of Cellar Inward Book

Issuing of beverages should take place at set times during the day and only against a requisition note signed by an authorized person, for example head barman, banqueting head waiter, etc. Ideally when the requisition is a large one it should be handed in several hours before the items are required to allow the cellar staff plenty of time to assemble the order together. Requisition notes are usually made in duplicate, one copy being retained by the cellarman so that entries can be made to the cellar records and then it is passed to the control or account office, while the second copy is retained by the person who originated the requisition and handed in with the daily takings and other control documents. The pricing of issues for beverages is different from that for food in that two prices are recorded, the cost price and the selling price. The cost price is recorded to credit the cellar account and for trading account and balance sheet purposes. The selling price recorded for control purposes to measure the sales potential of a selling outlet using the basic formula:

$$\text{Opening Stock} + \text{purchases} - \text{closing stock} = \text{Total Beverage Consumed}$$

$$\text{Total Beverage Consumed} = \text{Beverage Revenue}$$

It should be noted that the above formula may be calculated for the value of stock and purchases either:-

1. At cost price in order to compare the usage with the actual sales and to ascertain the profit margin and beverage gross profit.
2. At Sale price in order to compare potential sales with the actual recorded sales. It is usual for the beverage revenue to be different from the sales potential figure because of such factors as a high percentage of mixed drinks being sold or full bottle sales being made over the counter of a bar.

4.5 Menu Management

The primary objective of every catering establishment, either a small roadside Dhaba or a Specialty Restaurant is selling in its widest sense of the product that is food and or beverages. Regardless of the type of the catering establishment the common feature is menu.

4.5 .1 Introduction of Menu Management

The menu is the primary selling tool of any establishment that offers food and beverage for sale. For the customer it identifies the items that are available, shows prices and any other charges and together with other external features may characterize the style of food service offered. From the establishments perspective the menu should meet the objectives of the marketing policy, the catering policy and the financial policy.

The marketing policy should guide the catering policy so that the products on offer and the style of operation best meet the needs of the target market. The catering policy is concerned with the size and style of menu to be offered together with an appropriate style of service and this will impact on space requirements, level and type of equipment purchased and the level of skill and number of staff required. The financial policy aims to achieve revenue and profitability to budget through pricing, cost control and volume.

4.5.2 Types of Menu

Although there are many types of eating establishment offering many types of meal experiences, there are basically only two types of food menu: the à la Carte; and the tabled' hôte.

À la Carte: Literal meaning of à la Carte is 'from the card'. In this card, the menu items are featured with their prices so that guests may select the food and beverage items according to their paying capacity and choice of meal items. À la Carte menu gives a lot of choice for the meal items with significant variation in Price ranges. Some features of the à la carte menu are as follows:

- Usually a large menu and offers a greater choice.
- All the dishes that are prepared are listed under course headings.
- All the dishes prepared in order.
- Each dish is separately priced.
- Usually more expensive than a tabled'hôte menu.
- Often contains exotic and high-priced seasonal food.
- A certain waiting time is allotted for each dish.

Table d' Hôte: The literal meaning of tabled' hôte is 'table of host'. It is a fixed menu with fixed prices for the food items. There is a limitation of selection of the meal items being offered to the customers. The food industry is offering an extensive tabled' hôte menu to their customers to stay in the competitive catering market. Initially, there was a choice of only one or two meal items within the same course only. In the Indian context, Thali is the best example of a tabled' hôte menu, as it carried fixed meal items at a fixed price. Meal combos are also a type of tabled' hôte menu. Some features of the tabled' hôte menu are as follows:

- A restricted menu.
- Offers a small number of courses, usually three or four food items.
- A limited choice within each course.
- A fixed selling price.
- All the dishes are prepared before the guest at a set time.

Plat Du Jour: Everyday most of the large and first-class establishments carry an item called 'Plat du Jour' (dish of the day). This is basically a main dish prepared by the chef to promote the sales of the outlet. A plat du jour always comes as already dish. A seasoned waiter must be aware not only of the Plat du Jour, as specialty of the day, but also about the seasonable dishes to promote sales of food and beverage of the outlet. Guidelines for preparations and service of plat du jour are as follows:

- Items quoted on the plat du jour should be complete along with side dishes, such as potato preparations and green vegetables.
- Plat du jour should be served as a ready-to-eat dish and the guests should not be made to wait.
- Always use fresh raw materials to prepare plat du jour.
- Before planning a plat du jour always think about the target customers. Never neglect the young diners preferences as they are quite choosy in food selection.

Carte Du Jour: Carte du Jour means 'Card of the day'. It is basically a complete fix menu at fixed price offered by a catering establishment for promoting sales. Carte du jour comprises three to five courses. The chef gets an opportunity to promote his/her culinary skills by preparing this menu. It offers choice within the courses and the menu item differ from regular à la carte menu. This menu is based on the availability of raw materials in the market according to seasons.

Cyclic Menu: Cyclic menu is quite popular in the welfare sector like institutions industries, hospitals, jail mess etc. This menu is respected at specific intervals. The menu features all major meals of the day such as breakfast, lunch and dinner with a sweet on the weekends. But preparations depend on the price paid by the customers. It is a series of table d' hôte menus. For example, for three weeks it is repeated again and again after a particular period of time, say four months. These are often used in institutional and industrial catering as an aid to establishing a pattern of customer's demand for a menu item. As a result, it assists purchasing, preparation of items and staffing requirement.

