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PROJECT TITLE MARKET
QUALIFICATIONS
- A SIGNPOST
FOR MINIMIZING
COMPETENCE GAPS
BETWEEN EDUCATION
AND THE LABOUR
MARKET IN THE
HORECA SECTOR

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MODERN, FLEXIBLE LEARNING PATHS - CURRICULA AND
EDUCATIONAL PACKAGES (TRAINER / TRAINEE)
FOR THE HORECA SECTOR

QUALIFICATION 3.

MANAGEMENT IN THE HORECA INDUSTRY

Erasmus+ Project: "Market qualifications - a signpost for minimizing competence gaps between education and the labour market in the HoReCa sector".

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Result 2: Modern, flexible learning paths - curricula and educational packages (trainer / trainee) for the HoReCa sector

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QUALIFICATION 3. MANAGEMENT IN THE HORECA INDUSTRY

1. MANAGING THE TEAM OF EMPLOYEES IN A FACILITY (KITCHEN-HOTEL)

INTRODUCTION

MANAGING THE TEAM OF EMPLOYEES IN A FACILITY (KITCHEN-HOTEL)

It's not easy to run a kitchen, there are several actions that never seem to stop. A professional manager must direct employees, maintain customer satisfaction, assure constant food quality, keep track of inventory and accounting, and much more. Kitchen management can be made easier by creating a comprehensive grasp of the expectations that come with running a restaurant, using proven tactics, and optimizing new technologies.

Kitchen Management Duties

There's no way of knowing what challenges will arise during the course of a day at a restaurant, but here are a few of the most common responsibilities we can expect to have on our to-do list. Food preparation, cooking techniques, plating, portion sizes, and temperature control should all be under supervision. Finally, it's to make sure that all of the food fulfills quality and safety standards before it's delivered to the consumer. Kitchen management is a broad position that demands managers to be involved in almost every aspect of the restaurant.

- 1- Schedule shifts in the kitchen and among the workers is particularly difficult at restaurants during quiet and busy moments throughout the day and week.
- 2- Work with the chef and the restaurant owner to make adjustments to the menu design, items, and pricing on a regular basis.
- 3- Monitor health code compliance concerns like as sanitation and correct food storage techniques, among other things.
- 4- Keep track of inventory and expenditure data on a weekly and monthly basis, as well as place any necessary food orders.
- 5- Employee training. If given the proper instruction, even every service sector professionals may be able to enhance table turnover rates and apply the right selling strategies to increase the average check size.
- 6- As needed, update kitchen equipment.

Responsibilities of Kitchen Management

The kitchen management responsibilities to ensure more efficient operations and improve profits are studied under subtitles.

Inventory management

The inventory comprises all of the ingredients needed to prepare the menu, as well as beer, wine, and spirits. While a kitchen never wants to run out of stock, also should not order too much and risk having food rot. Effective kitchen management requires the development of a sound inventory management plan.

Investing in the proper equipment

The latest equipment and technology available to kitchen and wait staff will help to streamline operations and reduce chaos. When employees have access to useful tools, they can concentrate on what they do best.

Maintaining equipment

Restaurants are high-traffic areas, so wear and tear is unavoidable. Following the manufacturer's cleaning and maintenance instructions to avoid expensive repair or replacement costs keeps equipment in good working condition and increases endurance.

Menu management

Restaurant managers should collaborate with other members of the team to determine the type of cuisine restaurant wants to serve. A smaller, more focused menu can help to build restaurant identity while also making life easier for employees. This will also help planning the menu and choose foods and prices.

Make hiring decisions

People will keep a restaurant and kitchen functioning well, thus, hiring the proper personnel will assist in the creation of new dishes, the improvement of processes, and the creation of a more constructive work atmosphere. Also, some time should be spent to train employees on various procedures and service steps so that they are prepared for work load.

Staff scheduling

Employee retention should be supported by smart scheduling techniques once the team is established. Employees should be allowed plenty of time to prepare before serving. Everyone should understand what has to be done, what the day's goals are, and what part they will play. Individual scheduling demands must also be considered, and allowances should be made for when their schedules must be changed for special events.

Sanitation management

Keeping the kitchen clean and tidy not only prevents food contamination and ensures that the restaurant complies with all health rules, but it also makes for a more pleasant and productive working atmosphere for everyone.

Essential skills for a kitchen manager

Kitchen managers wear a lot of hats and have a lot of responsibilities to juggle. The following traits are required of a successful manager: Successful kitchen managers should be great leaders and administrators, have a strong work ethic, and be natural leaders. They should also be creative when it comes to growing the business, be able to stay calm under pressure, have a passion for cooking, and be a natural leader.

Kitchen management

Employees should be recognized and rewarded for a job well done. Promotions should only be given out once they have been earned. Management must address issues if staff are unaware of the restaurant's aims, their specific responsibilities, and accountability procedures. Sharing a vision and long and short-term goals as a company can help to bring everyone together. When communication breaks down and an issue arises, kitchen management must listen with an open mind and assure employees that their concerns will be addressed. Staff should be supported with training programs and other professional chances that will make them feel appreciated. They should be assisted in achieving their career objectives. Mentorship can also be a good strategy to help staff. Sometimes the restaurant industry may be tough and stressful. Managers must assist employees in avoiding burnout in order for them to remain happy and healthy.

Kitchen Manager should make workplace a safe place to work. Manager should force following safety recommendations and enforcing them in case injuries happen in the kitchen.

Being a kitchen manager entails a lot of responsibilities and rewards. It's a good idea to start by knowing exactly what the job entails and what abilities kitchen manager will need to develop. Technology can help kitchen manager optimize and automate procedures to make chores easier for everyone on the team. Kitchen manager can handle the kitchen efficiently and without stress if the correct tools are available.

Kitchen manager duties

Managing kitchen staff and inventory; supervise cooking, plating, portion sizes, and health and safety practices; train staff on all service, food prep, and plating methods; manage and plan staff schedules; collaborate with other members of the leadership team to adjust menu items and pricing; update and maintain all equipment; monitor weekly and monthly reports. Keep track of all stock and inventory, manage menu items and pricing, maintain equipment, hire the correct people, schedule staff fairly and equally, use all available technology, and enforce food safety and hygiene throughout the restaurant. Encourage a work/life balance and decrease risks for a safer workplace by working hard to engage people, establish a supportive and happy environment, explain expectations clearly and be open to feedback, encourage a work/life balance, and reduce hazards.

Kitchen staff management

Chef wears multiple hats, including budget management, developing new meals, writing recipes, costing recipes, supervising cooks, dealing with HR, and much more. However, competent kitchen staff management and training is one of the most important duties of a chef. He/she could be the best chef in the world, but when it comes to serving, a chef is only as good as the staff around him/her. He/she will fail during service if his/her kitchen staff is not adequately trained. The following are critical steps that will increase the effectiveness of kitchen staff management and the quality of cooks:

- Expectations and standards should always be communicated in clear, specific terms. At all times, give clear, detailed directions regarding expectations and standards. It is not clear instruction to tell staff that they are doing it wrong, that they need to do it better, or that they need to make it appear nicer. He/she must demonstrate what he/she expects and tells them exactly what he/she wants and how to get it.
- Explain reasoning is one of the most effective methods to manage kitchen crew. It's not enough to just tell them, "Do it because I said so." Explain the reason and the team will start thinking as the chef his/herself. Chef is a mentor, an educator, and a knowledge provider by imparting the "hows and whys" of culinary excellence in this way.
- Do not hesitate if it's time to put your foot down. There are instances when the Chef, must order a crew member. It's a positive thing when someone asks questions because they want to learn. It's another thing entirely when someone asks you questions in order to test you. That individual must understand the chain of command and the fact that they work under the Chef.
- Always have a brief pre-service meeting to go through the day's business. Discuss the number of seats expected, large tables, VIP tables, menu modifications, potential shift issues, solutions to those challenges, and so on. The pre-service is shift's battle strategy. The pre-service meeting is an opportunity to get everyone on the same page about today's service and any potential issues. It should be done early in the shift so the crew has time to plan and prepare.
- If the shift is going to be unpleasant, notify the staff as soon as possible. Giving them advance notice that the day is going to be difficult allows them to mentally prepare for it. It is a way to convince the crew to do everything in their ability to prove themselves, and the day will usually run smoother than planned.

- Always be aware of criticizing and instructing employees. Although publicly criticizing one or more of the employees for minor infractions may be acceptable as a reminder to others that management is paying attention, it is imperative that the manager never publicly humiliate one of the employees in front of others. The distinction between helpful criticism and punitive humiliation is significant. Public constructive criticism can be harsh or humorous, and it can occasionally take the shape of peer pressure, but the ultimate result must always be that the team member interprets it as helpful guidance.
- Conversations that are more personal, direct, disciplinary, or hurtful should always be held in private. Never embarrass a crew member in front of others by pulling them apart. It should never be the purpose or intention to humiliate, degrade, dominate, or shame somebody. Rather, the purpose should always be to coach, educate, and instruct them on how to improve in the kitchen.
- Teach self-discipline and the value of making decisions. When someone is disciplined orally, remind them that they have choices and that being a better professional cook requires self-control. Statements should be direct and to the point, reinforcing expectations and the need for discipline while also demonstrating that management believes that they have the ability to succeed but that it is ultimately their decision. They should have the option of doing it correctly or not. They have the option of continuing to work in the kitchen or being fired. This strategy reinforces kitchen standards, but it also reminds them that failing to reach them is a choice they make. We don't want mindless bodies who simply follow orders when commanded. What is needed in the kitchen is a crew who recognize that it results in a better product, a better dish, and a better guest experience.
- Make every effort to accommodate their needs. In the restaurant industry, accommodating staff requests for days off is usually a huge undertaking, but one that is well worth the effort. The employees are aware that they will be required to work most weekends and probably all holidays. And, of course, the activities they want to attend (concerts, parties, etc.) almost invariably take place on weekends, which are the most difficult days for manager to let someone go. To have a life, a balance between the needs of the business and the needs of your staff must be ensured. If they feel that they will all get a weekend night off once in a while, they will be more inclined to work harder. And, for important events such as a child's graduation, a family medical emergency, a loved one's death, etc., don't make them pick between their family's commitment and their job's loyalty.

Position Summary

Chef would be in charge of planning, organizing, managing, and supervising the activities of staff in the kitchen as a banquet chef. Managing the food preparation for all banquet and catering events to ensure high quality and consistency.

In addition, he/she will be responsible for creating new menus, as well as preparing, testing, tasting, and approving new menu items. Maintain up-to-date and correct recipes as well as costings for all banquet meals. In addition, he/she reviews the menus for the following day and approves store requisitions for food and supplies from various kitchen storerooms.

Banquet Chef Duties and Responsibilities:

1. Go over banquet event orders every day and make a note of any changes.
2. Inform the banquet kitchen crew of forthcoming and ongoing events on a daily basis.
3. Oversees and coordinates all food preparation activities carried out by cooks and banquet kitchen employees.

4. Able to work with the Executive Chef, Sous Chef, and Banquet Captain to coordinate banquet production and plating.
5. Set the priorities for the day and assign production and preparation duties to the banquet kitchen staff/chefs.
6. Provide clear direction to personnel by effectively communicating both vocally and in written.
7. Take a physical inventory of the food items that will be used in the daily inventory.
8. Assist sales, catering, and banqueting personnel with banquets, parties, and other special events at the restaurant/hotel.
9. Assist in defining the minimum and maximum food, cooking supplies, and equipment supply levels.
10. Assist the Executive Chef in the creation and implementation of banquet menus.
11. Follow inventory control procedures and make sure the banquet kitchen is ready to work the next day.
12. Oversees all banquet kitchen operations on a day-to-day basis.
13. Conducting frequent walkthroughs of each cooking area and directing appropriate workers to fix any shortcomings.
14. Responsible for ensuring that all equipment is in good working order.
15. In charge of ensuring that all banquet kitchen equipment is cleaned on a regular basis.
16. Make certain that each banquet kitchen work area is stocked with the necessary tools, materials, and equipment to suit the hotel's operational and business needs.
17. Make sure recipe cards, production schedules, plating tips, and images are up to date and visible.
18. Ensure that all employees follow recipes and adheres to the hotel's operating guidelines when preparing menu items.
19. Inform purchasing and storage staff of the kitchen's requirements.
20. Meet with the Executive Chef to discuss sales and food expenditures to ensure that the banquet kitchen is staying within budget.
21. Keep an eye on the banquet kitchen staff's performance and make sure that all processes are followed to the letter of the law.
22. The banquet chef should act as a role model for appropriate behavior. He/she ensures and maintains the productivity level of all banquet cooks and supporting staffs.
23. Oversees banquet kitchen operations during shifts.
24. Assists the Executive Chef and Purchasing Manager in the development and purchase of banquet menus.
25. Participates in the advancement and discipline of banquet kitchen personnel.
26. Assists with staff training on menu items, including ingredients, preparation methods, and distinct flavours.
27. For all banquet functions, plans and oversees food amounts and plating requirements.
28. Maintains proper food preparation and storage standards.

29. Evaluates staffing levels to ensure that guest service, operational requirements, and budget goals are satisfied.
30. Ensures compliance with all applicable laws and regulations.
31. Ensures that all food products are handled properly and kept at the proper temperature.
32. Assists with the interviewing and recruiting of employee team members with the necessary abilities as needed.
33. Identifies kitchen staff development requirements and provides coaching and mentoring to help them enhance their knowledge and abilities.
34. Capable of planning and carrying out several banquet functions.
35. Able to improve the culinary experience of banquet or event guests on a regular basis.
36. Able to grasp the responsibilities of employees and fulfill duties in their absence.
37. Able to assist with cooking and meal preparation as needed.
38. Able to carry out other responsibilities as given by management.

1- ORGANIZES AND SUPERVISES THE WAREHOUSE MANAGEMENT OF FOOD PRODUCTS AND OTHER PRODUCTS NECESSARY FOR THE OPERATION OF THE KITCHEN AND HOTEL

1. Monitors the quantity and quality of orders for kitchen and hotel operations
2. Follows food storage procedures
3. Controls the food and beverage consumption system
4. Performs quality and inventory control
5. Logistics control: Process analysis and documentation and productivity assessment

This chapter begins with a discussion of inventory and inventory control, however without the procurement process, there is no inventory, which we return to inventory control after purchasing, ordering, receiving, and storing the merchandise.

BASIC INVENTORY PROCEDURES

Inventory control is an important aspect of effective kitchen management. The management will be able to schedule food orders, assess food expenditures since the previous inventory, and make menu item changes if necessary by knowing what supplies are on hand at any given time. It is possible to detect potential problems with theft and waste by keeping a watch on inventories. The management should be concerned about the worth of the supplies in the storeroom and kitchen.

An inventory is a list of everything that can be found in the kitchen. Inventory should include products, dry goods, pots and pans, uniforms, liquor, linens, and anything else that costs money. Kitchen products should be counted separately from front-of-house, bar, and other inventories.

The foundations of inventory control are the same regardless of the size of the business. In larger businesses, more employees, often entire teams, are involved in the various phases, whereas in a small company, all inventory management duty may rest on one or two important persons. Inventory management can be broken down into a few simple steps:

Setting Up Systems to Track and Record Inventory

Inventory records are taken for a variety of reasons, including determining food costs and calculating cost percentages. There are a few methods for determining the worth of items in storage. These methods rely on maintaining detailed records of how much supplies cost and when they were obtained. In small businesses, it's easy to take inventory control for granted. Perhaps just one or two persons are in charge of purchasing, and they are usually aware of what goods are available. This does not negate the necessity to evaluate purchases against sales to see how successfully kitchen is managing spendings.

