

FOOD and BEVERAGE CONTROLS

Fourth Edition

Jack D. Ninemeier, Ph.D., CHA



EDUCATIONAL INSTITUTE
American Hotel & Motel Association

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Developed through the input of industry and academic experts, this course gives you the know-how hospitality employers demand. Upon course completion, you will earn the respected American Hotel & Motel Association certificate that ensures instant recognition worldwide. It is your link with the global hospitality industry.

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We commend you for taking this important step. Turn to the Educational Institute for additional resources that will help you stay ahead of your competition.

Preface

The fourth edition of *Food and Beverage Controls* continues its emphasis on practical activities that managers in all sizes of foodservice operations can use to plan and control their operations. Managers are busy people who must make the most cost-effective use of their time as they control resources, which are always in limited supply. The primary topics of this book—food and beverages, labor, and revenue—are carefully analyzed; the very best strategies for their management are included in this “primer” for the control of commercial and noncommercial foodservice operations.

This book is meant to be read *and* used. For example, students in formal educational programs and trainees in hospitality operations may read the book from cover to cover as part of formal or informal professional development and career training activities. Others, such as managers, can turn to the book for “How-to-do-it” help with problem-solving tasks on the job.

The primary objective of the book has not changed from the earlier editions: to help practicing hospitality managers and students understand the complexities of controlling the primary resources—products (food and beverages), labor, and revenue—in food and beverage operations. With today’s emphasis on cost reduction, quality and service optimization, and guests’ ever-increasing desire for value in the hospitality dollars they spend, the foundation of information that this book brings to the reader has become increasingly important.

The author would like to acknowledge the significant contribution to the first edition of this book by members of the American Hotel & Motel Association’s Food and Beverage Committee. They, along with several others, provided valuable help with the second edition as well. The third edition was strengthened by significant input from two professionals with the Educational Institute: George Glazer (Senior Vice President, Publications) and Dan Davis (Editor). The fourth edition also benefits from the thoughtful input of the editor (Richard Keener). Frank Holcomb of ACD Computers, Inc., also provided important help with the fourth edition by developing and assembling many of the sample screens used as exhibits illustrating computer applications throughout the book.

Food service continues to be a vast, important, and growing segment of the hospitality industry worldwide. Students and practicing managers who learn the fundamentals of food and beverage planning and control will likely increase their career opportunities. It is sincerely hoped that this book will play a small but important role in their personal and professional success.

Students in literally hundreds of hospitality education programs worldwide are using this and other Educational Institute texts. These students, who will be tomorrow’s industry leaders, are the ones to whom this text is dedicated.

Jack D. Ninemeier, Ph.D., CHA
Professor
The School of Hospitality Business
Michigan State University

Study Tips for Users of Educational Institute Courses

Learning is a skill, like many other activities. Although you may be familiar with many of the following study tips, we want to reinforce their usefulness.

Your Attitude Makes a Difference

If you want to learn, you will: it's as simple as that. Your attitude will go a long way in determining whether or not you do well in this course. We want to help you succeed.

Plan and Organize to Learn

- Set up a regular time and place for study. Make sure you won't be disturbed or distracted.
- Decide ahead of time how much you want to accomplish during each study session. Remember to keep your study sessions brief; don't try to do too much at one time.

Read the Course Text to Learn

- *Before* you read each chapter, read the chapter outline and competencies.
- Then, go back to the beginning of the chapter and *carefully* read, focusing on the material included in the competencies and asking yourself such questions as:
 - Do I understand the material?
 - How can I use this information now or in the future?
- Make notes in margins and highlight or underline important sections to help you as you study. Read a section first, then go back over it to mark important points.
- Keep a dictionary handy. If you come across an unfamiliar word that is not included in the "Key Terms" section, look it up in the dictionary.
- Read as much as you can. The more you read, the better you read.

Testing Your Knowledge

- Test questions developed by the Educational Institute for this course are designed to measure your knowledge of the material.
- End-of-the-chapter Review Quizzes help you find out how well you have studied the material. They indicate where additional study may be needed. Review Quizzes are also helpful in studying for other tests.

- Prepare for tests by reviewing:
 - competencies
 - notes
 - outlines
 - questions at the end of each assignment
- As you begin to take any test, read the test instructions *carefully* and look over the questions.

We hope your experiences in this course will prompt you to undertake other training and educational activities in a planned, career-long program of professional growth and development.

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Part I

Introduction to Food and Beverage Control

Chapter 1 Outline

Travel and Tourism: The Umbrella Industry
The Hospitality Segment
An Overview of the Organization of a Hotel
The Food and Beverage Department
Commercial and Institutional Food Services
Everything Begins with the Menu
The Operating Control Cycle
Management Functions
Important Differences
A Common Problem: The Labor Shortage

Competencies

1. Distinguish commercial from noncommercial food service operations.
2. Describe the basic responsibilities of line and staff managers in a full-service hotel.
3. Identify characteristics that distinguish hotel food and beverage operations from free-standing restaurant operations.
4. Distinguish revenue centers from support centers in hospitality organizations.

The Challenge of Food and Beverage Operations

MANAGING A FOOD AND BEVERAGE operation, whether small or large, is challenging for many reasons. For one, food and beverage service involves both manufacturing and service-related operations that demand that the manager have not only technical knowledge and skills but also business knowledge and people skills. The manager must know how a product is manufactured, how it is marketed to the consumer, and numerous other operational aspects. Above all, the manager must be able to relate well to people and to work effectively with them.

Since food and beverage operations are part of the hospitality industry—just as the hospitality industry itself is part of the travel and tourism industry—it will be helpful to view the interrelationships that exist among these related enterprises.¹

Travel and Tourism: The Umbrella Industry

Exhibit 1 shows travel and tourism as an umbrella industry covering five segments—lodging operations, food and beverage operations, transportation services, retail stores, and destination activities—all of which provide products and services for the traveler. Most of these businesses also provide products and services to residents of their communities. In fact, whether a business considers itself part of the travel and tourism industry likely depends on how much of its revenue is derived from travelers, compared with how much is derived from local residents.

The Hospitality Segment

The hospitality industry comprises lodging properties—hotels, motels, motor hotels, inns, and other facilities offering sleeping accommodations—and food and beverage operations. Again, both the traveling public and local residents are served by these segments—particularly by food and beverage operations. Consider, for example, the use of lodging properties by local businesses and organizations for meetings or special occasion dining events. Some lodging properties actively market their room accommodations to local residents. Weekend “escape” packages, which may include some meals and the use of the property’s recreational facilities in addition to the guestroom, are one example.

Just as the traveling public and local resident markets overlap, so do industry segments. Consider, for example, that many lodging properties have one or more food and beverage outlets, and they may have retail shops and offer various activities as well. Similarly, food and beverage service extends to the transportation,