4.5.3 Menu Planning Considerations & Constraints

Menu is the key marketing and selling tool available to the F&B Manager and proper attention to details is the key to making this work successfully and is a positive step forwards a profitable enterprise. The menu communicates a wide range of information to the customer in terms of the words used to describe dishes, through colour, layout, quality of material used and style and needs to be reflected conceptually throughout the whole restaurant. The menu, together with other physical attributes of a property contributes to creating a level of expectation from the customers. Meeting this customer expectation should be the primary objective of the manager in the quest for a successful and profitable business. Because the menu plays such a important role in operational style, pricing structure and overall concept design it is important at the planning stage that the location is right for the planned menu type, that the market exists within this catchments area and that it works with regard to the local competition. Compiling of menu is one of the most important task of a F&B Manager. There are a number of factors that must be taken into consideration before any menu is written:

1. **Location of an establishment :** This location should allow easy access to both customers and suppliers. A difficult journey can be of putting nomatters

how good the quality of food an offer and can affect repeat business and profitability. If the establishment is in an area noted for regional specialty foods or dishes, the inclusion of a selection of these on the menu can give extra menu appeal.

2. **Competition in the locality:** It is important to be aware of what is offered by competitors, including their prices and particularly their quality. Knowing this information enables an establishment to make decisions about how to complete with local competition.
3. **Suitability of a particular establishment to a particular area:**A self-service restaurant situated in an affluent residential district or a very expensive seafood restaurant in a rundown inner-city area may not very successful. Anticipating and analyzing the nature of demand that the operation is planning to appeal to will contribute to ensuring that the menu will be developed to satisfy, for example, office workers in the city with a fast lunch service. Also, opportunities may exist for outdoor catering.
4. **The Spending power of the customer:**A most important consideration is how much the potential customers is able and willing to pay.
5. **Customer requirements:** It is the customer, not the foodservice operator, who selects their menu, so the analysis of dish popularity is necessary and those dishes that are not popular should not stay on the menu. Customer demand must be considered, and traditional dishes and modern trends in food fashions need to be taken into account.
6. **Number of items and price range of menus:** It is essential to determine the range of dishes and whether a tabled' hôte or an à la carte type of menu is to be offered. Decisions regarding the range of prices have to be made. A tabled' hôte menu may be considered with an extra charge or supplement for more expensive dishes or more than one tabled' hôte menu of different prices may be more suitable.
7. **Throughput:** If space is limited, or there are many customers (and control of the time the customer occupies the seat is needed) then the menu can be adjustment to increase turnover, for example more self-service items, or quick-preparation items or separate service for beverages.
8. **Space and equipment in the kitchen:** Both of these will influence the composition of the menu and production of dishes. The menu writer must be aware of any shortcomings or deficiencies in equipment and may be wary of offering dishes that are difficult to produce.
9. **Amount, availability and capability of labour:** The availability and capability of both the preparation and service staff must be considered when planning a menu. Enough able and willing staff, both in the kitchen and the restaurant, is necessary to achieve customer satisfaction with any menu.

- 10. Supplies and storage:** Menu-planning is dependent upon availability of supplies that is frequency of deliveries of the required amounts. Storage space and seasonal availability of foods need to be taken into account when planning menus.
- 11. Cost factor:** When an establishment is run crucial consideration; but even when working to a budget, the menu is no less crucial. Costing is the crux of the success of compiling any menu.
- 12. Food allergies:** The most common food allergies are to milk, eggs, fish and nuts. Menu items often contain allergens and these must be identified on the menu. Staff should be trained so that they know how to respond when asked about ingredients. An incorrect answer could have fatal consequences for the customer.

Menu Planning Constraints: The following are the menu planning constraints:

- 1. Language of the Menu:** No matter which language you are using, but it should be correct and you should be careful for the accents. Language should be easy.
- 2. The kind of menu:** It is one of the most important considerations that what type of menu you are planning? Is it table d'hôte or à la carte or special party menu because all types of menus have their own characteristics.
- 3. The meal timings and occasion:** These also affect the menu items, as we cannot recommend having breakfast cereals for dinner party. In India, it is mostly seen especially in marriage functions to plan an extensive dinner menu, and food service starts in late night around 2300 hrs and by the time most of the diners had lost their appetites and end result is waste and pilferage of food items. Even birthday party for a kid also starts late night. The meal timings give a clear picture about the timings to be served.
- 4. The size and equipment of dining room/kitchen:** Availability of space and equipment of food production and service area is to be considered while planning a menu. You cannot have a tandoori roti without having a tandoor or cannot serve 500 guests in a 500 square feet area. The size of the kitchen is an important factor because heavy-duty equipment, such as burners, griller, salamander, deep freezer, dough mixer, are placed in the kitchen. There should be enough space for the staff to work freely. There is a need of brainstorming to select the right utensils for presenting a dish into a right serving dish. Operating five-course Menus with insufficient silverware, tableware, and cutlery can cause a problem. It is recommended to work out the need of all equipment and prepare a checklist of equipment required in advance.
- 5. Staff efficiency and capabilities:** They play a vital role in planning a menu, think about the situation when you ordered a Russian salad and the cook is not familiar with it or not very skilled to operate the latest equipment. Small catering units face problems to a greater extent due to inefficiency of food production and, unskilled service staff. Most of the time diners expect highest level of service standards, well-

decorated food items, well-groomed and dressed staff proper service etiquettes. More than 90 per cent of food production and service staffs are untrained, especially in unorganized sector of the catering industry and mislead the diners with the food preparations. Always have a contingency plan in case of absenteeism and shortages of manpower. Determine the cooking load (cooking load is the total amount of food that can be cooked either in the kitchen or any one piece of cooking equipment at a given time). Ensure proper training of the staff time to time for better productivity and update about new changes in technology and trends.