Almost every inventory control method takes time. Furthermore, such records must be accurate and kept up to date. Trying to save a few hours by reducing the time required to keep inventory records could be a waste of money. A spreadsheet is the simplest way to keep track of inventory. A simple spreadsheet might include all of the items that are regularly purchased, together with their current prices and the quantity of units on hand at the most recent inventory count. Prices can be updated on a regular basis when invoices are processed for payment, and a count of the stock on hand can be scheduled.

Because there are more individuals involved in major operations, the systems must be more sophisticated. Purchases might be made by a different department, inventory records kept by a storeroom clerk, and inventory tracking and counting related to a system using scanners and barcodes, which could then be linked to a sales system so that managers always know what is in stock.

Incoming Inventory

The main objective for having a standard process for accepting ordered items is to ensure that the business receives exactly what was ordered. Errors happen all the time, and if the quantity and quality of the items delivered aren't carefully compared to what was requested, significant losses might ensue. Errors that could cost the restaurant time and money are avoided when reception protocols are carefully followed. Furthermore, a good receiving system encourages suppliers and delivery employees to be honest.

Invoices

The invoice is the most crucial document in evaluating whether the products received are the same as those requested. An invoice is a detailed list of the goods or services that have been delivered to a food preparation location. The quantity, quality, price per unit, and, in some situations, the whole extent of the cost chargeable are all listed on an invoice. The recipient should check the information on the invoice matches the items received by carefully comparing and inspecting. This comparison may necessitate the weighing and/or counting of items.

The receiver should compare the invoice to the purchase order or purchase request slips whenever possible. This will guarantee that the quantity and price of the goods sent meet the order form's specifications. If the invoice is not compared to the purchase order when the goods arrive, there is a risk of missing out on items required or accepting items that were not bought or are in improper quantities.

Furthermore, before accepting the goods, to assure quality recipient should open and inspect boxes of fresh vegetables and frozen items, and sign the invoice after satisfied that the delivery is correct.

In most circumstances, the invoice is duplicated or tripled, with the original being kept by receiver and the other copy or copies being kept by the delivery driver. Once it is signed, the delivery firm is no longer responsible for the items, and they now belong to recipient. Any discrepancies or inaccuracies should be brought to the driver's attention, and he/ she should sign the invoice to acknowledge the inaccuracy. If a credit note is issued, the driver should make a note of it on the invoice.

The recipient should not sign the invoice unless he/she is certain that all issues have been resolved and recorded. Later, the signed invoice should be given to whoever is in charge of the company's invoice collection and archived.

Deliveries can be time-consuming for both the receiving kitchen/hotel and the delivery service. Often, the delivery guys do not want to wait while inspections are being completed. In this instance, it's critical that the kitchen/hotel and the supplier agree that any issues identified after the delivery service has left are the supplier's, not recipients'. The delivered items should be placed in the designated locations after the invoices have been signed, and if tracking incoming merchandise is required, should be done at the same time.

Outgoing Inventory

An internal requisition form is frequently used for a record that must be kept when an item leaves the storeroom or cooler to monitor where it has gone. In most small businesses, supplies are delivered directly to the kitchen and used to prepare the menu items. In an ideal environment, accurate records of arriving and exiting supplies are kept, making knowing what is on hand as simple as subtracting.

Regrettably, systems aren't usually so straightforward. In a smaller company, knowing what has arrived and what is used on a daily basis can be easily reconciled by performing a routine inventory count. The storage rooms and coolers may be on a different floor than the kitchen in larger operations and hotels, necessitating a system that requires each department and kitchen to requisition food from the storeroom or purchasing department, much like a small restaurant would do directly from the supplier. In this arrangement, the hotel would buy all of the food and store it in a central storage space, from which individual departments would "order" their supplies.

Requisitions

In a larger operation, setting up a requisition method where anything transferred from storage to the kitchen is done by a written request is important to maintain inventory and determine daily menu expenses. The name and amount of the items the kitchen requires should be included on the requisition form. The storeroom clerk or whoever manages the storeroom inventory can usually enter the unit price and total cost of each requested item on these forms (Table 1). Serving workers should use separate requisition forms to replace table items such as sugar, salt, and pepper in an efficiently run operation. Yet, employees frequently refuse to utilize requisition forms since it is far easier and faster to simply enter the storage area and grab what is required; however, this practice leaves no record and makes good record-keeping impossible. To lessen the chances of this happening, the storage space should be secured, with just a few personnel having access to the rooms, storage freezers, or storage refrigerators.

Date: -----			
Department:			
Quantity	Description	Unit Cost	Total Cost

Table 1 Calculating Unit and Total Cost of Items

The requisition not only keeps track of inventories, but it can also be utilized to calculate the financial value of foods by each department and hence expenses. It is important to tag all commodities with their costs and arrival date in a larger enterprise where purchases are made from several vendors at varied prices. Meats, for example, are frequently branded with a form that includes weight, cost per unit (piece, pound, or kilogram), date of purchase, and supplier name. Pricing all products takes time, but that time will be quickly repaid when requisition papers are filled out or stock must be assigned a monetary value. Furthermore, displaying prices on things may serve as a reminder to employees that waste is costly.

Inventory Record Keeping

To maintain track of inventories, there are two primary techniques. The first is to keep a continuous inventory. A continuous inventory is nothing more than a running total of what you have on hand. Keeping records for each commodity in storage, as indicated in Table 2, is the best way to maintain continuous inventory.

Table 2 Reorder Point of Product	
Item:	
Reorder Point:	

Table 2 Product reordering point. The first half of the full table header is shown in the table. Two half make up the entire table. Each side has two tables, for a total of four tables on show. The item and reorder point are shown in this section of the table header.

Table 3 Purchase Unit Size and Par Stock of product

Purchase Unit Size:
Par Stock:

Table 3 Purchase Unit Size and Par Stock of Product. The size of the unit being re-ordered, as well as the par stock, are displayed in the second (right) half of the table heading.

Table 4 Recording Dates of the Inventory, How Much of That Item the Business Received(in), Sold(out), and Total Balance.

Carried	Forward	From	
Date	In	Out	Balance

Table 4 Recording Dates of the Inventory, How Much of That Item the Business Received(in), Sold(out), and Total Balance. The second half of the first table half (on the left). This section of the table header is displayed underneath the first part of the table header and includes the dates of the inventory records, as well as how many of each item the business received(in), sold(out), and the total amount.

Table 5 Recording In, Out, and Balance of the Unit Size of the Item Being Purchased.

Carried	Forward	From	
Date	In	Out	Balance
-	-	-	-

Table 5 Recording In, Out, and Balance of the Unit Size of the Item Being Purchased. This section of the entire table has blank space for recording in, out, and balance of the unit size of the item being purchased, and it is the second half of the second (right) half of the whole table depicted.

When more of a product is received, the number of cans or things received is recorded and added to the inventory on hand; when part of the product is requisitioned, the number of cans or pieces going out is recorded and the balance is lowered. Furthermore, the continuous inventory form can indicate when the product should be reordered (the reorder point) as well as how much of the product should be on hand at any given time (par stock). This record-keeping is almost certainly computerized in large operations. Because the time (and cost) of maintaining records can be significant in small businesses, continuous inventories are normally only retained for expensive commodities.

Taking a physical inventory is the second inventory record-keeping system. All things in storage must be counted on a regular basis as part of a physical inventory. Physical inventory should be taken at least monthly to be an effective control. The inventory records are recorded on a spreadsheet or in a separate system dedicated to the task. The goods can be listed alphabetically or in the order they will appear on the shelves in the storage spaces on the inventory sheet (Table 6).

Month:

Table 6 Physical Inventory Form				
Product	Unit	Count	Unit Price	Total Value
Item 1	10 can	4	\$20	\$80
Item 2	20 piece	3	\$20	\$60
Item 3	5 gr	3	\$10	\$30
Item 4	15 lbs	1	\$30	\$30
-	-	-	Total	\$200

Table 10.6 Physical Inventory Form. A product’s unit, count, unit price, and total price are displayed in the table. There are four things listed, followed by a total of all the products. A physical inventory form is what it’s called.

The unit cost and total value of each item in storage are normally included in the inventory, in addition to the amount of things. The total monetary value of the inventory is calculated by adding the total values of the goods. This is also known as inventory expansion. The closing inventory for the day the inventory was taken is the overall value of the inventory. This number will also serve as the opening inventory against which the following physical inventory will be measured. The statistics can be used to precisely compute the monthly food cost if the inventory is taken on the same day each month. The physical inventory is used to ensure that the continuous inventory is accurate.

Computerized Inventory Control

To calculate, track, and extend inventory, nowadays computerized systems are used. These tools allow the restaurant/hotel to keep a far closer eye on the inventory it has on hand as well as the expenditures associated with it. One of the advantages of these systems is that they provide access to information such as ordering history and the best price paid. They can also assist the buyer in forecasting demand throughout the year. When a waiter registers the sale of any menu item on the restaurant terminal, these applications are often coupled with the point-of-sale (POS) system used to track transactions, and they can even remove an item from a computerized inventory list. If a consumer requests one chicken dish from the menu, all of the items needed to prepare one chicken plate are depleted from inventory. This offers management with a continuous inventory of most inventory items that is always up to date.

Smaller businesses will utilize a spreadsheet tool to manage inventory, such as Microsoft Excel works for ordering and inventory record keeping. The invoices received with the supplies contain the information that the computer needs to conduct the computations correctly. Responsible employee should enter the quantities and prices of the most recent items received into the computer program. The cost of the commodities on hand is automatically calculated using prices and quantities. This automated process can save a lot of time and money, depending on how accurate the information entered into the computer is. There is always the danger of error in any inventory system, but with automated aid, the risk is reduced.

Pricing and Costing for Physical Inventory

The cost of products purchased varies greatly from order to order. The daily inventory reports will reflect the price changes, but it’s impossible to know what to use as a cost on the physical inventory form unless the individual cans have been tagged. If determining the exact cost of each item is challenging, there are various alternative ways to look at the cost of the goods on the shelves. The most frequent method for determining the worth of stock on hand is to use the most recent price paid for the goods, even if not all of the cans were purchased at that price. The FIFO (first-in-first-out) approach is another way for costing that implies the stock

has rotated appropriately. The worth of the stock on hand can then be more correctly determined if records have been kept up to date. The costing method chosen has a significant impact on the value of the inventory. It's always ideal to utilize the method that most accurately reflects the true cost of the items.

Costs Associated with Maintaining Inventory

It should be evident by now that maintaining an inventory of a variety of products is critical in a foodservice operation. However, there are costs involved in obtaining and maintaining that inventory, such as holding costs, ordering costs, and shortfall costs.

The **holding cost** is the expense of storing the material (electricity, insurance, security, data processing, and handling), the financial cost is the money that is locked up in inventory, and the deterioration and damage costs are the costs associated with deterioration and damage.

The costs of ordering and receiving inventories are referred to as ordering costs. The purchasing and accounting departments' salaries, as well as wages in the receiving area and transportation, are all included in these expenditures. If you buy your weekly groceries and supplies from four different suppliers, you'll have to deal with four different salesmen, four different vehicles, four different purchase orders, and four different invoices. These functions are scaled back if you only buy from one weekly source.

Shortage costs are those incurred when demand outnumbers supply. When there is an unexpectedly strong demand before new stock items arrive, shortages may arise. Customers are not always understanding when they do not receive the meal they expected, despite the fact that some shortages are unavoidable. Shortages may sometimes force kitchens to pay a higher price for a required item from a different vendor.

Factors Affecting Inventory Levels

A number of factors influence how much inventory should be maintained on hand. The menu, the frequency of deliveries and the time it takes from order to delivery, the quantity of storage space available, cold storage availability, as well as the location and scale of the operation, are all things to consider. Some smaller businesses may need to have more inventory on hand to limit the number of deliveries and ensure that each one is significant enough for a supplier to send a truck to the location or to avoid shipping charges. Some businesses can run on a "just in time" inventory, which is based on the amount of working stock required for the menu. Even if the inventory is valuable, it is not a good idea to invest money in it. Many products' quality will deteriorate over time. Increased thievery might also be a result of having too much item in the inventory. Stockpiling inventory can result in spoilage, expensive capital expenditures, increased storage space requirements, and other expenses.

Inventory Turnover

When precise inventory records are kept, the data in the records can be used to calculate the inventory turnover rate. The inventory turnover rate is the number of times inventory is changed into income in a certain period of time (typically a month). Inventory turnover of 1.5 means that the inventory rotates once every 1.5 months. In this situation, you'd have roughly three weeks' worth of supplies on hand at any given moment (2.88 weeks). In general, a one-to-two-week inventory turnover is considered normal. Finding the average food inventory for a month and dividing it by the total food expenditure for the same month is a typical method for determining inventory turnover. The total food cost is computed by adding the daily food purchases (found on the daily receiving reports) to the value of the food inventory at the beginning of the month and subtracting the value of the food inventory at the end of the month to arrive at the total food cost.

Calculating Days of Inventory on Hand

There are two methods for determining the number of days of inventory on hand. Divide the average inventory for the year or other accounting period by the corresponding cost of goods sold (COGS) and multiply the result by 365 if you choose the first approach. The cost of products sold is stated on the income statement of the business. Add the amount of inventory at the end of the previous year to the value of inventory at the end of the current year and divide by two to get the average inventory. The balance sheet shows the inventory figures.

Procurement Process

The procurement process' main purpose is to ensure the availability of food and supplies in quantities and quality that meet operating criteria at the best possible price.

Every food service organization needs to have a purchasing process in place. All capable cooks should be able to buy the right ingredients in the right quantities, at the right time, and for the best price. Every kitchen has its own set of purchasing methods. However, there is one guideline that must be followed at all times:

Purchase only as much as is expected to be required until the next delivery. This will ensure that foods remain fresh and that inventory turnover is high. All foods degrade over time, however some do so more swiftly than others. It is the purchaser's responsibility to guarantee that only those quantities are acquired that will be used immediately or in the near future.

Purchasing is described as the process of determining needs and placing orders with suppliers. Buying and ordering are the two acts that make up the purchasing process. Purchasing entails deciding where to put orders based on quality, pricing, and service. Purchasing is a managerial task. As a result, the foodservice manager or director is normally in charge of selecting suppliers from which to acquire food and supplies. Ordering is the process of determining the quality and amount of food and supplies needed to meet menu needs while staying within budgetary constraints. Ordering is typically a supervisory duty, and ordering is frequently delegated to a foodservice supervisor. In smaller companies, ordering can also be done by a trained employee, such as an experienced cook.

Customer orders should be of a fair size. Because delivery services are expensive, most vendors have minimum order size limitations. In other words, the order must be large enough for the provider to consider delivering it. Customers should not place orders too frequently. If the foodservice operation is large enough, the supplier could be willing to make frequent deliveries, but the increased costs will normally be passed on to the buyer as compensation for the customer's inefficiency. The allowable frequency of delivery varies by location, and is mostly influenced by the goods' accessibility and the distance the supplier must travel to make his deliveries. Daily deliveries are frequent in large cities, for example. If a buyer does a limited amount of business with a supplier, however, the buyer should strive to place orders only two or three times each week to keep the supplier's costs down.

