

Week 1: Food & Beverage Management

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The Food Service Industry

Introduction

- Restaurants play a significant role in our lifestyles
 - Dining out is a social activity
 - Successful restaurants offer a reasonable return on investment
 - Restaurant concept determines talents required
 - There is no substitute for experience

Why go into the Food & Beverage Business?

- Money
- The potential for a buy-out
- A place to socialize
- Love of a changing work environment
- Challenge
- Habit
- Too much time on your hands
- Opportunity to express yourself

Early History of Eating Out

- Long History
 - 1700 B.C.E. taverns
 - 512 B.C.E. Ancient Egypt public dining place
 - 70 A.D. Herculaneum, Rome
 - Eruption of Mt. Vesuvius
 - 1200 London cooking houses
 - 1550 Constantinople café
 - 1650 Oxford coffee house
 - Became popular in Colonial America

History of Restaurants in Europe

- People ate together in large groups 12,000 years ago
- Food was sold in public market places 7,000 years ago
- Greek and Roman banquets occurred 2,500 years ago
- By the 1500's, quantity food was produced primarily in religious institutions, and wealthy persons employed chefs
- Before the 1600's, persons living along trade routes were the first hospitality entrepreneurs as they opened their houses to travellers
- Separate eating places began in Europe in the mid-1700's

French Culinary History

- 1767: Boulanger
 - Father of the modern restaurants
 - Sold soups "restorantes" (restoratives)
- 1782: Grand Tavern de Londres
- 1785: Aux Trois Freres Provencaux
- 1794: French Revolution
 - Chef to the former nobility suddenly had no employment
 - Some stayed and opened restaurants; some went to Europe; many fled to America

History of Restaurants in America

- Taverns and inns became popular in cities during 1800's
- Most luxurious dining was offered by large hotels
- By the late 1800's, public eating places were almost everywhere and offered a wide variety of food items
- One of the first restaurants chains was that of Fred Harvey (Kansas) in the mid-1870's
- By 1920, numerous eating places were located near major highways
- In the 1940's frozen foods became popular
- McDonald's restaurant chain began in the 1950's
- In the 1970's, wines increased in popularity
- The 'modern' restaurant era began in the early 1980's as Americans began to eat out more frequently

Steak Marination:

Salt, pepper, paprika, oil. Garlic, Thyme, Butter + Oil
175 to sizzle 2.5 minutes, rest for 2 minutes

Challenges of restaurant operation

- ▶ Family Issues
- Long hours
- Little security for managers working for others
- Possibility of losing investments and investors
- Starting a restaurant involves high risk
- Results of Dr. Parsa's study:
 - Highest failure rate during first year: 26%

Buy/ Build/ Franchise/ Manage Advantage & Disadvantages

	Original Investment Needed	Experience Needed	Potential Personal Stress	Psychological Cost of Failure	Financial Risk	Potential Reward
Buy	Medium	High	High	High	High	High
Build	Highest	High	High	Highest	Highest	High
Franchise	Low to Medium	Low	Medium	Medium	Medium	Medium to High
Manage	None	Medium to	Medium	Medium	None	Medium

Traditional service staff and their duties and responsibilities

Front of House

- Is the area where diners sit
- Waiter, waitresses and hosts interact with guests
- These staff are said to be 'on the floor' since they are visible representatives of the restaurant
- Floor staff are supposed to be courteous, informative and neatly dressed, since their behavior determines whether or not guest enjoy themselves

Front of House - Staff

Maitre d'Hotel

- The person responsible for the overall management of service at a fairly elaborate establishment

Head waiter

- Second-in-command. Oversees service in a particular area of the restaurant, such as a banquet room. If no maitre d', the head waiter is responsible for the overall management of service

Captain

- Responsible for running one 'service station' or section of a restaurant that typically includes 25-30 guests. Take customers' orders and oversees one or two waiters and a busboy

Waiter

- Assists the captain by attending to the customers' needs throughout the meal

Busboy

- Responsible for the most basic needs of the guests - filling water
- Glasses, bringing bread and butter, and conveying dirty dishes to the kitchen/dishwasher

Front Of House - Specialized Staff Positions

Chef/Proprietor

The person whose personal style is the defining characteristic of the restaurant

Host or Hostess

Greets the guests and shows them to their tables

Sommelier (or Wine Steward)