6. **Availability of ingredients and supplies:** Food items selected for a menu should be available in the local market, although there are certain items need to be procured from outside and should be kept well in stock. It is not ethical to commit a dish to the host before checking its availability of raw material for the same.
7. **Price of the menu:** It is one of the considerations because this helps to quote the price to the host. It has been observed that most of the time food cost should not be more than 40 per cent. Suppose cost of a meal per person is Rs. 200, then its price will be: $200 \times 100/40 = \text{Rs. } 500.00$
8. **Type of people:** In catering business, you have to deal with different types of people, such as young executives attending a conference, elderly ladies and gentlemen, kids, cricket players, school going children, and so on. Every group has its own requirements of meal, so consider the profile of your clients before planning a menu.
9. **Food values:** It means nutritional aspects of the meal and menu should have adequate nutritional value to fulfill the nutritional needs. Nutritional requirement varies according to sex, age group, and working habits (a manual worker requires more energy than an office worker).
10. **Language of the menu:** Language should be easy to understand and abbreviations should never be used, such as assorted breads. Explanation or narration of the dish should be clear to the diners and the terms that have a number of interpretations should be avoided. Mixture of languages should be avoided, such as: Tamatar ka Soup, Bhuna Potato, Badam Milk, PindiChana, Murgh Biryani.

No matter which language you are using, but it should be correct and you should be careful for the accents. If place of origin is known it should be mentioned on menu such as New Jersey potatoes, Russian salad, Dum Aloo Banarasi. Similarly, feature the style of cooking such as boiled rice, scrambled eggs, roasted leg of mutton. There are certain terms which cannot be translated into English or other languages.

4.5.4 Menu Costing & Pricing

Menu pricing need to fulfill two needs, for the caterer the need to make adequate profits and for the customer the need to satisfy getting value for money. 'Menu Pricing' means deciding what you will charge for food and putting the prices on your menu. Many factors

affect. There are no unchanging formulas. When you do menu pricing you must make sure that you:

1. Cover all your costs.
2. Make prices reasonable for your guests so that they receive value for their money.
3. Make prices reasonable for your food service operation to obtain a profit.

Pricing is a complicated process that cannot be reduced to a single quantitative formula for marking up raw food cost. While food cost percentage and gross profit return are important considerations, the pricing process is more subjective and enigmatic. Pricing can never be reduced to a simple mark-up of cost. It is more of an art than a science because it requires the consideration of a number of subjective factors. It is said that the customer, not the operator, ultimately determines the price that can be charged for any given menu item. Therefore, the operator must be able to make a profit selling menu items at the price the customer is willing to pay.

Pricing decisions are affected by the clientele, the amount of business the restaurant will generate, its location, the meal period, and even the menu item itself. If the price is perceived as too high, it may not be selected. If the price is too low, it could be viewed as low quality by the customers and also not be selected. The customers sometimes uses price as a gauge of quality. A high price implies quality although a low price does not necessarily translate as a bargain or value.

Approaches to Pricing:

1. **Copy your competition exactly:** It is a narrow approach to set menu prices exactly as your competitors without realizing what differences exist between your food service establishments. Operations might seem quite similar but there are sure to be some difference your competitors may face different cost than your, they may be more efficient or less efficient than your own setting. They may have different standards of quality and sanitation. So to arbitrarily set prices to match you competitors would be quite foolish.
2. **Economic approach to Pricing:** In general the food service industry faces an inelastic demand curve. This means that when you raise or lower your prices within a specific, limited, reasonable range it will not noticeably change the number of quests you get. Guests are not necessarily attracted or put off by price alone. Guests might have an idea of yours and your competitor's general price range. Guest are more concerned about quality of food: how it is served; the atmosphere and service in the establishment, its location and accessibility than they are about whether you charge little more or less than your competitors. The guest who comes to you is the demander of your product and you are the supplier. The food you supply and the price you charge should be appropriate to the kind of business you are running and the type of food service category you are in. Apart from food, your product also includes, service atmosphere convenience and so on.
3. **Marketing approach to pricing:** Marketing is all that you do to sell your product by attracting customers to your establishment. It is also the promotion you do on premises to increase sales. The marketing approach to pricing is sell as much as you can. For this you need trained efficient staff to be your sales people. The

marketing approach is to charge the maximum price you can get for an item and increase the volume of its sales. You may get a low or a high individual food cost percent. The item food cost percent depends not so much on what it costs you as on how much you can sell the item for, keeping in mind customer's satisfaction. Only exaggerated marketing approach should not be used for pricing. Marketing and selling approach should be used sensibly.

Pricing model: There are a number of well-established pricing models commonly used in commercial organizations.