A customer's business should not be scattered too thinly across too many vendors. A prudent buyer will limit his or her business to a small number of suppliers who give satisfactory service. This isn't to say the buyer shouldn't place orders with other businesses. It does, however, imply that a small number of providers in each food category should earn the majority of the market. In certain smaller enterprises, the buyer may opt to use only one supplier for each food category; however, in most circumstances, having multiple suppliers is a good idea.

Market Sourcing

The sources of supply differ greatly from one location to the next. Small towns and isolated settlements lack the number and range of suppliers that large cities offer. Purchasers should contact available vendors/suppliers such

as wholesalers, distributors, local producers and packers, retailers, cooperative associations, brokers, and food importers. To obtain the essential foods, the individual in charge of purchasing will usually contact numerous vendors. To cover all food-related kitchen demands, several wholesalers diversify their product ranges. Food products are sourced from a variety of sources. A packing house, for example, provides meat and meat products, whereas a food wholesaler provides dry items. Perishables and non-perishables are the two major food categories.

Perishables

Fruits, vegetables, fresh fish and shellfish, fresh meats, poultry, and dairy products are all perishables. Perishables are typically purchased on a regular basis to guarantee freshness. Frozen items, such as vegetables, fish, and meat products, have a longer shelf life and can be ordered less frequently and kept.

Non-perishables

Dry products, flour, cereals, and other foods like olives, pickles are examples of non-perishable items. On a weekly or monthly basis, these can be obtained. Remember that just because something doesn't spoil fast doesn't mean purchasing it in larger amounts than required. Every item in your inventory is worth a dollar that could be saved or spent on anything else.

Choosing Suppliers

When choosing a supplier, it's not enough to look at the costs alone, because they don't always reflect the quality and dependability of the goods and services on offer. The quality of one's product is always of fundamental importance in the highly competitive foodservice industry. Quality, on the other hand, does not always imply "the best" from the buyer's perspective. When it comes to purchasing, quality is getting the best quality that is appropriate for the product's intended usage. If the menu contains soup, for example, the buyer will choose the less expensive, skinless tomatoes over the higher quality, more expensive whole tomatoes with skins, which are far too expensive to use in soup.

Buyers must assess the product's own features in addition to the intended use criterion, rather than only the supplier's brand name awareness. Some packers spend a lot of money on brand-name advertising, but a buyer should never let the brand name alone influence his or her purchasing decisions unless he or she intends to use the brand name to advertise the product to customers. (S)he must carefully examine the products to determine which offers the best value for money.

Although most customers understand the necessity of assessing the price of the product they are purchasing, they frequently fail to analyze the price in the context of other aspects that influence the acceptability of specific products. As a result, they place an excessive emphasis on finding the cheapest product and may wind up paying more in terms of cost-per-portion and preparation time.

The price-to-yield ratio of canned goods should also be considered. One brand's costs may be significantly lower than those of its competitors, but it may include significantly less fruit or vegetables, with more juice or water making up the difference. Alternatively, the quality may be subpar. Of course, this isn't to argue that lower-cost goods are always worse; rather, customers should do their own testing to determine quality and yield. Furthermore, shopping solely for price might lead to a breakdown in the relationship between the salesperson and the buyer.

The goal of food purchasers should be to buy food and supplies from reliable vendors who match the following criteria:

- They must provide a cost-effective pricing structure for a certain level of quality.
- They must be capable of providing excellent delivery service.
- Products must be in good working order when they arrive;

- Drivers must be considerate.
- Deliveries of food and supplies must be made on time.
- They must have specific things in stock in order to minimize supply shortages.
- They must be able to provide information on new products, nutritional information for food purchased, and market factors that affect you.
- Rather than favors, “excellent service” refers to the supplier’s pleasant attitude and the manner in which that attitude benefits the entire foodservice operation—not just the particular employee. The provider who provides excellent service is one who delivers as frequently as the foodservice company requires and at convenient hours (not during meal service periods).
- It has friendly delivery agents who are willing to take packages to the receiving location and double-check the order’s accuracy.

Factors That Impact Prices

Food prices, in particular, change throughout the year due to a variety of factors:

- **Seasonality:** When food is in season, there is a greater supply of it in the local food supply, lowering prices. Furthermore, goods that are in season have a greater quality and a longer shelf life than those that are out of season and must be carried vast distances to market.
- **Weather:** Extreme weather can have a significant impact on food prices. Drought, flooding, and unseasonably cold weather have all afflicted key product-producing regions of the world, resulting in price increases for a variety of products.
- **Transportation costs:** As the price of gasoline or transportation rises, so does the price of food that must be transported to the market.
- **Commodity prices:** A variety of items, such as meats and cereals, are exchanged on the commodity market. These prices change when large-volume buyers acquire and sell these things, similar to the stock market.

Product Specifications

- Almost every item that is purchased should have specifications put down. Writing specifications, especially for a variety of food and supply products, equipment, chemicals, and other items, can be a tough and time-consuming task.
- Meat, seafood, poultry, processed fruits and vegetables, as well as fresh fruits and vegetables, can all be ordered according to preferences. Meats, for example, can be ordered by grade, cut, weight/thickness, fat restriction, age, freshness or frozenness, and packaging type.
- Seafood can be ordered by kind, species, market form, condition, grade, origin, freshness or frozenness, count, size, and packaging.
- Order poultry by type, grade, class (e.g., broiler, fryer), style (e.g., breasts, wings), size, freshness or frozenness, and packaging.
- You can order processed fruits and vegetables by grade (occasionally), variety, packaging size and type, drained weight, count per case, packing media, and whether they’re canned or frozen.
- Ordering fresh fruits and vegetables by grade (sometimes), variety, size, weight per container, growing area, and count per container is possible.

Table 7 illustrates an example of a beef purchase specification document that could be found in a commercial kitchen or reception area.

A Sample Purchasing Specification		
Beef	Grade	Weight, Size, and Cut Specifications

Table 7 A Sample Purchasing Specification.

Purchasing Procedures

In most restaurant kitchens, purchasing and ordering are done by the chef and sous-chefs, although in hotels there may be purchasing departments assigned. In most self-operated on-site foodservice operations, the foodservice manager/director is responsible for purchasing, though if the foodservice is contracted to managed services, the operation will likely be part of contract buying. Most kitchens will have a list of suppliers, contacts, delivery dates and schedules, and order sheets with par stock levels to make purchasing easier. For a special function or event, such as a banquet, it may also be necessary to determine the required supplies for that function alone.

Production Control Chart

To calculate the quantities of food items to be ordered for any size banquet, a portion control chart must be consulted first. The chart indicates the portions to be used per person for any given menu item. One use for a portion control chart is to estimate the quantity of major ingredients and supplies needed to produce a predicted number of menu servings.

Table 8 Portion Control Chart.		
Food Item	Menu Item	Portion Size
Shrimp	Shrimp cocktail	80 g (2.82 oz.)
Lemon	Shrimp cocktail	1 wedge (6/lemon)

Table 8 Portion Control Chart. The table displays a food item, a menu item containing that food, and the portion size of the food item.

Purchase Order Chart with Par Levels

The main goal of utilizing a purchasing standard is to ensure that there are enough supplies of all foods on hand to meet daily needs. Food inventory must become a regular ritual to create and maintain these standards. This is where having predetermined par levels (the amount that should have on hand to get through to the next order) might help.

There are three important points to be aware of:

- Required amount (par level)
- Available amount
- Quantity to be ordered

Subtract the quantity on hand from the amount required to determine the amount to order (Table 9). In some cases, round up order if a minimum quantity based on the package size may be required to order.

Table 9 Calculating the Actual Order Amount of Different Meats

Meat	Amount Required (Par Level)	Amount on Hand	Amount to Order	Actual Order
Corned beef	10 kg	2 kg	8 kg	8 kg

Integrating par levels into standard ordering sheets or ordering system will make managing inventory coming in much easier. More and more suppliers are switching to online purchasing systems, which provide the most up-to-date prices, case sizes, and, in many cases, purchase history when an order was placed. Online ordering is generally more convenient because it eliminates the need for the individual placing the order to call into an order desk during regular business hours.

Ordering Process

A purchase order is normally prepared after the supplier has been identified and the order has been compiled. The purchase order includes information for both the purchasing organization and the supplier, as well as the products bought, their quantities, bid and extended prices, and the purchase order's total. Typically, many copies are made so that the purchaser, supplier, accounting office, and receiving clerk all have a copy.

Receiving

The advantages of thorough purchase criteria and cautious buying methods are lost when the quality and quantity of incoming merchandise is not carefully evaluated. The person in charge of receiving is an important part of this procedure. In large organizations, this may be a receiving clerk whose primary responsibility is to handle receiving (and, in many cases, storage). Receiving may be done by the foodservice manager, a head cook, or a lead worker in a kitchen in smaller companies.

Obviously, receiving and storage task training is critical, and it must encompass the following functions:

- Comparing the arriving delivery quality, quantity, and weight to the purchase order and requirements
- Inspecting for the required standard of quality
- Keeping a daily record of deliveries received
- For all potentially hazardous foods, critical control points are monitored
- Knowing what to do if a problem with a provided goods arises
- Returning unsatisfactory merchandise, managing invoices, labeling cartons for storage, sending merchandise to the storeroom or kitchen for storage or usage, and proper processes for storing food and rotating inventory are all procedures that must be followed.

Storage

In all foodservice operations, foodservice storage serves as a vital link between receiving and preparation. As a result, the storage system's quality has a direct impact on the quality of the food preparation product. The quantity of space needed is determined by the frequency of deliveries and product turnover. Another reason storage is critical is that it is one area of the operation where management can apply effective control without significantly raising time or staff expenses. In other words, effective controls on shrinkage, theft and pilferage, as well as unnecessary food handling, can help keep foodservice expenses low.

Professional Ethics

When communicating with vendors, always maintain a professional demeanour. Your activities have an impact on both your own and your facility's reputation. Speak with salespeople at predetermined times; don't discuss

internal issues with salespeople; don't gossip about other salespeople; and don't disclose competition price quotes. Make the most of the time with salespeople by discussing market situations, obtaining pricing quotes, and learning about new items. Preparing the order while the salesperson waits in the office is inconsiderate and inefficient. Never delegate the duty for choosing the quantity of the order to a salesperson. A supplier will lose respect for a disorganized buyer who gives the order to a salesman to fill out.

2-ORGANISES AND SUPERVISE WASTE MANAGEMENT

Implements a rational waste management scheme in the kitchen and hotel

Corrects the process of rational waste management in the kitchen and hotel

Complies with the waste management regulations

The Importance of Kitchen Waste Management in Restaurants

In any case, waste management is a necessary part of working day. Kitchen waste management, particularly in the restaurant industry, can make or break a business's success, thus food industry takes extra precautions to guarantee that their kitchens are always up to code when it comes to waste disposal. In a more practical sense, improper kitchen waste management will cost money. Aside from that, the government agencies may even revoke operating license. Improperly disposed of kitchen waste can cause severe environmental damage as well. To stay in business, a kitchen cannot operate without proper waste disposal systems that is up to code. Regardless, many business owners continue to operate with less-than-ideal waste management methods hoping to save a few dollars, the cost to the environment, as well as their customers, can be enormous.

Being environmentally conscious isn't simply a trend; it's actually profitable. Oil is a good example of how inappropriate waste management can become an issue. In the inappropriate setup, waste oil is simply thrown into the drainage system, where it sits and solidifies, eventually becoming a major problem. Fat does not mix well with water and, if not handled correctly, can clog pipes and cause them to burst, resulting repair costs. Restaurants who properly manage their waste products will save waste on maintenance costs even if they are not environmentally conscious.

Proper Kitchen Waste Disposal Protects the Environment

When waste disposal processes is right, restaurant helps to protect the environment. Restaurant contributes to climate change by not properly disposing of trash. Food waste that ends up in a landfill emits a lot of methane gas, which is one of the most harmful greenhouse gases.

Kitchen Waste Management Protects Your Customers

Restaurants are in the business of providing high-quality cuisine to their customers. Proper sanitation standards, especially where food is made, go hand in hand with safe and sanitary food. It converts to the customer's well-being when kitchen cares about how the food is prepared and recycles enough food waste.

Proper Waste Disposal Protects the kitchen and Employees

Securing employees' workspace and ensuring they have a safe area to engage in their activities is achieved by guaranteeing workplace cleanliness and proper kitchen waste disposal. Employees are healthier and less prone to accidents, resulting in increased production.

Handling Kitchen Waste Management Efficiently

A restaurant's kitchen, especially one that is busy, must produce a lot of food waste. There are a variety of approaches to properly manage kitchen waste.

First of all, don't overstock anything in the first place, purchasing things in quantity that the restaurant will not use in bulk is not a good idea. It is a common mistake for restaurants to accept a good price on a big order, it may be enticing. Unless the restaurant is not capable of storing them properly, which means the restaurant

should have the capacity and the right infrastructure for storing the item, those will almost certainly wind up in the garbage.

Keeping inventory as accurate as possible, which means the manager must know exactly what and how much goods are there at any given time, helps to ensure that food is not neglected and that everything is utilized properly. A proper and accurate inventory will always be the starting point for food waste solutions.

Donating leftovers to shelters and local charities will help to alleviate food waste while also enhancing public reputation. Extra or leftover food and ingredients that are near their expiration dates are covered by the items that can be given away.

Adjusting the menu to be as inclusive as possible is another option, customers should be provided with the option of including or excluding certain items from their meals. For example, people may not always want fries with their burgers and the fries will end up in the leftover tray.

For restaurants, composting food waste is a good idea. Local gardeners or plant enthusiasts can turn food waste into soil. It helps the environment, as well as the restaurant receive the kind of attention that leads to paying clients.

Keeping track of the expiration dates on all products supplied to your inventory is a must to avoid making the costly mistake of missing out the items with a short shelf life.

Create a Dedicated Team for Waste Management

Depending on the size of the company, the company may form a team or designate someone to keep a check on waste disposal activities. This approach helps restaurant do a more thorough waste audit, gives a better idea of which route to follow. Identifying the many types of waste the restaurant generates might help figuring out where to improve. A restaurant waste audit can help choosing do it yourself, contracting or outsourcing options for waste disposal.

Another significant advantage of a well-executed restaurant waste audit is that the restaurant will find out which menu items have the most leftovers, which helps adjusting or tweaking menu to have the least quantity of leftovers. This information also helps to determine the proper portion sizes, as amounts are sometimes overly large.

Educating Staff

Kitchen waste management begins with the people who work there. Personnel well-trained in meal preparation will ensure that the least amount of food is thrown away, which is an efficient way of decreasing waste produced during the business day. Food waste in restaurants is largely due to improper food preparation. In the restaurant industry, even movements to and from the kitchen contribute to waste reduction. Servers in bars, for example, are taught to move in a circular motion to avoid spilling drinks and reducing waste.

Invest in good quality equipment

It is a good idea to invest in top quality kitchen equipment because the food preparation stage is the most prone to wastage. Small things, such as peeling using the proper knife will build up over time and benefit restaurant. Food waste management equipment of high quality is no exception. While some restaurants strive to be zero-waste establishments, reality is that it is nearly impossible.

3-ENSURES THE CURRENT FUNCTIONING OF THE KITCHEN AND HOTEL

Communicates with customers

Supervises organized parties and events

Supervises the operation of the kitchen, the hall and the hotel

Monitors the operation of the equipment and facilities in the kitchen and hotel

Evaluates to all kinds of publications, innovations and technological developments related to the profession

INTRODUCTION

Food and beverage service is part of the hospitality industry's service-oriented sector. It might be a part of a larger hotel or tourism operation, or it can operate alone. Members of the F&B Services team are responsible for a variety of responsibilities, including preparing for service, welcoming visitors, collecting orders, settling accounts, and doing numerous additional jobs after customers have left.