Usually only found at very formal restaurants. Chooses and maintains the restaurant's stock of wines. Serves wines to customers

Bartender

Provides bar service during meals. Gives the finishes drinks to waiters for delivery to the tables or serves customers directly if they are waiting to be seated

Coat Checker

Seasonal worker who checks customers' coats as they enter the restaurant

Back of House

- Is the staff area, where cooks and other support staff work to prepare food
- This area includes other staff areas such as a break room and changing area
- Cooks, expeditors and dishwashers work in the back of house, usually largely unseen by the public
- In most kitchens, the back of house has a strict hierarchy, with each staff member performing a specific task

Back of House - Staff

Chef de Cuisine

- Has the vision and conceives the dishes for the restaurant. His/her personality imbues (灌输) the whole restaurant

Executive Chef

- Run the whole restaurant. Responsible for hiring and firing staff, determining costs, revamping the menu, taking care of all administrative tasks, interacting with dining room managers and overseeing the well-being of the restaurants

Sous-Chef

- Always in the kitchen. Determines daily specials, takes inventory, oversees staff, does all the hands-on work

Expediter

- This is usually the sous-chef. Serves as the liaison between the customers in the dining room and the line cooks. Makes sure that the food gets to the customers in a timely fashion, so that everyone sitting at a particular table is served simultaneously

Pastry Chef

- Reigns over the pastry section of the kitchen. Traditionally, the pastry section has been assigned less status than the main kitchen

Line Cooks

- The people who cook the food. Divided up by cooking technique (saute, grill, etc.) or by type of food (fish, meat, etc.). Most cooks work up through the line before being promoted to sous-chef

Chef de garde manger

- The person in the garde manger section or cold station. Plates all the dishes that do not require heat and sometimes desserts, if there is no assigned pastry chef on the line

Leading employees

Employee resources are the most valuable asset and competitive advantages

- **We need to realize that leadership of employee resources is critical:**
 - We don't manage our employees, we lead them
- **Being a leader is exciting:**
 - There are challenges, opportunities and rewards
- **In the hospitality industry:**
 - Almost everything depends on the physical labor of many hourly (or nonmanagerial) workers
 - People who cook, serve tables, mix drinks, wash dishes and mop floors
- **How well employees produce:**
 - Depends largely on how well they are led
 - Greatest challenge: employee motivation
- **Leadership:**
 - Process by which a person with a vision is able to influence the activities and outcomes of others
 - Begins with a vision, mission and goals
- **Vision:**
 - Articulation of the mission in an appealing way that it vividly conveys the future

Week 8: Food & Beverage Management

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Nutrition

Introduction

- Nutrition is essentially the science of how living beings use the nutrients in food for nourishment
 - Carbohydrates
 - Proteins
 - Lipids
 - Water
 - Vitamins
 - Minerals

The Restaurant Manager and Nutrition

- There is an increased concern about health and well-being today
- More meals are being consumed away from home
- Lifestyle changes have increasingly emphasized nutritional issues
- Restaurant managers should be concerned about nutrition in their own lives
- Many guests are attracted to restaurants with nutritional food alternatives

Benefits of a Nutrition Emphasis

- The industry benefits: many persons have a negative stereotype about unhealthy restaurant meals
- The restaurant benefits: nutrition can be emphasized without significant/costly changes in operating procedures

	Function in Body	No. of calories per gram of nutrients	Good Sources of Nutrients
Carbohydrates	Oxidized ('burned') for energy and warmth; excess stored as glycogen (a storage form of glucose which is a sugar) and fat	4	Plant sources including cereal grains, legumes (for example, peas and beans) and starch (roots/tubers such as potatoes)
Proteins	Build/rebuild cells, tissues, bones, and muscles. Primary component of blood, lymph fluids, enzymes, hormones and numerous other body materials	4	Meats, fish, poultry, eggs, milk and other dairy products
Lipids (Fats and Oils)	Provide energy, carry fat-soluble vitamins, keeps body warm, comprise part of cell membranes and helps to pack/space out organs	9	Meat and meat products, dairy products including milk, cheese, butter and cream and nuts