1. **Cost Plus Pricing:** Cost plus pricing takes the element of a menu item and simply adds a predetermined multiplier or mark up. Most commonly used where a simple pricing model will provide the desired return and there are few additional cost. For example, if an item simply multiplies the buying price by say three, so cost price is Rs. 4/- selling price becomes Rs. 12/- plus or including any sales tax.
2. **Competition Pricing:** Competition pricing as the name suggests copies the prices of competitors. As a short-term strategy this may achieve increased business but it can easily spiral out of control into a price war. What are unknown are the competitors cost structure and margins may be severely compromised.
3. **Rate of return Pricing:** The basis for this method is an attempt to establish a break-even matrix based on predicted costs and sales. For example, if a restaurant investment is Rs. 5,00,000 and the required return on this is 20% then the restaurant seeks profits of Rs. 1,00,000 per year. By modeling the costs, sales price and volume the emerging data will indicate what levels this needs to be in order to achieve the desired return. It would then be necessary to take it a stage further and carry out a feasibility study to see if the model fits the operational style of the restaurant. This model is unlikely to give definitive menu prices although they may be indicative and therefore help in the initial restaurant setup decision.
4. **Elasticity Pricing:** This pricing method considers the market and its sensitivity to price change. If the restaurant operators in a market where price is a determinant of demand a lower price may increase volume sufficiently to give better profitability. The market may also allow supply to be a determinant of price thereby allowing price increase without undue effect on volume.
5. **Backward Pricing:** Backward pricing considers what the customer or market will bear in terms of price. For example, confectionary or canned drinks less common in restaurants but useful when trying to establish or develop a new product. Requires fairly accurate or ingredients and processing costs to be established and relies heavily on volume forecasts.
6. **Prime Cost:** Prime cost and its variant actual cost endeavour to provide more accurate cost models. Prime cost attempts to calculate labour cost in addition to food cost and actual cost attempt to include overheads. For example if a restaurant "X" have an average food cost of 20%, an average labour cost of 30%, average overhead costs of 30% and require a return on investment of 20%. In this model if

restaurant ingredient cost Rs. 10/- the operator has Rs. 15/- towards labour, Rs. 15/- towards overheads and Rs. 20/- towards return on his investment that equates to a selling price of Rs. 50/- plus sales tax where applicable.

7. **Departmental Profit Margins:** The approach to menu pricing must follow from the outline of the basic Policies and from the determined departmental profit targets. Each department will have a significant role in the total organization and its individual profit targets will normally be unrelated.
8. **Differential Profit Margins:** It is unusual to apply a uniform rate of gross profit to all of the items found on a food menu or beverage list, although this simplistic method of costing can at times still be found in the non-commercial sector of the industry.

4.5.5 Menu Merchandising

A menu is the primary tool for communication, sales and public relations of a restaurant. It may not bring your customers into the restaurant but once they are there, the menu determines what they will order and how much they will spend. A menu card is a compilation of items available in the restaurant put on paper in form of words illustrated in print. It should be colourful, attractive and clean and should reflect quality, style and theme of the restaurant. Menu acts as a silent salesman for the catering establishment. The efficiency by which menus are merchandised to customers can affect the demand for the use of food and beverage facilities as well as influence the selection of items, and thereby the sales mix of an outlet. The menu is without doubt one of the most important sales tools that caterers have, but which they unfortunately often fail to use to the best advantage.

Once customers are inside a restaurant they have already made their decision as to the type of establishment they wish to eat in; their subsequent decisions are concerned with what particular aspects of the product they will now choose. Customers may decide to eat at a restaurant because they have seen it advertised and will therefore bring to the restaurant pre-conceived ideas the standard of food, level of service etc that they will receive. It is important at this stage that the point of sale merchandising to the restaurant should support its advertising campaign in order to achieve a sense of consistency and totality.

The major type of menu merchandising that may be employed by a catering operation includes the following:

1. **Floor Stands:** Floor stands or bulletin boards are particularly effective if used in waiting and reception areas to advertise special events, forthcoming attraction etc. In these areas in hotels, restaurant and clubs, people may be waiting in a queue or for the arrival of other guest and therefore have the time to read the notices on these stands. In the workplace they can be placed in areas with a high throughput of Pedestrian traffic, for example in corridors. The announcements on these stands must be kept attractive and up to date or the messages grow old and ineffective. Some self-service operations use floor stands at the head of the waiting line to show the menu in advance and selected specialties of the day.

2. **Posters:** Posters have a wide circulation than the previously described floor stands. They may be displayed in reception areas, elevators, cloakrooms, in the restaurant dining area itself, in fact they may be placed in any strategic positions where people have the time available to read their messages. Consideration must not only be given to the area in which these advertisements should be placed, but also their positions within these areas. For example, in elevators, reception areas etc.
3. **Wall Displays:** Wall displays are used extensively by fast-food operations showing enlarged colour photographs of the food and beverages available. They are also used by wine bars, cocktail bars and lounges and look particularly attractive at night. Blackboards are often found in pubs, bars, school cafeteria and theme restaurants where the dish of the day and other specials can be changed along with their prices.
4. **Tent Cards:** Tent cards are often placed on restaurant dining tables to promote special events, attractions etc. Regarded as a valuable merchandising tool because guests will almost inevitably pick the card up and read it at some point during the meal, and they may even take it away with them. They may be used to advertise special dishes or wines, or announce forthcoming events such as a Christmas Day menu or New Year Party. These cards should be changed regularly to hold interest and must always be up to date and clean. In hotel or other operations which have a variety of catering outlets, these tent cards are very useful in advertising the other facilities and hence boost sales in these area.
5. **Clip-Ons:** Menu clip-ons are most commonly used in restaurants to advertise specialty items, plat du jour, special tabled' hôte lunches offered in an à la carte restaurant and so on; they may also be used on wine lists to promote a particular wine or region. Clip-ons are useful tools for the hotel or restaurant to feature the higher profit earning food & beverage items.
6. **Menu Card:** The main aim of a food & beverage menu card is to inform customers in a clear way of what is available to them. Well-planned menu card is a powerful advertising technique. All menus to be correct against the checklist of general presentation, cleanliness, legibility, size and form, layout and content.