The majority of star-rated hotels include a variety of food and beverage options. They have the potential to be Restaurant, Lounge, Coffee Shop, Room Service, Poolside Barbecue/Grill Service Banquet Service, Bar, Outside Catering Service etc.

Structure of F&B Services Department

The F&B Services team is in charge of creating the exact experience that the guests desire. The following positions make up the department:

The Food & Beverage Service Manager is responsible for ensuring that profit margins are met in each financial period from each F&B service department. He/she, in collaboration with the kitchen, plans menus for various service zones, and purchases material and equipment for the F&B Services department.

Assistant Food & Beverage Service Manager, in the absence of his superior, is aware of and tuned into all of the tasks that the F&B Services Manager undertakes.

Restaurant Manager, is in charge of the restaurant's entire operations, his/her responsibilities include managing the dining room's functions; stock-taking or inventory-checking (ordering materials and keeping track of them); supervising, training, grooming, and evaluating subordinates; creating employee and sales reports; budget management; taking care of daily sales and liaising with cashiers.

The Room Service Manager is in charge of all junior staff chosen, trained, encouraged, and evaluated. He/she assures that the F&B department's/cultural establishment's values and key standards are met. Staffing, budgeting, and scheduling to keep labor costs under control, taking care of customer problems, assisting with special requests are his/her responsibilities.

The Banquet Manager is in charge of setting the bar for banquet service, forecasting and distributing finances for a variety of events, including conferences, meetings, and other events; increasing sales of food and beverages; keeping track of china, silverware, glasses, linens, and other equipment; taking care of the decorations and dealing with complaints from guests; assisting with special requests; following proper procurement processes to purchase required stock; collecting guest comments and submitting to the F&B Manager; attending departmental meetings; menu planning and pricing; personnel training, grooming, and development.

The Bar Manager is responsible for forecasting consumer flow on a daily basis; allocating the appropriate number of employees in response to consumer demand; managing and monitoring bar inventory; keeping track of all forms of beverage sales; cleaning and tendering duties.

The Food Safety Supervisor is a person who has been trained to recognize and avoid food-handling dangers in the F&B Services industry. He/she should have a valid FSS certificate and he/she is essential in a F&B Services company's so that he may train and supervise other employees on proper food handling procedures.

F&B Ancillary Departments

The following departments provide support to the Food and Beverage department:

Kitchen Stewarding

The Kitchen Stewarding department attempts to keep the commercial kitchen clean, prepared, and orderly so that the kitchen crew may operate efficiently. It also guarantees that all of the tools and utensils needed for a particular meal or cooking operation have been well cleaned and are ready to use.

Dishwashing

For bar, banquet, lounge, and restaurant service, the dishwashing department is responsible for supplying a clean and dry supply of glasses, chinaware, and cutlery.

Laundry

For timely supply of dry-cleaned and wrinkle-free linen, the F&B department relies heavily on the laundry department or outsourced laundry services.

F&B Staff Attitudes and Competencies when communicating with a customer

Knowing one's responsibilities and roles, as well as having adequate knowledge of food products, food and beverage pairing, etiquette, and service methods, is an approach to gain confidence while serving guests. Appearance makes a good first impression on guests. While on duty, F&B employees must maintain personal hygiene, cleanliness, and a professional look. Attentiveness is defined as paying close attention to details, memorizing the wants of the guests, and meeting those demands as quickly as possible with the highest level of perfection possible. The F&B Services team must have a pleasant, lively, and friendly demeanor at all times.

Effective Communication is critical when conversing with coworkers and guests. The use of clear and correct communication, as well as the appropriate language and tone, can help the service workflow go smoothly. It has the potential to provide guests with a truly enhanced experience. While serving the visitors, the F&B Services employees must understand the value of time. The efficient running of the service workflow is aided by accurate timekeeping and a sense of urgency. Honesty and integrity are essential values for serving guests in the hospitality industry.

4-CONDUCTS SALES CONVERSATIONS WITH SAVOIR VIVRE THE FIELD OF CUISINE AND HOTEL

Negotiates delivery terms and concludes contracts with suppliers

Produces a procurement plan within a specified time horizon

Organizes the supply of food and other products and necessary resources for the operation of the hotel and kitchen (e.g., cleaning agents)

Restaurant supply chain management

Restaurant supply chain management is a sophisticated and complicated subject. The actions involved in collecting raw materials from the source, processing them into sellable commodities, and delivering them to clients are referred as the supply chain. Working with a number of vendors who specialize in each phase of the chain is normal. As a result, supply chain management entails continuously monitoring and managing vendors in order to maximize efficiency and value. Restaurant supply chain management is establishing and maintaining relationships with food suppliers in order to generate items – such as meals – that satisfy customers’ needs. Restaurant supply chain management guarantees that every “actor” in the supply chain is doing what it’s intended to.

Importance of Supply Chain Management

Supply chain management is a critical component of any successful company. The steps in a company’s supply chain management are known as operations. By recognizing problems, analysing alternatives, and making decisions about how to optimize the distribution process, supply chain management plays a critical role in the success of any firm. Companies will benefit from the supply chain management process by having better inventory control, lower operational expenses, and increased efficiency.

Restaurant supply chain

Restaurant supply chain involves lots of actors and lots of steps. First, the manager should identify and negotiate contracts with restaurant food suppliers, such as farmers and wholesale food wholesalers, as well as vendors who offer takeout containers and paper items. Finding partners to bring raw supplies to restaurant is a logistical challenge. Production is the process of transforming raw materials into marketable products.

Getting sellable goods to clients is what distribution is all about. Restaurant logistics can range from as simple as transporting meals from the kitchen to the dining room to as complicated as delivering to clients’ homes.

In an ideal world, everything will run smoothly once you’ve established your supply chain by negotiating with providers. Restaurant supply disruptions are all too prevalent, and they have a tremendous impact on the sector. Many employees working in agricultural and food delivery may be unable to work due to dangerous conditions and lockdowns.

Inventory management and supply chain management are inextricably linked. Inventory control is a crucial component of the supply chain. It assists in keeping clients satisfied while also keeping kitchen working efficiently. Inventory management entails keeping track of what materials and supplies kitchen has on hand in order to predict when stocks run out and need to place another order. It influences your purchasing and demand decisions.

Restaurant supply chain management

Shopping around for the cheapest prices on restaurant supplies, using inventory management software, and food delivery services helps supplying the kitchen. Restaurants profit by getting a fair deal when suppliers

compete for business. Vendors should be re-evaluated on a regular basis. At least once a year examine vendors' performance and consider switching to a new vendor if better deals and service is available. You do not have to work with the same vendor life-time, but first, make sure you're not stuck in any long-term agreements that you can't get out of.

There is strength in numbers, thus join a group of people enables you to receive better rates on goods by joining a collective purchasing organization than you could on your own.

Work with restaurant suppliers who can handle more than one phase in your supply chain to streamline your supply chain. For example, instead of requiring you to pick up supplies, seek for restaurant food suppliers who can source them and bring them to you.

Make sure you have enough promotional materials on hand. Make sure you have adequate supplies to meet the increased demand if you're presenting a new dish or sending out coupons for a specific item. Make sure your marketing efforts are in sync with the availability of your supply chain.

Using software, you may increase the efficiency of your restaurant. Restaurant technology, such as supply chain management and inventory management software, is making the time-consuming but crucial chores of inventory management, reordering restaurant supplies, connecting with vendors, and tracking supply delivery easier. Certain tools can reduce the amount of time it takes to complete these tasks. You can even automate many of these tasks if restaurant's POS system has inventory management capabilities built in or interfaces with supply chain management solutions.

Follow your supply all the way to the source. It's crucial to know where your raw ingredients come from if you want to keep your meals safe. Keep an eye on agricultural reports from the locations where your products are sourced so you may anticipate supply chain interruptions and pivot by changing up your menu or supply order.

How supply chain efficiency can help boost profitability and sales

The process of coordinating manufacture, delivery, and sales to satisfy client demand is known as supply chain management. Restaurant supply chain management is critical since it can result in company benefits such as increased sales and profitability. First, when your supply chain's "links" can communicate information, they can work together more effectively. As a result of this collaboration, you will have more control over your firm and will be able to enhance profit margins more readily. Collaboration also decreases risk, resulting in cost savings. Second, supply chain efficiency allows you to reduce inventory costs. Finally, a streamlined supply chain keeps you informed and makes it easy to notify customers of service or supply delays.

Managing a supply chain, on the other hand, may be difficult since it contains many moving elements that must all work together to ensure that products are delivered on time and without error. Smooth running supply chain requires coordination between planning, design, manufacture/build/develop, distribution (placing products into production), operation (running the supply chain), and end-of-life (managing the product's final disposal).

From sourcing to distribution, supply chain management is a process that encompasses the planning and execution of tasks. It ensures that commodities are delivered in a timely manner from the source to the client. To accomplish so, supply chain managers must keep a careful eye on the entire process to ensure that business operations are running smoothly. Restaurants, cafeterias, cafes, fast-food joints, pubs, delis, food manufacturing operations, catering enterprises, food transportation services, and more are all part of the food beverage sector. Packaging, as well as cooking, transporting, and serving food and beverages, are all possible actors in this industry. The restaurant industry is competitive, so we need to ensure that our supply chain management is on par with the best in the industry.

Food waste is reduced—up to 10% of food purchased by restaurants is wasted before it reaches the customer. Restaurants purchase far too much food at once, causing it to spoil before being supplied to customers. Supply chain management can help to reduce losses. Food expenditures typically account for 28 percent to 35 percent of a restaurant's overall costs. When food is lost or spoils, this number rises. Restaurants may use inventory management to keep a closer eye on their food and purchases, making it easier to track purchases and make payments to vendors. Inventory management reduces waste, lowering the cost of items sold and, as a result, increasing revenues. And, keeping ingredients available for all of the items on your menu to help repeat customers and keep them happy, ensuring more satisfied consumers.

5-ENSURES THE OPERATION OF THE BUSINESS IN COMPLIANCE WITH REGULATIONS

- Maintains safe and healthy working environment
- Applies health and safety and fire protection rules
- Applies the principles of property protection
- Applies environmental protection regulations
- Complies with the principles of the HACCP system
- Monitors the level of hygiene in the restaurant area

Restaurant Safety

Restaurants are subject to a variety of safety regulations and laws. A restaurant must maintain a stable customer base and enthusiastic employees while adhering to a variety of safety standards and guidelines. Although each government legislation will differ slightly, the guidelines will be fundamentally similar.

Employee Hazards

Working at a restaurant is inherently risky. Kitchen employees operate with a variety of sharp-edged tools and dangerous equipment, and spend their days surrounded by open flames and heated surfaces. Liquids, grease, and food scraps are frequently spilled on the floor, making it difficult to maintain footing. Restaurant cleaning solutions contain a variety of powerful chemicals that, if mishandled, can be caustic or dangerous. Heavy lifting is a common part of the job. Long and late hours are common in the sector, which contribute to weariness, which impairs judgment and can lead to harm. All of these concerns are addressed by the industry's numerous regulatory authorities.

Workplace Guidelines

The government agencies set a number of restaurant workplace rules. Workplace should be kept clean and organized, and knives and equipment should be well-maintained and stored safely when not in use. Floors should be cleaned periodically and protected with non-skid mats or non-skid substances. Toxic compounds must be stored correctly, and workers must have access to training, Material Safety Data Sheets, and appropriate personal protection equipment when working with them. Using carts and dollies to transfer things can reduce the amount of lifting required. Labor rules limit the length of shifts and overtime to prevent weariness.

Design and Logistics

Because so much of the floor space must be given over to the dining area, restaurant kitchens and preparation rooms are frequently small and crowded. Exits and fire escapes must always be visible and accessible. To guarantee appropriate temperatures and air quality, ventilation and exhaust fans must comply with local zoning standards. To preserve quality, dry storage facilities must be kept away from sources of heat and moisture. Food items must be stored at least six inches off the ground on shelving or platforms to avoid spoiling and vermin.

Preventing Contamination

A variety of chemicals can contaminate food, posing biological, chemical, and physical risks. Cleaning products are a common source of chemical contamination. They must not be stored near food preparation areas to avoid unintentional contamination from splashes. Olive pits, toothpicks, glass shards, and other foreign items in meals

are examples of physical hazards. To reduce this risk, food preparation operations cannot be positioned beneath stairways or catwalks. The different microorganisms that cause food-borne sickness are classified as biological risks, and they are primarily controlled through hygiene and temperature control.

Safe Food Handling

A few basic concepts underpin safe food handling. The first is hygienic and sanitary conditions. Before handling food, cooks must clean and disinfect the preparation spaces and utensils, as well as properly wash their hands. Hand-washing stations must be provided in every work area, and some states demand the use of sterile gloves. Uncooked fruits and vegetables should never be handled with utensils or surfaces used for high-risk meals like raw meats or poultry. Setting aside distinct preparation places or utensils for each type of ingredient, if possible, is a good idea.

Time and Temperature

The main factors that influence the risk of foodborne illness are time and temperature. Bacteria and other microbes can be found in almost all foods, but they need time and good conditions to reproduce and pose a hazard. Bacterial activity slows considerably when food is refrigerated at temperatures below 4 Celsius degrees and above 60 Celsius degrees. The “danger zone” for food safety refers to the temperature range between those two extremes, where germs can thrive. To reduce the risk of food-borne illness, restaurateurs must regulate their food handling such that foods spend as little time as possible in the danger zone.

Health and safety in restaurants: the basics

A frequent health and safety risk assessment should be conducted by all restaurants. This entails examining your restaurant and identifying any dangers that could harm employees or customers. Risk assessment for the restaurant should tell if restaurant is doing enough to mitigate these dangers. A robust risk assessment procedure is required in restaurants, food and takeaway enterprises. The list of workplace dangers is nearly unlimited – ovens and deep fat fryers are obvious examples, but there are others that are less visible.

Restaurant health and safety responsibilities

Safety

Ensure that the item is safe to eat, make sure food is of the quality you claim it is by not adding, removing, or treating it in a way that makes it unsafe to eat. Don't mislead with labeling, advertising, or marketing. Keep track of where you acquired your food (and be able to present them if questioned) – this is referred to as ‘traceability.’ Remove unsafe food and create an incident report to let people know when food has been pulled or recalled, why it was withdrawn, and what they should do about it. Keep your food safety rating visible. Additives are only used in foods that have been authorized for use in that particular food.

Hygiene

Create a hygiene plan based on the principles of Hazard Analysis and Critical Control Points (HACCP). Make sure that ‘food contact materials’ (such as packaging, food processing equipment, cookware, and surfaces) do not transfer anything to or affect the food they come into contact with. If inspected, follow the HACCP principles to protect food from microorganisms. Manage food allergies and take responsibility for staff hygiene training.

Outsourcing Safety and Health

In many countries, government agencies have released instructions and templates on risk assessment. They include typical risk assessment and health and safety in the kitchen policy layouts that you can fill up with

the necessary information. Alternatively, many restaurants and kitchens hire an experienced health and safety expert in the culinary industry to do a risk assessment on their behalf.