Fat-Soluble Vitamins

Vitamin	Functions in Body	Good Sources
Vitamin A	Helps maintain the skin and the body's mucous membranes; helps with vision	Natural sources include liver, egg yolks and dairy products; some foods (skim milk and margarine, for example) are fortified (supplemented) with Vitamin A. Many fruits and vegetables are also good sources.
Vitamin D	Helps in maintaining strong bones and teeth	Natural sources are few but include eggs and liver. Milk is usually fortified (supplemented) with Vitamin D. It is also made in the body when the skin is exposed to sunlight.
Vitamin E	Helps protect the body against harmful internal reactions and maintains cell membranes	Commonly found in many foods
Vitamin K	Helps in the blood clotting process	Leafy green vegetables and milk

Water-Soluble Vitamins

Vitamin	Functions in Body	Good Sources
Vitamin B - Thiamine	Provides energy to cells	Cereal grains, organ and lean meats, legumes, seeds, nuts, fruits and vegetables
Vitamin B - Riboflavin	Active in body reactions which release energy; helps to maintain healthy skin	Milk and milk products, meats, eggs, fish, poultry and leafy green vegetables. Rice, cereals, pasta and other products are often enriched with riboflavin
Vitamin B - Niacin	Active in body reactions which release energy	Meats and peanuts, pasta and breads. Many ready-to-eat cereals are fortified with niacin
Vitamin B - Biotin	Involved in reactions involving amino acids, proteins, carbohydrates and fats and is essential to produce energy	Organ meats, chicken, yeast, eggs, milk, most fresh vegetables and some fruits
Vitamin B - Pantothenic Acid	Helps convert carbohydrates to energy; involved in the production of cholesterol, chlorine, some fatty acids and red blood cells	Organ meats, whole grain cereals, egg yolks and milk
Vitamin B6	Active in protein metabolism	Meats and meat products; chicken, fish, avocados and eggs. Unmilled rice, soybeans, oats, whole wheat products and some types of nuts

Step 1: Determine the labor costs per guest.

Labor Cost per Guest	=	Labor Costs
		# of Expected Guests
\$2.80	=	\$210,000
		75,000

Step 2: Determine the Prime Cost per Guest, (assume a Food Cost of \$3.75).

$$\begin{array}{rcl} \$3.75 & + & \$2.80 \\ \text{(Food Cost)} & & \text{(Labor Cost per Guest)} \\ \hline & = & \$6.55 \\ & & \text{(Prime Cost per Guest)} \end{array}$$

Step 3: Determine the menu item's base selling price.

	<u>Prime Cost per Guest</u>	Desired Prime Cost
Percentage		
	<u>\$6.55</u>	
	0.62	

Menu Item	Item Food Cost	Item Selling Price	Food Cost Percentage	Contribution Margin
Item A	\$ 3.50	\$10.95	32.0%	\$ 7.45
Item B	\$ 8.00	\$18.25	43.8%	\$10.25
Item C	\$12.50	\$26.50	47.2%	\$14.00

Restaurant:						Date of Analysis:								
Meal Period: ☐ Breakfast ☒ Lunch ☐ Dinner														
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)
Menu Item	Number Sold	Sales \$	Food Cost	Sales Price	Item CM	Total Food Cost	Total Revenues	Item CM	CM Type	Sales % Type		Menu Item Classification		
Tuna Salad Plate	278	14.3	3.25	7.25	4.00	877.50	1967.50	1080.00	Low	Low		Dog		
Beef Stew	499	25.9	4.25	8.50	4.25	2062.50	4165.00	2062.50	Low	High		Plove Horus		
Fried Chicken	818	42.8	5.15	9.75	4.60	4171.50	7897.50	3726.00	High	High		Star		
Sirloin Steak	328	16.9	8.25	13.58	5.25	2640.00	4320.00	1680.00	High	Low		Puzzle		
	N		I				J	M						
Column Total	1800					9771.50	18,340.00	8568.50						
Additional Computations:						K = V/J		O = M/N O (Popularity) = 100% × No. Items × 70%						
								\$4.53 17.5%						

- Increases prices carefully (in stages?)
- Relocate to low menu profile
- Shift demand (provide better value alternatives)
- Combine with lower cost items
- Assess direct labour factor
- Consider portion reduction

- Reposition and feature
- Add value
- Rename
- Decrease price
- Limit
- Promote
- Increase visual presentation
- Use suggestive selling
- Take off menu

- Maintain rigid specifications
- Locate in highly visible menu location
- Test for price inelasticity
- Use suggestive selling
- Merchandise and promote

- Eliminate
- Raise selling price
- Replace
- Manage