4.5.6 Menu Engineering

Menu engineering is a tool designed to improve managerial effectiveness in pricing, content design and marketing strategies. Menu engineering was developed by Dr. Michel Kasavana and Donald Smith in the early 1980s and since then it has been widely used in the food service industry. It is based on Boston Consulting Group's (BCG) matrix mathematical model for comparing the volume of sales, contribution and cost of each menu item.

Menu Engineering:

- It helps the food service operator calculate when to keep menu items and when to take off items from menu.
- It helps in determining which menu items are over or underpriced.
- It helps in designing profitable menu.

- It helps in selecting the menu items that need to be repositioned to gain popularity.
- It helps in revising recipe and portion size of the menu item.
- It helps in monitoring menu performance.

The concept of menu engineering requires food and beverage managers to orient themselves to the contribution that menu items make to the total profitability of a menu. It high-lights the good and the poor performers in a menu, and provides vital information for making the next menu more interesting and appealing to the customers, and hopefully more profitable. Menu engineering is a step-by-step procedure that focuses on the three main elements:

1. Customer demand- the number of customers served.
2. Menu mix- on analysis of customer preference for each menu item (Popularity).
3. Contribution margin – an analysis of the contribution margin (GP%) for each menu item.

The pre-requisites for using this technique are:-

1. The standardization of all recipes (including the presentation), so that the food costs can be accurate.
2. The accurate sales analysis of each menu item, daily and by meal period.
3. The use of a personal computer, so that simple spreadsheets with standard calculations, may be done accurately and with speed.

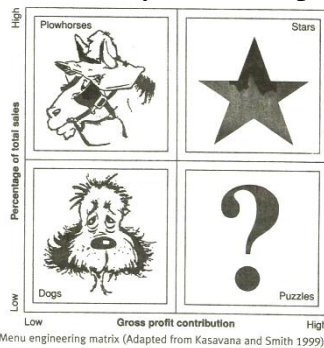


Figure 4.11: Menu Engineering Matrix

The menu analysis reveals that all menu items can be grouped into any one of the following four categories:

1. **Stars:** Menu items high in menu mix (Popularity) and also high in contribution margin.
 - Most popular and profitable items on the menu.
 - Can carry a disproportionate share of the burden of margin and profit.

Action:-

1. Maintain rigid specification for quality, quantity and presentation.
 2. Employ high visibility menu locations.
 3. Determine range of price elasticity.
2. **Plow Horse:** Menu items high in menu mix (Popularity) but low in contribution margin.
 - These are demand generators.
 - Used to attract the price sensitive buyer.

Action:

1. Take care in increasing their selling price (Because of consumer/price responsiveness behavior).
2. Lower menu profit positions are appropriate.
3. Consider imperceptible portion reductions.
4. Shift demand to other, more profitable items.

Through, merchandising programmes: Menu positioning.

3. Puzzles: Menu items low in menu mix (Popularity) and high in contribution margin.

- Not popular. Hence slow sellers.

Action:

1. Eliminate the item if it is a slow seller.
2. Decrease the item selling price.
3. Reposition the item on the menu.
4. Limit the total no. of Puzzles on a menu.
5. Rename the item to influence its popularity.

4. Dogs: Menu items low in menu mix (popularity) and low in contribution margin.

- Unwanted menu items.
- Unpopular from both consumers and management point of view.

Action:

1. Eliminate the items from the menu.
2. Consider and adding them with other item.
3. Need of special promotion to the menu.

When a restaurant's bottom line starts eroding, F&B Managers tend to:

1. Reduce portion size.
2. Purchase at lower specification.
3. Eliminate complimentary food items.
4. Increase menu prices.
5. Reduce labour costs.
6. Tighten operational controls.

Although these may be popular survival strategies, they have the potential to affect adversely a consumer's perception of value. A decline in business may result:-

However a more effective way may be to:-

1. Develop demand based, recession-proof menus.
2. Generate new customer demand (through market segmentation, merchandising, menu design and positioning).
3. Increased old customer demand (through, advertising, menu design and customer service).
4. Use of assets (enhance employee productivity and customer service).
5. Increasing menu-item contribution margin (through improved pricing approaches)

These tend to have a positive effect on perceived value and can lead to a broadened customer base. The key to menu's success is whether or not it produces more customers and more contribution in terms of revenue. Menu engineering is a tool for food service

managers with which they can evaluate one menu against another menu. It requires food service managers should know.