Food Hygiene Certificate

Food handlers in the many countries are not required to have a hygiene certificate in order to prepare or serve food. Anyone handling food should wash their hands often with soap and water for at least 20 seconds. Businesses that deal with food, on the other hand, have a lot of duties. Currently, companies are responsible for all hygiene training for their employees. This might be informal and on-the-job training or part of a structured program, but it must be in place and appropriate for your area of business. Operators of food businesses should follow the government agencies guidelines for proper hygiene standards, as well as their HACCP process. If any food handler has any of these symptoms, he/she should be self-isolated; a new, persistent cough; a very hot temperature; an alteration in (or loss of) one's usual sense of smell or taste (anosmia).

The employees should know the rules of food safety, and adhere to a Food Safety Management System (FSMS) that incorporates current food hygiene guidelines and HACCP procedures. Emphasizing the importance of handwashing and other hygienic activities on a more regular basis is a must. Objects and surfaces should be cleaned and disinfected on a regular basis. Use caution when it comes to packaging, cleaning, and waste disposal.

Consumers have a right to expect safe and high-quality foods when they buy and consume them. They have the right to express their views on the food safety procedures, standards, and activities that governments and industry utilize to ensure that the food supply meets these requirements. While consumers, governments, and others play an important role in ensuring food safety and quality, in free-market societies, the food industry bears the primary responsibility for investing the physical and managerial resources required to implement appropriate controls - the industry that oversees the manufacturing and processing of foods on a daily basis, from raw ingredients to finished product.

The food business considers food control to be a broad word that encompasses a wide range of elements. Nutrient levels in food ingredients and formulating foods with nutritional profiles that contribute to consumer interest in healthy diets; safety - setting standards for toxicological and microbiological hazards, and instituting procedures and practices to ensure that the standards are met; nutrition - maintaining nutrient levels in food ingredients and formulating foods with nutritional profiles that contribute to consumer interest in healthy diets. Sensory properties such as taste, scent, palatability, and appearance are provided. Delivering properties such as convenience, packaging, and shelf-life that provide consumer utility and economic advantage. Some of these characteristics, such as value, are solely the responsibility of business and customers, while others, such as safety, are shared by government, industry, and consumers.

Setting and implementing food standards (HAZARD ANALYSIS AND CRITICAL CONTROL POINT-HACCP)

At the heart of all food control activities is the establishment of safety, quality and labelling standards. Governments and government play a principal role in establishing certain food control standards. It is the role of national governments to establish uniform safety standards so that all consumers receive equal levels of protection; all food producers, whether domestic or foreign, are equitably treated through application of the same levels of safety; consumers are informed about the standards of protection that are being applied.

Quality assurance programs are designed today with particular emphasis on the use of hazard analysis and critical control point (HACCP) techniques, an approach that the food industry developed and has voluntarily adopted on a broad scale for the past 20 years. This approach consists of several elements:

- Conducting a hazard analysis to identify hazards and the needed controls;
- Identifying the critical control points;
- Establishing critical limits for each control point;
- Establishing monitoring procedures;
- Establishing corrective action procedures;
- Establishing verification procedures to ensure that corrective steps have been taken;
- Establishing appropriate documentation procedures to ensure that the control system is defined and that records will be maintained to permit auditing and verification that the system is properly applied.

Training is an essential element of HACCP and of all the operating activities involved in producing safe, high-quality food. All those employed in food production must be thoroughly trained in their responsibilities to achieve this result.

Similarly, supplier and distributor controls are essential to the production and marketing of safe, high-quality foods. Manufacturers must ascertain that the suppliers of their ingredients comply with strict specifications. This is done by contractual arrangements, with verification by a strong system of testing and, in many instances, on-site inspections of suppliers.

The objective of all quality assurance systems used by food manufacturers and processors is to produce safe products that meet manufacturer's specifications, including the requirements established by governments. The corollary is to prevent unsafe or poor-quality products from reaching the marketplace. In the event that a system failure occurs, procedures should be in place for removing products from the market as expeditiously as possible so that the health of consumers and the reputation of the brands affected are protected to the greatest possible extent.

A number of food control issues are currently being debated at the national and international levels, regarding for example pathogenic microorganisms, allergens, genetically modified foods, contaminants (including pesticides), irradiation and nutrition labelling. These are important and complicated matters that require attention. The control issues are at various stages of resolution and considerable effort will be required to resolve them in a scientific, practical and uniform manner. Industry recognizes that consumers play an active, important role in the food control process through their participation in the standard-setting process and discussions on scientific and technical issues.

Clearly, food control involves many difficult issues. Some of these are highly technical, while others are partly technological and partly political. For consumers, food control systems must provide meaningful protection against real and important hazards. Finally, industry needs standards that permit flexibility and efficiency in producing and marketing foods that will serve their customers - the world's consumers.

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REVIEW QUESTIONS:

Why is it critical to comprehend the many “players” in the procurement process and their roles?

Restaurant supply chain involves lots of actors and lots of steps. In an ideal world, everything will run smoothly once you’ve established your supply chain by negotiating with providers. Restaurant supply disruptions are all too prevalent, and they have a tremendous impact on the sector. Many employees working in agricultural and food delivery may be unable to work due to dangerous conditions and lockdowns. First, the manager should identify and negotiate contracts with restaurant food suppliers, such as farmers and wholesale food wholesalers, as well as vendors who offer takeout containers and paper items. Finding partners to bring raw supplies to restaurant is a logistical challenge.

What is the relationship between inventory, inventory data, and the procurement process?

The procurement process’ main purpose is to ensure the availability of food and supplies in quantities and quality that meet operating criteria at the best possible price. Every food service organization needs to have a purchasing process in place. All capable cooks should be able to buy the right ingredients in the right quantities, at the right time, and for the best price. The main goal of utilizing a purchasing standard is to ensure that there are enough supplies of all foods on hand to meet daily needs. Food inventory must become a regular ritual to create and maintain these standards. This is where having predetermined par levels (the amount that should have on hand to get through to the next order) might help.

There are three important points to be aware of:

- Required amount (par level)
- Available amount
- Quantity to be ordered

Integrating par levels into standard ordering sheets or ordering system will make managing inventory coming in much easier.

What qualities do you look for in a valued supplier?

- They must provide a cost-effective pricing structure for a certain level of quality.
- They must be capable of providing excellent delivery service.
- Products must be in good working order when they arrive;
- Drivers must be considerate.
- Deliveries of food and supplies must be made on time.
- They must have specific things in stock in order to minimize supply shortages.
- They must be able to provide information on new products, nutritional information for food purchased, and market factors that affect you.
- Rather than favors, “excellent service” refers to the supplier’s pleasant attitude and the manner in which that attitude benefits the entire foodservice operation—not just the particular employee. The provider who provides excellent service is one who delivers as frequently as the foodservice company requires and at convenient hours (not during meal service periods).
- It has friendly delivery agents who are willing to take packages to the receiving location and double-check the order’s accuracy.

What variables influence food and supply prices in the foodservice industry?

Food prices, in particular, change throughout the year due to a variety of factors:

- **Seasonality:** When food is in season, there is a greater supply of it in the local food supply, lowering prices. Furthermore, goods that are in season have a greater quality and a longer shelf life than those that are out of season and must be carried vast distances to market.
- **Weather:** Extreme weather can have a significant impact on food prices. Drought, flooding, and unseasonably cold weather have all afflicted key product-producing regions of the world, resulting in price increases for a variety of products.
- **Transportation costs:** As the price of gasoline or transportation rises, so does the price of food that must be transported to the market.
- **Commodity prices:** A variety of items, such as meats and cereals, are exchanged on the commodity market. These prices change when large-volume buyers acquire and sell these things, similar to the stock market.

What is the relationship between stock levels and waste management?

First of all, don't overstock anything in the first place, purchasing things in quantity that the restaurant will not use in bulk is not a good idea. It is a common mistake for restaurants to accept a good price on a big order, it may be enticing. Unless the restaurant is not capable of storing them properly, which means the restaurant should have the capacity and the right infrastructure for storing the item, those will almost certainly wind up in the garbage.

Keeping inventory as accurate as possible, which means the manager must know exactly what and how much goods are there at any given time, helps to ensure that food is not neglected and that everything is utilized properly. A proper and accurate inventory will always be the starting point for food waste solutions.

What are the main elements of hazard analysis and critical control point (HACCP)?

- Conducting a hazard analysis to identify hazards and the needed controls;
- Identifying the critical control points;
- Establishing critical limits for each control point;
- Establishing monitoring procedures;
- Establishing corrective action procedures;
- Establishing verification procedures to ensure that corrective steps have been taken;
- Establishing appropriate documentation procedures to ensure that the control system is defined and that records will be maintained to permit auditing and verification that the system is properly applied.

QUALIFICATION 3. MANAGEMENT IN THE HORECA INDUSTRY

MODULE 2: COMMUNICATION WITH THE CUSTOMER

ELEMENTS OF PROFESSIONAL CUSTOMER SERVICE

Why is good customer service in restaurants important?

Good customer service is important in the restaurant industry because it can determine the overall success of the establishment. Here is a list of reasons why it's so important:

- Happy customers generate more positive feedback and reviews for your restaurant.
- Excellent customer service can increase revenue.
- Satisfied customers are more likely to become regular customers.
- Satisfied customers recommend the facility to broader community.
- The longevity of a business usually relies on good customer service.

The elements of professional customer service are:

Expand Your Definition of Service

How you define service shapes every interaction you have with your customers. Limited definitions of service based on an exchange of money for goods or service misses the overall point of customer service. "Service" should provide the customer with more than a product or action taken on his/her behalf. It should provide satisfaction and unforgettable experience. In essence, the customer should walk away pleased with the result of the transaction - not just content but actually happy. A happy customer will continue to be a buying customer and a returning customer.

There is pure mathematical equation of the business development when having satisfied customers.

1 😊 = 1+1 loyal customers

1 😞 = 10 potential customers lost

One satisfied customer brings one more potential customer.

One unsatisfied customer shares the experience with 10 potential customers that will most probably not use your facilities based on the recommendation.

Who are Your Customers?

Customers are the people who want to pay a fair price for quality service or products, and feel satisfied with the return on investment (value for money). They also want someone to take care of them. They need someone to understand their needs and help answer them. They need someone to hold their hands and walk them through a process. Customer service starts with the ability to listen to the customer and find out what he/she needs or

wants by asking questions in a polite and attentive way. Using right questions one can find more about the likes, dislikes and background of the customer.

Apart from the “external customers,” in every organization there are “internal customers.” An internal customer is anyone in the organization who needs assistance or interaction from another colleague to fulfill their job responsibilities. Internal customers are all employees / coworkers. Remember, the internal customer chain is just like the external, we are all customers both inside and outside the organization. According to a Wall Street Journal article, “Poorly Treated Employees Treat Customers Just as Poorly.

Lately, the labor market has become very difficult for the employers because the labor offer is lower than the labor needed in the HoReCa sector. Having this in mind, the internal customer is as important if not more important as the external customer.

CHARACTERISTICS OF CUSTOMERS

After conducting research on human emotions, Dr William Moulton Marston in 1928 published a book Emotions of Normal People. He explained that people illustrate their emotions using four behavior types. He argued that these behavioral types came from people’s sense of self and their interaction with the environment. He based the four types on two underlying dimensions that influenced people’s emotional behavior. The first dimension is whether a person views their environment as favorable or unfavorable. The second dimension is whether a person perceives himself as having control or lack of control over their environment.

According these scientific researches, customers can be grouped according their behavioral characteristics into 4 main groups of styles:

Dominance – people that are direct, challenging, decisive and prefer quick and to the point communication

Influence – people that are enthusiastic, collaborative, interactive, optimistic and prefer two-way communication.

Steadiness – people who are even-tempered, harmonious, patient, tolerant and desire communication with emotions and understanding.

Compliance – people characterized as analytical, perfectionist, accurate and thorough that prefer fact-based communication.

Modern behavioral research suggests that the most effective people are those who understand themselves and others. The more one understands his or her personal strengths and limitations, coupled with the ability to identify and understand the strengths and limitations of others, the better one will be able to develop strategies to meet the demands of the customers. The result will be success on the job and within the community.

Knowing the styles will influence positively the effective communication with clients (both external and internal), building effective teams, resolving and preventing conflicts.

Effective communication - Social interaction has always been key to success and in some cases even survival, but with increased technology comes the need to better communicate. The most effective way to gain the commitment and cooperation of others is to “get into their world” and “blend” with their behavioral style: observe a person’s body language, “how” they act and interact with others. Adapting to their style makes a special experience and satisfaction from the offered service.

Building effective teams - People tend to be too hard on each other, continually judging behavior; therefore, team development tends to be slowed or halted due to people problems. An awareness of behavioral differences has an immediate impact on communication, conflict resolution and motivation for the team. According to

specialists in team development, most teams never make it to high performance without training in a behavioral model and commitment to using it from the top management down.

Resolving and preventing conflicts - Understanding style similarities and differences will be the first step in resolving and preventing conflict. By meeting the person's behavioral needs, you will be able to diffuse many problems before they even happen. People prefer to be managed a certain way. Some like structure and some don't. Some like to work with people and some prefer to work alone. "Shot in the dark" management does not work in the 21st century.

BUILDING CUSTOMER SATISFACTION

Building customer satisfaction is a complex process comprised of:

1. Developing customer friendly approach
2. Providing professional qualities in customer service

1. Develop a Customer Friendly Approach

It is very important to develop a system and attitude promoting customer friendly service. By "customer friendly" we mean viewing the customer as the most important part of your job. The cliché, "The customer is always right" is derived from this customer friendly environment.

Two critical qualities to the "Customer Friendly Approach":

- Communication
- Relationship building

The two main tasks of successful customer relations are to communicate and develop relationships. They don't take a huge effort, but don't happen instantaneously either. Positive dialogue/communication with your customers and developing ongoing relationships with your customers are perhaps the two most important qualities to strive for in customer service. What Customer Service Means As mentioned earlier, customer service means providing a quality product or service that satisfies the needs/wants of a customer and keeps them coming back.

Good customer service means much more - it means continued success, increased profits, higher job satisfaction, improved company or organization morale, better teamwork, and market expansion of services/products.

2. Professional Qualities in Customer Service

Professionals who constantly deal with customers (inside and outside the company) need to strive for certain qualities to help them answer customer needs. Customers have many needs but the six basic needs that stand out are:

- Friendliness - the most basic and associated with courtesy and politeness.
- Empathy - the customer needs to know that the service provider appreciates their desires and circumstances.
- Fairness - the customer wants to feel receiving adequate attention and reasonable answers.
- Control - the customer wants to feel his/her wants and input has influence on the outcome.
- Information - customer wants to know about products and services. The employees must know all information regarding the product they provide. Saying "I don't know" or "It is not my department" are automatically

demeaned and demoted in the mind of the customer. Customers want information, and they disrespect and distrust the person who is supposed to have information but does not.

- Respect - showing respect while taking care of the internal rules and regulations, requires the highest management skills of balance in the approach with customers.

Therefore, a Manager in HoReCa must have all the above qualities: friendliness, empathy, sense of what is fair and information in order to create and maintain customer satisfaction.