- i. Each menu item
 - ii. Item cost
 - iii. Selling price
 - iv. Quantity sold over a period of time
 - v. Each items revenue contribution margin
 - vi. High selling/Low selling item
 - vii. Popularity category
- Each menu item is classified and evaluated for both its marketing (Popularity) and pricing (profit) success.
 - By categorizing and classifying menu items through logical and mathematical procedures menu engineering help manager to take the right decisions.

Sequence to Menu Engineering

- Be familiar with: Each dish

Cost

Selling Price

Average Number Sold

- Mathematical Calculations

- Analysis

- Categorization & Classification of Items

- Decision Making.....Action

Calculations

1. Identify competing Menu Items.
2. Record the no. of items sold or forecasted Menu Mix (MM)
3. Compute Menu Item Mix Proportions

$$MM = \frac{\text{Menu Item Sold}}{\text{Total No. Sold (all items)}}$$

4. Categorise MM

By Fixing or Arriving at MM Achievement Rate

$$MM \text{ Achievement Rate} = \frac{1}{N} \times 70$$

- N is the no. of competing Menu Items.
- 70 items is an International Standard.

A MM Achievement equal to or exceeding this rate is categorised as being high; otherwise it is considered low.

5. List Menu item selling price (Published Menu Prices)
6. Determine standard Food Cost for each Menu Item.
(including garnish and accompaniments)
7. Calculate Menu Item
(Profitability) Contribution Margins (CM)

$$CM = \text{Selling price} - \text{Standard Food Cost}$$

8. Determine The Menu contribution Margin
Total Menu CM = Sum of (each item CM x its respective MM)
9. Compute the item contribution. Margin with menu contribution Margin

$$CM = \frac{\text{Menu Item CM}}{\text{Total Menu CM}}$$

10. Categories Item CM

$$\frac{\text{CM Achievement Rate}}{\text{CM Achievement Rate}} = \frac{\text{Menu Cm}}{\text{Total No. Items Sold}}$$

A CM Achievement equal to or exceeding this rate is categorised as being high; otherwise it is considered low.

11. Performance Menu item classification

	Classification
Low MM, Low CM -----	DOG
Low MM, High CM -----	PUZZLE
High MM, Low CM -----	PLOW HORSE
High MM, High CM -----	STAR

12. Initiate Menu Item Decision Making

CLASSIFICATION	MENU ACTION
STAR	RETAIN
PLOW HORSE	REPRISE
PUZZLE	REPOSITION
DOG	REPLACE

MENU ENGINEERING WORKSHEET

RESTAURANT XYZ

(A) Menu Item Name	(B) Number SOLD (MM)	(C) Menu Mix %	(D) Item Food Cost	(E) Item Selling Price	(F) Item CM (E-D)	(G) Menu Costs (DxB)	(H) Menu Revenues (ExB)	(L) MENU CM (F x B)	(P) CM 49 Category Com with Col. F	(R) MM% 7 Category COMP with Col. C	(S) Menu Item Classification
Tando ori Murgh	150	5	55	120	120-55 65	8250	18000	9750	H	L	PUZZLE
Tando ori Fish	360	12	42	100	100-42 58	15120	36000	20880	H	H	STAR
Shahi Murgh -do- Pyaza	60	2	45	105	105-45 60	2700	6300	3600	H	L	PUZZLE
Jahang iri Korma	510	17	37	90	90-37 53	18870	45900	27030	H	H	STAR
Nargiri Kofta	220	7	34	80	80-34 46	7480	17600	10120	L	H	PLOW HORSE

Murgh Afghani	240	8	27	70	70-2743	6480	16800	10320	L	H	PLOW HORSE
Murgh Biryani	600	20	33	75	75-3342	19800	45000	25200	L	H	PLOW HORSE
Akbari Murgh Masala	400	13	20	60	60-2040	8000	24000	16000	L	H	PLOW HORSE
Tandoori Bakra	120	4	23	60	60-2337	2760	7200	4440	L	L	DOG
DilBahar-do-Pyaza	350	12	21	50	50-2129	7350	17500	10150	L	H	PLOW HORSE
	3010	100						147640			

Table 4.1: Menu Engineering Work Sheet

$$\text{MM Achievement Rate} = \frac{1 \times 70}{N} = \frac{1 \times 70}{10} = 7$$

N is the no. of corapeting Menu items * 70 items is an Int. Std.

$$\text{CM Achievement Rate} = \frac{\text{Total Menu CM}}{\text{Total No of items Sold}} = \frac{147640}{3010} = 49$$

4.5.7 Menu Fatigue

There are some sectors of the industry which have unique menu features that require a unique approach to menu analysis. For instance, many sectors-hospitals, some employee-feeding, in-fligh catering, hotel package deals, university halls of residence-work to a cycle, offering a different set of dishes each day, rather than the wide range of dishes on

an à la carte style menu. This is because they provide meals to a captive or semi-captive market, where there is a dangers of menu fatigue, and where the meal may be included as part of a large service package. In these sectors there is an emphasis on effective cost control and waste control through menu cycle planning, rather than the kind of menu analysis typically found in the commercial restaurant sector. Menu fatigue is a unique problem that restaurants face when their customers become bored with the choices that are offered. One way to fix this problem is to offer seasonal items and menu choices that are not always available. Seasonal items are a good opportunity for restaurateurs to test new items, and decide if those choices are worth keeping around. It is a minimal risk way of testing items, and removing them from the menu if they do not sell well, and consider keeping them on the menu, if they sell very well.