Apart from these qualities, the employees have to demonstrate the following, in order to produce the desired level of customer satisfaction:

- Smiling - there is nothing like a smile and pleasant face to greet a customer, especially if he/she has a complaint. A smile and polite conversation can immediately disarm a disgruntled customer. Facial expression sets a positive tone before you even begin speaking. A relaxed or pleasant facial expression is the ideal most of the time.
- Eye contact - always look into your customer's eyes. Directly address customers.
- How you look - personal grooming has a big impact on your customers. Dirty hands, messy hair and poor dress can mean the loss of an otherwise happy customer. When interacting with customers, dress neatly and in a professional manner so as to command respect and to let customers know you take seriously your position.
- Shaking hands - when shaking hands with a customer a firm and professional handshake is expected. This part of the greeting is now common among both men and women in a professional environment.
- Be attentive - when listening to a customer, slightly lean towards your customer and nod your head ever so slightly to indicate you are listening.
- Tone of voice - always convey friendliness and amicability. Do not raise your voice in frustration or anger no matter how difficult or tiresome a customer may behave.
- Hand gestures - use hand movements to emphasize what you say (even on the phone) and to emphasize your feelings. Especially when leading the customer to the free place to sit, use the gesture so he/she is aware of the direction.
- Personal space - this is the distance that feels comfortable between you and another person. If another person approaches you and invades your personal space, you automatically move back without thought. You are uncomfortable. Leave adequate distance between you and your customer. Adequate space is important to making customers feel secure and unthreatened.
- Posture - slumping in a chair or leaning against a wall while interacting with a customer are sure signs you are not interested in the customer. Your pose or posture should express attention, friendliness, and openness. Lean forward, face the customer and nod to let them know you are interested. Stand straight even when not in direct contact with customer. Show respect to your job position and to the happenings in your work place.
- Observation - notice how your customer behaves and what he/she reacts positively to while you are providing service
- Happiness - If the employees are happy in their workplace, then the customers will be happy as well. Remember that everything good happening in your restaurant will be because of its employees. A manager must make sure to keep them happy by engaging with them regularly, and ensuring that they are satisfied. He should ask the employees opinion and suggestion about anything that could be changed within or around

the restaurant to increase customer satisfaction, or to make things run more smoothly in interaction with kitchen/bar. A Manager should make them feel that they are important members of the team.

By having a personal relationship with your employees, you will create a happy atmosphere and increase the satisfaction of the customer. Remember that your staff are representing you, so show off your best side!

Every company in HoReCa has its own culture. A Culture includes the vision, values, norms, systems, symbols, language, assumptions, beliefs, mission and habits. The Leader has a huge influence on the Culture of a Restaurant or Hotel, both by living the core values and encouraging them in the team. The leader must nurture values that are highly valued by their customers, for example friendliness, politeness, empathy, fairness. In this way the employees and the customer will share the same values.

STRUCTURE OF STANDARDS IN THE HORECA INDUSTRY

The Managers in HoReCa need to establish and maintain a list of most important standards that create unique experience with the clients/customers, as:

- Customer service in all aspects.
- Professionalism and knowledge of staff.
- Service efficiency, guest's wellbeing.
- Hospitality and personal approach.
- Staff appearance, use of language, communication.
- Staff manners and courtesy.
- Sales opportunities and skills.

"In a world where things increasingly become commodities (especially services), the real differentiator becomes the personal experience you are able to create in the lives of your customers." – John Bessant.

You most definitely heard of that "extra mile" we all rave about. Well, in the world of client service and customer care, there is no way around that principle- none that we know of, at least. You have to walk the extra mile. In an industry where fierce competition is the norm and customer comfort, pleasure, and contentment are key, it is imperative to invest in customer services at the highest of levels, presuming that success is your ultimate goal

Ten standards are most important for building customer satisfaction and gaining comparative advantage:

1. Strive for loyalty
2. Consistency
3. Set clear expectations
4. Build a team environment
5. Lead by example
6. Carve a niche
7. Work on effective PR strategy
8. Reward loyalty
9. Master the social media game
10. Skill is key

Let's elaborate each standard.

1. Strive for loyalty. Learn to be flexible and adaptable to the customer's every need, no matter how irrelevant those may seem. Give your guest all the right reasons why he/she should come back. By doing so, you will be creating trust between the customer and your product, and building a network of loyal clientele, essential amid the prevailing fierce competitiveness, the numerous well-established brands, the varied concepts overflowing the market, and the guests' more-than-high expectations. Customers who are satisfied with the hotel's/restaurant's overall experience will certainly be visiting again, regardless of the price, package, or deal they are getting, as comfort and trust are everything, and price is nothing but a factor in the selection process.
2. Consistency. consistency in the hotel and service industry is as essential as the air we breathe. Without it, the business will eventually lose its pillars and crumble. Consistency covers every single aspect of the business; it is the most guaranteed form of maintaining high standards and quality in all things, all of the time. Providing excellent service all year long can suddenly prove insignificant if wrecked by a single misstep or a minor blunder. The customer may actually swear off the brand because of that one mistake—and that is a big no-no!
3. Set clear expectations. Having recognized the importance of loyalty and trust between the customer and the business, it goes without saying that the service provided to the client should be equivalent (if not higher) in quality, superiority, and standards to the expectations set by the hotel/restaurant on the offered and promoted products. The slightest disparities between "what is expected" and "what is actually offered" can have a detrimental effect on the client's trust in the services provided by the hotel/restaurant as a whole.
4. Build a team environment. All team members should be working as a collective unit to achieve the brand's goals, and overcome the day-to-day challenges and odds.
5. Lead by example. Positive team leaders implant in their subordinates a sense of target, a resolve for success, and a strong belief in their ability to achieve the set goals. Leaders must lead by example, set the tone for the staff, and teach them the best methods to interact with the guests, and the safest, most efficient ways to tackle arising issues, and handle potential problems beforehand.
6. Carve a niche. Within an already crowded service industry, it is highly important to define what you offer to which target group in what way. Carve up your own niche, so that customers recognize you are the facility to visit among all competitors.
7. Work on effective PR strategy. Public relations (PR) professionals are essential to every business venture, as they rely on word-of-mouth communication to help build a positive reputation to any given brand, and sell its product to a target audience, under different arrangements. Adopting an effective PR strategy will not only help you organize your PR activities, but also make strategic decisions around the best ways to market, and sell your products smoothly and effortlessly
8. Reward loyalty. Define an unbeatable rewards and loyalty scheme to your guests. Such programs are generally utilized by hotels to attract and retain customers, and entice business travelers or other frequent hotel guests to favor that particular brand or group of hotels over others, when running through the ample number of choices. It is no secret that customers, especially the frequent ones, would rather book hotels that offer such reward and loyalty programs.
9. Master the social media game. Social media has taken the world by storm. Nowadays, not a single business, industry, or idea can carve its way through to the public, unless it is social media-smart. Believe in

the power of beautifully crafted messages and aptly-delivered ideas, not only through content marketing, but also by means of social media, so as to reach the widest range of customers. Platforms like Instagram, Facebook, and Twitter proved to be of great value in terms of fueling the audience's -followers, in social media language- sense of craving for the hotel's/restaurant's product and services.

10. Skill is key. Invest in a team of seasoned professionals. Having the right talent in the right place is essential to organizing the business and developing the team's abilities, each in their field of expertise. Leadership, creativity, time management, organizational skills, strong work ethics, positive attitude, and ability to accept criticism and learn from it are all qualities and skills you should be looking for in potential staff members. Last but not least, permeate your team members with a customer-centric approach to all they do, and invest in building up their knowledge on hospitality, leisure, health, and wellness.

Techniques for dealing with difficult situations

Customer management in a hotel or restaurant is an art. Right from handling tough customers who are never satisfied no matter what, to ensuring the service is up to the level of excellence. Dealing with issues related to hotel/restaurant services with your personal touch and care can transform unhappy customers into loyal customers. Proper hotel/restaurant customer management leads to satisfied customers, and customer satisfaction, as explained before is one of the most essential things in the restaurant industry.

Managers and employees in the hospitality sector often meet difficult customers.

There are three kinds of difficult customers that can affect the hotel/restaurant employees.

- The grouchy customer will evaluate every detail and complain about it - from the way you fold the napkins to the temperature of the room, to the food you served. Often, grouchy customers are not unhappy because of you and your hotel/restaurant. Most likely, they bring their daily frustrations with them when going out for a meal, vacation or business trip. So, remember, the criticism is not meant to hurt you - it's just their way of letting out some steam. Never take it personal.
- The hurried customer is the customer that is always in a hurry and wants everything to be done very quickly. Remember, it's their style, nothing personal. They might be quite different from the facility values and thus appear to be difficult.
- The angry customer usually is very loud, swearing or is perceived to be acting in a threatening manner. It happens sometimes the service is not at the level promised and the customer is right. In some cases, everything is done perfectly well but the customer had different expectations. Remember "the customer is always right". Even if you don't agree with the customer, stay calm, and politely try to resolve their grievances. It might not be possible to accommodate every customer request, but you can always try to make them feel valued.

In all the cases **remember to be always courteous, no matter what.**

It is important to remember that these difficult customers can easily become Unhappy Customers if in the case they have a problem we do not resolve their problem quickly. The business does not wish to have unhappy customers because unhappy customers often share their complaints with peers and write bad reviews in different forums and in the social media. Hence, you need to be extra careful in addressing and resolving their issues, no matter how swamped you are. Resolving their complaints can create opportunities to keep them coming back for more and recommend you to friends, relatives or social media connections.

When you are not able to handle difficult customers and your answer to their complaint is "sorry it is not my fault", "there is nothing I could do" or "the colleagues in the kitchen made mistake" then your customer service is poor. Good customer service means accountability, responsibility and taking action to satisfy the customer.

It is crucial to be able to communicate with an unsatisfied customer. Therefore, in order to do so, you must use some techniques of the professional customer service in order to win the support of the customer and continue to have it as a customer.

Methods of dealing with difficult situations with customers

Each above-mentioned difficult customer creates different circumstances for the hotel/restaurant management and employees.

The grouchy customer. In a restaurant, meet the customer cheerfully and see that his waitperson treats him/her pleasantly. Do not argue with him/her. Listen to his complaints courteously, but do not encourage him/her. Use active listening skills (using open-ended questions, paraphrasing and summarizing). Do not be distressed by unreasonable complaints. As employee use slow pace and focus on facts and arguments that are realistic and not offensive. Keep distance and be highly professional.

In a hotel, take care of not only the immediate interaction in a similar way to a restaurant, but also phone ahead to other services that the customer is known to or is like to be using during their stay. If the reason for their grumpiness was something done by the hotel, then this action should be mandatory. At the receiving end of the warning other hotel outlets should make every effort to be cheerful and helpful. Moods are usually transitory but they are a precursor to poor perceptions of service. Everything that can be done should be done to lift the customer's mood.

The hurried customer. In a restaurant, tell the customer in advance approximately how long the service will take. Ask how long they have to spend in the restaurant. Give the best service possible under the circumstances. Offer alternatives to keep the service short. As employee use fast pace, speak faster and repeat the order as short and fast as possible.

In a hotel, ask what their deadline is and what is causing the rush. You may be able to offer suggestions to ease the hurry. For example, calling ahead to advise that the customer will be late or offering alternative travel arrangements which will be faster.

The angry customer. In all cases listen to the customer, express regret at the occurrence that prompted his/her complaint, thank the customer for calling it to your attention, and try to rectify the error.

If the customer is very loud, swearing or is perceived to be acting in a threatening manner and is in an area with other customers or colleagues, ask them to go with you to a private area away from the scene. Tell the customer you want to hear the details so that you can understand the problem so you can solve the problem. Ask the customer to take a seat. It is much harder to remain angry with associated hand and body movements when you are seated. It also largely takes away any height difference and the associated perceptions of power. If the customer still remains angry, offer to get them a drink, ask if they mind if you go and get some paper and a pen to write down what they say so you don't have to rely on memory or tell them you will go and get someone more senior so that their problem can be addressed more expeditiously. Do anything you can to justifiably leave them alone for sixty seconds or so. It is hard to be angry on your own. Do not take ten minutes though as you will give them another different reason to be angry, with you.

If after some time and using all of the techniques you can to help them settle their emotions, they continue to act in a threatening manner or are shouting and swearing, tell them, "I really want to help you Sir/Madam, but I cannot continue this conversation unless you stop".

Active Listening

As mentioned before, when you are servicing a customer, you need to have good communication with him/her. In order to communicate well with the customer you need to be able not only to hear what he/she says but to listen to him/her actively.

The Active listening requires the listener to fully concentrate, understand, respond and then remember what is being said. You make a conscious effort to hear and understand the complete message being spoken, rather than just passively hearing the message of the speaker.

Listening is the most fundamental component of communication skills. Listening is not something that just happens, listening is an active process in which a conscious decision is made to listen to and understand the messages of the speaker.

Various studies stress the importance of listening as a communication skill. The studies on average say we spend 70-80% of our waking hours in some form of communication. Of that time, we spend about 9 percent writing, 16 percent reading, 30 percent speaking, and 45 percent listening.

Studies also confirm that most of us are poor and inefficient listeners. Most of us are not very good at listening, research suggests that we remember less than 50% of what we hear in a conversation.

There are many benefits of active listening in hospitality sector, these include:

1. Builds deep trust - Active listening helps other people to open up. They can sense that you will not be jumping to conclusions based on superficial information. They also realize that you care enough about them to listen attentively. While building trust takes time, it leads to great benefits such as lifelong friendships and loyal clients for times.
2. Strengthens your patience - The ability to be a good listener takes time and you need to develop it with regular efforts over time. But as you gradually get better and better at listening, an automatic benefit is that you develop patience. Patience to let the other person express his or her feelings and thoughts honestly while you don't judge.
3. Makes you approachable - As you present yourself as a patient listener, people feel more naturally inclined to communicate with you. By being there for them, you give them the freedom to express their feelings.
4. Increases competence and knowledge - Great listening skills make an employee more competent and capable, regardless of the position. The more an individual can get information out of the meetings, the instructions, and reports provided to him, the more efficient and successful they will be at completing the task. Listening also builds knowledge and helps fulfil work requirements through progressive learning.
5. Saves time and money - Effective listening not only reduces risks of misunderstanding and mistakes that could be very damaging to the business, but it also saves time and money

What makes a good listener?

Good listeners actively try to understand what others are really trying to say, regardless of how unclear the messages might be. Listening involves not only the effort to decode verbal messages, but also to interpret non-verbal cues such as facial expressions and physical posture.

You also need to show to the person speaking that you're listening through non-verbal cues, such as maintaining eye contact, nodding your head and smiling, agreeing by saying 'Yes'. When the listener provides these cues, the customer will usually feel more at ease and communicates more easily, openly and honestly.

There are **three steps for active listening**:

Listen: You focus on the speaker. What is he/she talking about? Listen to the words but as well to the feelings behind the words.

Question: The purpose of this step is firstly to show that you are paying attention to the customer; secondly to gather information and thirdly to have clarifications on the topic. At this step you ask open-ended questions.

Respond: When you respond you can:

- Reflect on what is been said , reflect the speaker’s feelings.
- Paraphrase - Restate major ideas been said and feelings
- Clarify - By asking questions or restate wrong interpretation to force the speaker to explain further.
- Summarize their words out loud or in your head. Repeating what they said helps you make sure you have an accurate understanding. Try to do so in your own words to increase your comprehension of what they said.

Verbal Signs of active listening

- Positive Reinforcement - this can be a strong signal of attentiveness, however too much use can be annoying for the speaker. Occasional words and phrases, such as: ‘very good’, ‘yes’ or ‘indeed’ will indicate that you are paying attention.
- Remembering - try to remember a few key points, such as the name of the speaker. It can help to reinforce that what is being said has been understood. Remembering details, ideas and concepts from previous conversations proves that attention was kept and is likely to encourage the speaker to continue.
- Questioning - the listener can demonstrate that they have been paying attention by asking relevant questions and/or making statements that build or help to clarify what the speaker has said. By asking relevant questions the listener also helps to reinforce that they have an interest in what the speaker has been saying.
- Clarification - this involves asking questions of the speaker to ensure that the correct message has been received. Clarification usually involves the use of open questions which enables the speaker to expand on certain points as necessary.