Key Point:

- For some, familiarity can be comforting, but for others, familiarity can be exhausting when the same menu offerings day in and day out lead guests to search for options elsewhere, they may be suffering from 'menu fatigue'.
- Seasonal menu items are the perfect way to try out your potential new addition with your customers. By labeling the item as seasonal, customers won't be surprised if the item disappears in a few months after limited acceptance or success.
- Seasonal menu items give you the opportunity to make your new items fun. Ask customers for their feedback via in-restaurant comment cards and social media.

4.5.8. Menu as a In-House Marketing Tool

In earlier parts we have discussed different types of menu. Menu is a powerful in-house marketing tool for promoting sales in food and beverage operation. There are a number of basic factors that have to be considered to ensure the efficacy of menu as an in-house effective sales tool for optimizing sales.

(1) Menu Presentation: Menu presentation is very important, as it identifies the image and personality of that particular unit or department; whether it is coffee shop or cocktail bar. The following points should be taken into consideration.

- a. Menu should be attractive:** The menu should be attractive, interesting and inviting. The first impression of the menu should be such that the customer really wants to read it.
- b. Menu should be clean:** The menu should always be clean. Although this appears to be obvious, it is something frequently ignored by the hoteliers and caterers. If it is intended that a particular menu is to be offered frequently, it is well worth considering having the menu cards either plastic coated, so that they can be regularly wiped clean or printed on in expensive paper or card that can be regularly replaced or contained within a presentable and durable cover
- c. Menu should be legible:** The menu should be easy to read. It is usual to use different sizes of typeface for heading and the items appearing under them. How

typeface styles are used can help the customers make their choice of food and beverage items more easily. The use of attractive graphics, colour and blank spaces can also help the customers to make their selection.

- d. **The menu should complement the occasion:**It is necessary that the general presentation of the menu is not only in keeping with the décor of the room but also suitable and complementary to the occasion. For example, a state banquet where a different style and presentation are necessary for each.
- e. **It should reflect current awareness:**The menu should take into consideration the current trends in eating habits, so as to be fully aware of the customer requirements.

(2)Menu design and layout: The physical shape of a menu will be determined by such criteria as the number of items to be printed on the menu, the theme or style of the menu, the use of graphics, typeface and the occasion. Use of colour in the menu attracts the guest. Special menus can be designed as mementoes for the guest in function catering and banquet operations. Menu requires artwork, and, if possible, graphics designer should be hired, as background knowledge of printing process is very essential. Very large menus take a lot of time to read, short menus do not satisfy the needs of a dinner; therefore, menu should be moderate. For special occasions and for sales promotion, menu works in single sheet, central vertical fold, two parallel vertical folds, three parallel vertical folds to special cut shapes.

Guide Table

Series	
A0	841 x 1189 mm
A1	841 x 594 mm
A2	420 x 594 mm
A3	420 x 297 mm
A4	210 x 297 mm
A5	210 x 148 mm
A6	105 x 148 mm
A7	105 x 74 mm
Long Size	
1/8 A4	210 x 99 mm
1/4 A4	210 x 74 mm

The size of the menu card should be standard and the above guide table should be used to determine the size of the menu card. Layout is one of the most important aspects to take into consideration. It is something on which the printer can give helps the guidance to the caterer but only to a limited extent. The caterer must give the printer clear instructions as to the layout of the menu as well as details of the artwork required.

(3)Menu Content:

- a. **Language:** The language used in menu card should be clear and easy to understand and it is essential to provide accurate translations in English if menu is written in any foreign language.
- b. **Accuracy:** A very basic requirement for all menus is that when seen by customers they are accurate as far as pricing and availability and a concerned, with the correct spelling and description of dishes and drinks. It is all too common to be presented with a menu or wine list to which untidy alterations have been made in handwriting.
- c. **Pricing:** The correct pricing of all food menus and restaurant list is very important to the success of an operation. It is essential that in total all necessary costs are covered; that the prices are attractive to the Particular segment of the market that the operation is in; and that the prices are competitive in relation to the level, of quality of food and drink and service offered. Pricing strategy should be based on the type of establishment, operation, competitors and desired profit.
- d. **Printing Menu:** mall establishments and menu for special occasions may have handwritten menu. Make it sure that handwriting should be clear to read as a printed menu is and in good format. Printed menus are most popular. Care should be taken regarding the letter press or offset litho. In letter Press, image of Printing is transferred to the paper. The advantages of this printing are that alterations to the type are easy and quick to make. Offset litho is fast and convenient but alteration is not possible in this type of Printing.

Printing can be done through in house micro-computer. A desktop software package is used on such a computer for designing. Banquet menus, promotional menus, and event menus are mostly Printed. You may redesign the menu, and a good quality of output can be achieved by using laser printers. Type and colour of the paper is also one of the important aspects; ensure that the thickness of the paper, which varies from 120 g/m² to 500 g/m² and the colour of the menu card should meet the colour scheme of the restaurant. There are three types of paper finishes used in printing of the menu: absorbent, non-absorbent and glossy finished paper. Always ensure varnishing after completion of all printing followed by lamination and then plastic zing to make the menu stronger. The logo of the company and quantity of the menu cards to be printed should be worked out carefully. Proper menu presentation, design and content helps menu as an in-house marketing tool.