Non-verbal signs of active listening skills

It is not nice to know that you are talking to someone who is not listening to you. There are some simple steps you can take to let the speaker know you are actively listening

The people that are listening are likely to display at least some of these signs. However, these signs may not be appropriate in all situations and across all cultures.

Smile - Smiles show that the listener is paying attention to what is being said or as a way of agreeing or being happy about the messages being received. Combined with nods of the head, smiles can be very strong in affirming that messages are being listened to and understood.

Eye Contact - it is normal and usually encouraging for the listener to look at the speaker. Eye contact can however be intimidating. Combine eye contact with smiles and other non-verbal messages to encourage the speaker.

Posture - can tell a lot about the sender and receiver in interpersonal interactions. The attentive listener tends to lean slightly forward or sideways whilst sitting.

Distraction - the active listener will not be distracted and will not look at his watch, play with his hair and other. Will never interrupt the discussion to serve other customer (as for example the hurried customer that insists and gets into a word)

Dealing with difficult emotions and practice self-controlled in conflict situations

The science of emotions explains the way a human being reacts on external events.

Neuroscience, the study of the biological mechanisms of the brain, has shown that whenever an event around us occurs (such as the way someone is talking to us in a restaurant/hotel), the first thing that happens is our so-called Emotional Brain tags that event as either a reward or a threat; or friend or foe. The job of the Emotional Brain is to make very quick, unconscious determinations about whether something or someone is safe or not. The tag, which is in fact an emotion, is communicated to the so-called Thinking Brain that is involved in helping us determine good from bad and better from best. It helps us anticipate behaviour and determine the best behavioural response to make to events.

Having this in mind, the human being treats the difficult customers reactions as threat and activates unproductive state with us. In unproductive state we are worried, concerned, frustrated, stressed, probably same as the client that reacts from conflict. When in unproductive state we tend to think narrow, limited and become protective having only one solution in mind - defence.

Acting from defence makes no good for any relationship, especially with clients we want to make satisfied from the services of our hotel or restaurant.

People that demonstrate a self-awareness competence show up as present, are aware of the emotions, can verbalise them, are able to active listen the customer and are productive in discussions. Employees that are not self-aware show up as disconnected and as such cause even worse reaction with the customer.

Another extremely important emotional intelligence competence is awareness of others. People that demonstrate this competence show up as empathetic with deep understanding of the need of the customer, is ready to support and comfort the customer, while the employees that do not have this competence appear as insensitive provoking the customer to be even more aggressive and arrogant.

The emotional intelligence competences are even more important for dealing with difficult client than the other soft and technical skills mentioned above.

Attitude of assertiveness as respecting own and customer's boundaries

Rule number one in difficult situations with customers is do not take it personal and do your best to figure out how to address the customer needs / complains without saying NO or it is NOT or NEVER and still express your opinion and the values of the hotel/restaurant. Assertiveness is one of the useful behaviors.

In a business and even in private relationships people often seem to get assertiveness and aggression confused. Assertiveness is confused with being mad, rude, mean, unpolite. When overdoing assertiveness all stated behaviors can be perceived as negative. So, one needs to understand what behavior is perceived as assertiveness as strength.

Being assertive is about respecting both yourself and the other person without compromising either person's rights as a human being. Assertive behavior builds strong relationships with others and allows others to feel heard and understood even though you may not necessarily agree with them. The following are some characteristics of assertive people to possess.

1. They have confidence in themselves. In order to be assertive, you need to know what your boundaries are; what you like and what you don't like. Many people who struggle with assertiveness will allow others to make decisions for them, so when I ask "What's your favorite food?" they honestly don't know. If this sounds familiar to you, this is a great opportunity for self-exploration. Look at things around you and begin forming an opinion; are you interested in an activity because you are genuinely interested in participating in it on your own or are you engaging in it because everyone else is?
2. They respect the opinions of others. Assertive people feel confident about their opinions and beliefs, but don't feel it's necessary to insult or degrade another person's opinions. Someone may feel very strongly about mixing wine with sparkling water; an assertive person can disagree and share their opinions about the issue without insulting that person's stance.
3. Assertive people have the ability to validate other's feelings. A person may express the following "You're stupid for getting mad about this." Rather than minimizing the person's experience, an assertive person may say "I understand you are frustrated with the late service, but the quality of food for our restaurant is on first place. We obey the preparation time" People often want to feel they are understood.
4. Assertive individuals are good listeners. Often people are so focused on how they will respond to the other person that they stop listening to what is being said. As a result, neither party ends up feeling heard. Assertive behavior includes being an active listener; behavior which includes good eye contact, not interrupting when the other person is talking, and reflecting back what was just said to confirm the information was heard correctly.
5. Problem solving and compromise. Another key trait to assertiveness is the attempt to compromise in a situation. Not everyone gets everything they want when engaging in a compromise, but some needs are met for all parties involved. Compromise shows that the other person's needs have been heard and this is the attempt at providing a solution that all can be content with.

Assertiveness can be a difficult trait to master if you've had difficulty in the past standing up for yourself. But like any other new habit, it gets easier to do with practice. Remember that your needs are just as valuable as the needs of those around you. You may find that some people may drift away when you introduce the new, assertive You. Think about how they add value to your life; you might discover that they were toxic people who you are probably better off without. You may also find that the more assertive you are, you will begin to be surrounded by new individuals who value and respect the confident person you've become!

QUALIFICATION 3. MANAGEMENT IN THE HORECA INDUSTRY

MODULE 3: FACILITY MARKETING (KITCHEN-HOTEL)

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Planning Promotional and Advertising Activities

Marketing is systematic planning, implementation and control of a mix of business activities in order to jointly connect buyers and sellers for the purpose of exchange or transfer of products/services that will allow satisfaction (benefit) for both parties. Marketing is not just one activity, marketing is EVERYTHING (...but absolutely everything!!!) that affects the creation of your customer's decision whether or not to buy your product. In practice, marketing is often equated with advertising and sales, which leads to making wrong decisions, so we think it is necessary on this occasion to highlight the differences between Marketing and Advertising.

Advertising is not a synonym for marketing, although it is extremely often used as a synonym. It is a special business activity and is basically the "megaphone" of marketing that together with personal and advanced sales and publicity constitutes the so-called. "Communication mix" through which your company communicates with the market and your customers

Planning Promotional and Advertising activities is done in 5 steps:

1. To identify the customer needs a manager needs to:
 - Identify the Customer Persona (who it is that we want to attract to our venue: age, gender, place of living, income span, family format (children/no children), lifestyle specifics etc.)
 - Set up and conduct research about the customer needs and habits (media usage habits included)
 - Develop a Customer Persona manual, to be used in the development of the key messages and the media strategy
2. The second step is to develop communication strategy:
 - Based on the research and the Customer Persona specifics, develop the overall strategy in terms of what to communicate, where, how often, what tone and style to use, design (logo and ads designs)
 - Develop the KEY MESSAGES document: Unique Selling Point(s)-USP, key words, USP Communication - positioning statement, specific (per service/segment) offers
3. The next step is to develop a specific plan (annual, per quarter and monthly) for the promotional activities plan.

The plan should be consisted of:

- type of promotional activity,
- period/date,
- location,
- responsible team leader/manager

Specific implementation plans should be developed for each activity, in order to cover all the details and ensure high-quality implementation

4. Selects promotional activities appropriate to the cuisine and hotel offer

Promotional activities may include: sales promotions, specific menu promotion, seasonal promotions, special events endorsements (Mother's Day, Mexican week, Green Organic Days, Welcome Summer and other themed events)

5. Plans activities in the area of building the image of the kitchen and hotel

Building the image that we want does not happen overnight and by itself. It is a well planned and executed set of activities that communicate the key messages for our hotel & restaurant:

- Interviews in popular magazines/web media
- Presence in the local community (hosting charity events, other events of interest that raise the image in the community)
- Organizing special events – themed parties, Famous Chef in town etc.

These activities should be a part of the overall Communication plan.

The availability of the web advertising and the social media enabled a revolutionary step towards bringing the HoReCa offers closer to the customers.

Web advertising:

- Google ads – specific contents associated with our business include paid advertisements of our offer
- Banners / ad buttons on specific web portals

Social media:

- Facebook – wide coverage with text, photo, video
- Instagram – mostly visual placement if content (story-based)
- LinkedIn – business appeal to attract professionals

The effectiveness of the promotional activities can be measured by:

- Focus groups to test the key messages and designs
- Customer surveys (where did you hear about us?)
- Sales increase and customer increase (customers per table per evening, rooms filled in a month)

ORGANIZATION OF PROMOTIONAL AND MARKETING ACTIVITIES

DEVELOPING RESTAURANT MENU

Restaurant Menu Design

We're talking about themes, colour and layout. There's lots of research out there to do with the psychology of how people look at menus.

Some studies say that the top right-hand corner is where customer's eyes are drawn to, while others suggest that we read menus just like a book.

The back page is often overlooked altogether; make sure you reserve this for less profitable dishes such as the kid's menu or side dishes. Your layout needs to be logical and easy for customers to find what they want.

The use of colour is also said to have a psychological effect on customers and can be used to promote the mood of your restaurant, such as using warm colours for a Mexican theme.

Know The Costs of Your Dishes and Plan Cost Effective Menu Items

It's a good idea to work out how much each dish will cost to make. That way, you know exactly what your profit margins are.

Investigate your supplier options for all your ingredients so you can compare prices and quality.

Make Your Restaurant Menu Easy to Follow

Think simple but memorable. Research has found that when choosing what to eat, customers prefer to make a decision within two minutes. It is best not to overcomplicate your menu and try to keep it to under 32 items. Tailor the menu to customers' needs, as well as according to circumstances

Remember, your kitchen team need to be able to handle preparing each menu item and you'll need to stock ingredients and maintain kitchen equipment to prepare each meal. Think about how you can leverage similarities in ingredients and preparation requirements to make your menu cost effective.

Your menu should be easy for customers to read and not contain too much culinary jargon. Present menu options in a way that your intended customer will understand.

Once you've got your customers attention on the menu, you need to do your best to sell that dish to them. Come up with the most delicious sounding description you can, thinking about colour, texture, taste, and smell.

When it comes to photos, use them sparingly or use illustrations instead. For most restaurants, we'd recommend not using images at all.

Compare Your Competitor's Menu and Stand Out

Take some time to check out the competition. Find out what they are offering - look at their theme, cuisine and prices, and spot opportunities to provide something they don't. It's important to keep your menu fresh, relevant and profitable.

Analyze your own menu, and what your competitors are doing at least every 6 - 12 months to examine what's working and what isn't.

PROMOTION TOOLS

When we talk about promotion, we usually do it in the span of the so called "4P" pillars of each marketing effort: Product, Price, Placement and PROMOTION. It is needed to look at all the elements of the marketing mix, in order to be successful in the efforts to grow the business.

In terms of promotional activities for the HoReCa business, we mostly talk about the following elements:

- Advertising - traditional (TV, Radio, Print and outdoor) and new media (social media and internet)
- Public Relations (PR)- interviews, topic editorials, sponsorships etc.

BTL (Below-the-line) activities: events, promotional activities "on the field" (for example during concerts, in parks etc.)

Conducts marketing activities aimed at increasing the hotel's reputation

ORGANIZATION OF SPECIAL EVENTS

Special events contribute to building the image of the restaurant and bring added value products in place. With special events you sell not only the food and drinks, but also the ambience, memorable experience related to specific family or business event.

Event planning refers to the service of specific functions for specific groups of people at an assigned time. The event may vary in size and importance depending on the type of function and the number of people expected for it. It includes anything from a simple event service to a state banquet event or from small birthday parties to a grade trade exhibition.

Event management in the hotel industry is the process of organizing or planning an event on a small or large scale like Wedding Events, Formal Parties, Corporate Events, Business conferences, etc. The entire process is managed by a team and run by a host. And it's a huge responsibility to organize a successful event.

The event manager plans and executes the event and then gives the responsibilities to the team members. This responsibility includes all the event design, branding, decoration, marketing, budgeting, and many more.

Event Management is a whole department of the Hospitality industry. And this department of a hotel is the most demandable also. Hotel Event Management ensures the smooth operations of any organization. These functions may vary from one to another depending on various factors.

The main focus of this department is to organize Parties, Business Meetings, Conferences, Forums, Luxury, etc. And this hotel event management department is a huge revenue-generating part of the Hospitality industry.

Event managers guide their subordinates towards the attainment of objectives desired by providing them with the necessary materials, tools, skills, knowledge, and a good environment.

Event planning operations are continuous. The staff deals with guests of different temperaments, communication styles and needs and is under great pressure, especially during the peak hours.

It is the responsibility of the event manager to ensure everything is in the right place and is adequate enough throughout the operations, and the right people are at the right job and are trained adequately.

Event Planning Checklist

1. Brainstorming

- What is the purpose of the event?
- How many people are planned to participate?
- What special effects will be offered to the customer?
- The role and responsibility of restaurant/hotel staff recalled and defined.

2. Budgeting

- Prepare a detailed budget for the upcoming event

3. Scheduling

- Check the availability of conference room/ball room for the requested date and time
- Talk with the appropriate room reservation office
- What size and number of rooms are needed?
- What kind of tech needs do you have?
- Schedule a meeting to go over the needs of client for room setup, special food requests, entertainment, special effects

4. Purchasing

- Supplies needed for the Event
- Silverware
- Plates

- Napkins
- Cups
- Decorations
- Performer specific items/requests
- Other

5. After the event

- Send thank-you note to the customer and ask for recommendation on social media
- Do a post-event evaluation
- Organize short meetings with all involved staff to give feedback and nurture a culture of giving the best service and best value to the customer.

Note: Don't forget to keep customers informed about the event on social media.

COOPERATION WITH THE LOCAL MEDIA IN PROMOTING THE SPECIALTIES AND THE HOTEL'S ACCOMMODATION OFFER

The usage of the media for promotion of the services needs to be well planned and targeted, in order to convey the key messages to the audience in the most efficient and effective manner. The selection of the media used is according to the following criteria:

- Media usage profile of our target groups
- Specifics of the media - traditional (TV, Radio, outdoor/billboards) and social media (Facebook, Instagram) and web advertising (banners, buttons etc), Google ads
- Paid and/or non-paid advertising
- Public relations (PR) usage: interviews, venue & menu reviews, celebrity endorsements (celebrities engaged to come to the venue, take photos and post on social media, comment and mention)

The usage of media can and should be localized (per country, per city, per demographics of the audience) in order to optimize the financial investments. Based on the dedicated monthly budget for advertising, the selection of the media and specific demographic data (to target specific customer groups) should be done, having in mind the following parameters:

- Promotion duration (how long the offer is available)
- Geographic region to which we would like to convey the message and attract customers/visitors
- Target audience specifics-age, gender, estimated number of potential customers we would like to reach

Conducting financial operations

PRICING POLICY AND STRATEGY

Managers should start setting prices during the development stage as part of strategic pricing to avoid launching products or services that cannot sustain profitable prices in the market. This approach to pricing enables companies in hospitality sector to either fit costs to prices or scrap products or services that cannot be generated cost-effectively. Through systematic pricing policies and strategies, hotels and restaurants can reap greater profits and increase or defend their market shares. Setting prices is one of the principal tasks of

marketing and finance managers in that the price of a product or service often plays a significant role in that product's or service's success, not to mention in a company's profitability.

Generally, pricing policy refers to how a company sets the prices of its products and services based on costs, value, demand, and competition. Pricing strategy, on the other hand, refers to how a company uses pricing to achieve its strategic goals, such as offering lower prices to increase sales volume or higher prices to decrease backlog. Despite some degree of difference, pricing policy and strategy tend to overlap, and the different policies and strategies are not necessarily mutually exclusive.

After establishing the bases for their prices, managers can begin developing pricing strategies by determining company pricing goals, such as increasing short-term and long-term profits, stabilizing prices, increasing cash flow, and warding off competition. Managers also must take into account current market conditions when developing pricing strategies to ensure that the prices they choose fit market conditions.

Effective pricing strategy involves considering customers, costs, competition, and different market segments.

Pricing strategies tend to vary depending on the global strategy of the company, that is based on two main factors - the competitive advantage of the company and the target group that we decided to sell our products to. Based on these two parameters, companies choose the pricing policy to be either low prices for broader or narrow target group, or higher positioned prices for specific high end customer services (see the table 1).

Low Prices		Competitive Advantage	
		Product Uniqueness	
Target Market	Broad	Price Leadership	Differentiation
	Narrow	Focus (Low Price)	Focus (Differentiation)

Table No. 1

The following sections explain various ways companies develop pricing policy and strategy. First, cost-based pricing is considered. This is followed by the second topic of value-based pricing. Third, demand-based pricing is addressed followed by competition-based pricing. After this, several strategies for new and established pricing strategies are explained.

Cost-Based Pricing

The traditional pricing policy can be summarized by the formula:

$$\text{Cost} + \text{Fixed profit percentage} = \text{Selling price}$$

Cost-based pricing involves the determination of all fixed and variable costs associated with a product or service. After the total costs attributable to the product or service have been determined, managers add a desired profit margin to each unit such as a 5 or 10 percent markup. The goal of the cost-oriented approach is to cover all costs incurred in producing or delivering products or services and to achieve a targeted level of profit.

By itself, this method is simple and straightforward, requiring only that managers study financial and accounting records to determine prices. This pricing approach does not involve examining the market or considering the competition and other factors that might have an impact on pricing. Cost-oriented pricing also is popular because it is an age-old practice that uses internal information that managers can obtain easily. In addition, a company can defend its prices based on costs, and demonstrate that its prices cover costs plus a markup for profit.

However, critics contend that the cost-oriented strategy fails to provide a company with an effective pricing policy. One problem with the cost-plus strategy is that determining a unit's cost before its price is difficult in many industries because unit costs may vary depending on volume. As a result, many business analysts have criticized this method, arguing that it is no longer appropriate for modern market conditions. Cost-based pricing generally leads to high prices in weak markets and low prices in strong markets, thereby impeding profitability because these prices are the exact opposites of what strategic prices would be if market conditions were taken into consideration.

While managers must consider costs when developing a pricing policy and strategy, costs alone should not determine prices. Many managers of hospitality companies sell their services at incremental cost, and make their substantial profits from their best customers and from short-notice deliveries. When considering costs, managers should ask what costs they can afford to pay, taking into account the prices the market allows, and still allow for a profit on the sale. In addition, managers must consider production costs in order to determine what goods to produce and in what amounts.

Nevertheless, pricing generally involves determining what prices customers can afford before determining what scope of services to deliver. By bearing in mind the prices they can charge and the costs they can afford to pay, managers can determine whether their costs enable them to compete in the low-cost market, where customers are concerned primarily with price, or whether they must compete in the premium-price market, in which customers are primarily concerned with quality and features.

Value-Based Pricing

Value prices adhere to the thinking that the optimal selling price is a reflection of a product or service's perceived value by customers, not just the company's costs to produce or provide a product or service. The value of a product or service is derived from customer needs, preferences, expectations, and financial resources as well as from competitors' offerings. Consequently, this approach calls for managers to query customers and research the market to determine how much they value a product or service. In addition, managers must compare their products or services with those of their competitors to identify their value advantages and disadvantages.

Yet, value-based pricing is not just creating customer satisfaction or making sales. Customer satisfaction may be achieved through discounting alone, a pricing strategy that could also lead to greater sales. However, discounting may not necessarily lead to profitability. Value pricing involves setting prices to increase profitability by tapping into more of a product or service's value attributes. Here comes the place of supreme service that makes customers satisfied from the unforgettable experience.

This approach to pricing also depends heavily on strong advertising, especially for new products or services, in order to communicate the value of products or services to customers and to motivate customers to pay more if necessary for the value provided by these products or services.

Demand Based Pricing

Managers adopting demand-based pricing policies are, like value prices, not fully concerned with costs. Instead, they concentrate on the behavior and characteristics of customers and the quality and characteristics of their products or services. Demand-oriented pricing focuses on the level of demand for a product or service, not on the cost of materials, labor, and so forth.

According to this pricing policy, managers try to determine the scope of products or services they can sell at different prices. Managers need demand schedules in order to determine prices based on demand. Using demand schedules, managers can figure out which products (dishes) and which services (in a hotel) would be the most profitable. To determine the most profitable production and sales levels, managers examine production

and marketing cost estimates at different sales levels. The prices are determined by considering the cost estimates at different sales levels and expected revenues from sales volumes associated with projected prices.

The success of this strategy depends on the reliability of demand estimates. Hence, the crucial obstacle manager's face with this approach is accurately gauging demand, which requires extensive knowledge of the manifold market factors that may have an impact on the number of products sold. To get most accurate data from the market about the increases or decreases in demand, the Managers can use social media information, internal data of reservation made ahead of the visit or engage external assistance as market researchers or consultants to provide estimates of sales levels at various unit prices.

Competition-Based Pricing

With a competition-based pricing policy, a company sets its prices by determining what other companies competing in the market charge. First step is to identify the prices of present competitors. Next, to assess its own product or service. After this step, a company sets its prices higher than, lower than, or at the level of competitors prices, based on the advantages and disadvantages of a company's product or service, as well as on the expected response by competitors to the set price. This last consideration—the response of competitors—is an important part of competition-based pricing, especially in markets with only a few competitors. In such a market, if one competitor lowers its price, the others will most likely lower theirs as well. Both companies loose.

This pricing policy allows companies to set prices quickly with relatively little effort, since it does not require as accurate market data as the demand pricing. Also, this pricing policy enables companies to select from a variety of different pricing strategies to achieve their strategic goals. In other words, companies can choose to mark their prices above, below, or in line with their competitors' prices and thereby influence customer perceptions of their products.

BUDGET PREPARATION

Financial planning is used to make decisions in the company (planning, organizing, controlling). Financial planning cannot be standardized, because every company needs different plans and indicators before making any decision. Unlike accounting, financial planning is future-oriented, and based on assumptions. The more realistic and accurate the assumptions, the more realistic the plans.

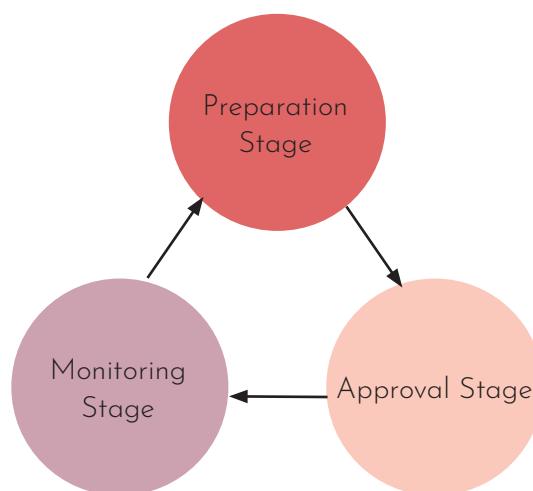
What is budget?

A budget is a document used by businesses to track income and expenses in a detailed enough way to make operational decisions.

Budgets are typically forward-looking in nature. Income is based on projections and estimates for the periods they cover, as are expenses. For this reason, organizations often create both short - (monthly or quarterly) and long-term (annual) budgets, where the short-term budget is regularly adjusted to ensure the long-term budget stays on track.

Most organizations also prepare what's known as an "actual budget" or "actual report" to compare estimates against reality following the period covered by the budget. This allows an organization to understand where it went wrong in the budgeting process and adjust estimates moving forward.

There are three stages related to budgeting as follows:



Steps to prepare a budget for an organization

The steps below can be followed whether creating a budget for an event, department, or entire organization.

1. Understand Your Organization's Goals

Before you compile your budget, it's important to have a firm understanding of the goals your organization is working toward in the period covered by it. By understanding those goals, you can prepare a budget that aligns with and facilitates them.

For example, consider a business that regularly experiences year-over-year revenue growth that's offset by rising expenses. That organization might benefit from focusing efforts on better controlling expenses during the budgeting process.

Alternatively, consider a company launching a new product or service. The company may invest more heavily in the new business line to grow it. With this goal, the company may need to fit expenses or growth initiatives elsewhere in its budget.

2. Estimate Your Income for the Period Covered by the Budget

To allocate funds for business expenses, you first need to determine your income and cash flow for the period to the best of your ability.

Depending on the nature of your organization, this can be a simple or complicated process. For example, a business that sells products or services to known clients locked in with contracts will likely have an easier time estimating income than a business that depends on active sales activity. In the second case, where all hospitality services belong, it would be important to reference historical sales and marketing data to understand whether the market is changing in a way that might cause you to miss or exceed historical trends.

3. Identify Your Expenses

Once you understand your projected income for the period, you need to estimate your expenses. This process involves three main categories: fixed costs, variable expenses, and one-time expenses.

Fixed costs are any expenses that remain constant over time and don't dramatically vary from week to week or month to month. In many cases, those expenses are locked in by some form of contract, making it easy to

anticipate and account for them. This category usually includes expenses related to overhead, such as rent payments and utilities. Phone, data, and software subscriptions can also fall into this category, along with debt payments. Any expense that's regular and expected should be included.

Variable expenses are those your business incurs, which vary over time depending on several factors, including sales activities. Your seasonal staff costs, for example, are likely to be higher during a period when you have a high season for your hotel. Likewise, utilities such as water, gas, and electricity will be higher when you have more visitors. Sales commissions and materials costs are other examples of variable expenses.

So, the basic difference between the fixed and variable costs is, the variable costs change with the scope of services while fixed costs do not.

Both fixed expenses and variable expenses are recurring in nature, making it easy to account for them (even if variable expenses must be projected). One-time expenses, also called "one-time spends," don't recur and happen more rarely. Purchasing equipment or facilities, developing a new product or service, hiring a consultant, and handling a security breach are all examples of one-time expenses. Understanding major initiatives—and what it will take to accomplish them—and what you've spent in previous years on similar expenses can help account for them in your budget, even if you're unsure of their exact values.

4. Determine Your Budget Surplus or Deficit

After you've accounted for all your income and expenses, you can apply them to your budget. This is where you determine whether you have enough projected income to cover all your expenses.

If you have more than enough income to cover your expenses, you have a budget surplus. Knowing this, you should determine how to use additional funds best. You may, for example, move the money into a "rainy day" fund you can access should your actual income fall short of projections. Alternatively, you may deploy the funds to grow your business. You can plan refurbishing or redesign of facilities

On the other hand, if your expenses exceed your income, you have a budget deficit. At this point, you must identify the best path forward to close the gap. Can you bring in additional funds by selling more aggressively? Can you lower your fixed or variable expenses?

Approval Stage

The person responsible for generating a budget varies depending on an organization's nature and its budgetary goals. An entrepreneur or small business owner, for example, is likely to prepare an organizational budget on their own. Meanwhile, a larger organization may rely on a member of the accounting department to generate a budget for the entire business. Individual department heads or functional leads are also obliged to submit budget proposals for their teams/departments. As soon as the budget is prepared either Owner/s or Board of Directors make the final decision on approving it.

Monitoring stage

1. Monitoring daily turnover

These are the most important financial indicators to monitor as Manager of hotel or restaurant:

1. Breakeven Point
2. Cash flow
3. Balance sheet

When we already know how much it costs us to produce a product, and we know at what price we will sell the product, then the question follows: how many products do we need to sell annually to cover all costs (production and general costs of the company) and achieve a positive zero. It means how many products (dishes/ rooms/ beverages etc.) you need to sell to **break even**.

There is a formula to easily calculate the breakeven point. If you know the price of a product (revenue), if you know your cost per unit of product or service (direct material costs, direct labor costs, general costs of production and sales), and fixed assets (all investments), the formula is in two steps:

First step: $\text{Income} - \text{Cost of Production/ Cost of the service} = \text{Margin}$

Step Two: $\text{Fixed Assets} / \text{Margin} = \text{Breakeven Point}$

So, in the first part of the income of the product, the cost is deducted and the margin is obtained. It is a kind of profit if all investments are deducted.

Example: You buy a product for 40 Euros and sell it for 100. That way you get a margin of 60 Euros. In the second part of the formula, fixed assets are divided by margin in order to see how much margin (product) is needed to cover fixed costs. The result is the number of products that must be sold for the company to reach the break even. Below is an example.

Example. Income = 30 Euro

Production cost = 10 Euro

Fixed assets = 150,000

First step: $\text{Income (30)} - \text{Cost (10)} = \text{Margin (20)}$

Second step: $\text{Fixed assets (150,000)} / \text{margin (20)} = \text{quantity (7500 overnights)}$

Checking the procedure (for 7500 overnights sold):

Income = $7500 * 30 = 225,000$

Minus cost of service = $7500 * 10 = 75,000$

Minus fixed assets = 150,000

So, $225,000 - 75,000 - 150,000 = 0$

The equation is correct.

Cash flow shows all the income collected by the company and all the expenditures going out of the company. Cash flow shows the excess or lack of money (working capital) during the year. Lack of money means we cannot settle (pay) our current obligations (procurement of materials, payment of salaries, etc.).

Why is it good to have cash flow?

- Reveals information that cannot be seen in the balance sheet and income statement;
- Shows how much cash you currently have;
- Shows where the cash comes from and what it is spent on:
 - Operational activities
 - Investment activities
 - Financial activities

Example of cash flow:

	January	February	March	April
Initial Cash	400	350	50	550
Sales	2500	2000	1500	2700
Salaries	1700	1500	1500	1500
Insurance	100	100	100	100
Purchases	600	600	400	600
Accounting	100	100	100	100
Interest rate	50	30	25	20
Cash Balance	350	50	-550	-50

Income Statement or Balance Sheet

The purpose of the balance sheet is to determine how profitable your company is. This indicator is a sum of all previous planning and calculations. Let's briefly clarify the items in the income statement.

When you subtract the production costs (plan of direct costs and direct wages) from sales revenue (plan of sales) you will get gross profit. When you deduct selling and administrative expenses (S&A cost plan) from gross profit, you will get net operating income. By deducting the interest expense from the net operating income, you will get profit before tax. When you subtract income tax (differs from country to country) from profit before tax, you will get Net profit. It is the actual profit that remains with the company.

The Manager in HoReCa needs to be able to monitor and even track the income and expenses to be able to see how profitable the business is withing a week, month and a year.

2. Monitoring expenses

Recording the expenses on daily bases ensures that you are financially aware all year long and not just during tax season. Knowing where the company money is going and how much you're spending on specific services, can improve your spending habits. Plus, you'll have a better idea of where you can allocate money to positively impact your cash flow.

As a manager you need to monitor expenses on a daily basis to have a clear picture of the expenditures by product/ service and be able to compare with the income from the same product/ service.