Menu Presentation	Menu Design	Menu content
Attractiveness	Shape, size, weight	Balance
Durability	Pages, Panels and folds	Language
Compatibility	Graphics and layout	Accuracy
Legibility	Eye movement and	Printing
Cleanliness	Positioning of Menu items	Type and colour of papers pricing

CHECK YOUR PROGRESS-II

Q-1 What is Menu Fatigue?

Q-2 Define Menu Engineering.

Q-3 Explain the Food & Beverage Control.

4.6 Summary

Budgets play a critical role in the success of any business. Budgets connect actual operations with financial needs and results. They are the annual formal financial plan for the next year of operations. Management’s actual performance is evaluated against the

budget to determine if expected results have been achieved. Annual operating budgets are used to plan for the next year and to evaluate actual financial performance from month to month and for the year. Hospitality managers are involved with the preparation of their department budgets and will use that budget in planning their department operations. Operating budgets include the detailed financial plans for revenues, expenses, and profits. Several other budgets are used in business besides the annual operating budget. The capital expenditure budget plans for the long-term needs of the business and has an impact on many years of business operations. Hospitality managers need to understand and be involved in the preparation of capital expenditure budgets to be able to secure additional investments and capital expenditures. Food & Beverage control main provision is to the customer expectations, purchasing of raw materials, formulate efficient control system, reconciling and formulating cost and receive feedback from the customers. There are various types of menu like Table d' hote, a la carte and cyclic menus. Menu planning is important as it depends upon the clientele, organizational policy, operational and nutritional value. Menu merchandising is the process by which the menu is conveyed or marketed to the guest and may vary for an establishment such as tent cards and digital menu display boards which can be enhanced by theme, presentation format, and type of operation. Material Management is an important management tool which will be very useful in getting the right quality & right quantity of supplies at right time, having good inventory control & adopting sound methods of condemnation & disposal will improve the efficiency of the organization & also make the working atmosphere healthy any type of organization & also make the working atmosphere healthy and any type of organization.

4.7 Glossary

Annual Operating Budget: The formal business and financial plan for a business for one year.

Budget: It is a comprehensive plan in writing, stated in monetary terms, that outline the expected financial consequences of management's plans and strategies for accomplishing the organization's mission for the coming period.

Budgeting: It is the process of preparation, implementation and operation of budgets decisions into specific projected financial plans.

Budgetary control: It refers to any management approach that involves setting some kind of targets, regularly measuring variances between the original targets and actual outcomes, and motivating people to reduce those variances.

Consolidated Hotel Budget: The summary budget for the entire hotel including revenues, expenses, and profit.

Controlling: Controlling is a process by which the management ensures that the plans and objectives laid down are as per the schedule and the target set would be achievable.

Dog: A menu engineering classification of items which are neither profitable nor popular.

Master Budget: It represents the forecasted targets set for the entire organization and combines all income and expenditure estimated for the organization.

Menu: Menu is a selling tool of an establishment which may offer both food and beverages for sale. The menu has all the dishes which are available with the price quoted beside it.

Menu Engineering: It is a term used after considering the marketing of the present and future menu in designing and pricing. The Boston Consulting Group or BCG model is a matrix format to ascertain and analyses the business in the present scenario menu, considering the interest of the organization. It helps chef and F& B managers to plan profitable menu.

Menu Merchandising: It is the process by which the menu is marketed and may include various forms of presentation, language, theme and type of operation.

Menu Planning: It is a managerial activity which is marketed between the food production and service personnel having knowledge of various cuisine, cost of preparing dishes, time for preparing dishes and the clientele.

Organizing: Organizing includes allocating resources, allocating duties, and incorporating systems and procedures to meet the requirements or the objectives set in the planning process.

Planning: Planning is a process by which various goals and objectives are prepared and framing the steps through which the goals and objectives can be attained. .

Planning: Planning is a process by which various goals and objectives are prepared and framing the steps through which the goals and objectives can be attained.

Puzzle: A menu engineering classification of items that are particularly profitable but not very popular with the guest.

Risk Purchase: If supplier fails, the item is purchased from other agencies & the difference in cost is recovered from the first supplier.

Zero-based Budgeting: It involves budgeting from the beginning without any reference to historical data.

4.8 Reference / Bibliography

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4.19 Suggested Reading

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4.10 Terminal Questions

Long Answer type Questions:

1. Define Menu Engineering. How menu items are categorized and treated on the basis of menu engineering.
2. Differentiate between menu merchandising and menu engineering.
3. What are the points to be considered in menu planning.
4. What are the various functions of management?
5. Explain Menu Merchandising in detail.
6. What are the major responsibilities of the Food & Beverage Department.?
7. Differentiate between cyclic menu and Plat du jour.
8. Define Menu Planning. What are the various factors you will keep in mind while planning menu. Explain each factor in brief.
9. Explain the major constraints of Food & Beverage Management.
10. What do you understand by receiving control? Discuss the various procedures for receiving with important features of each.
11. What is budgetary control? State the steps involved in preparing a budget.

Short Answer type Questions:

Define the following terms:

1. A la Carte Menu
2. Material Variance
3. Puzzles
4. Control Cycle
5. Controlling
6. Food Value
7. Tent Cards
8. Table d' hoteMenu
9. Star
10. Menu Fatigue