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TOUR 102

Introduction to Hospitality

Dr. Hassan Sherif

Introduction to Hospitality

Introducing Hospitality

Chapter 1

Welcome to You, the Future Hospitality Industry leaders

- The word hospitality comes from the French term hospice, meaning “to provide care/shelter for travelers.”
- Hospitality industry is an exciting place to be:
 - It's fascinating
 - It's fun
 - It offers competitive pay
 - It offers advancement opportunities

Welcome to You, the Future Hospitality Industry leaders

- Works to create memories
- Everyday guests rely on us for service
- Passion is in the service element
- People with a *service spirit* are happy to do something extra to make the guest's experience memorable

The Interrelated Nature of Hospitality and Tourism

- The hospitality and tourism industry is the largest and fastest-growing industry in the world
- Under the umbrella of travel and tourism, countless professions are necessary to meet the needs and wants of people away from home
- All of these scopes have an effect on each other

The Interrelated Nature of Hospitality and Tourism

- Hospitality employees have the ability to affect the human experience by creating powerful impressions—even brief **moments of truth**—that may last a lifetime
- A moment of truth is an expression used to describe a guest and an associate meeting—as when a guest walks into a restaurant

The Interrelated Nature of Hospitality and Tourism

- In **managed services**, foodservices are provided for airlines, military facilities, schools, health care operations, business and industry
 - These foodservice operations have the dual challenge of meeting the needs and wants of both the guests and the client (i.e., the institution itself)

The Interrelated Nature of Hospitality and Tourism

- The **hotel business** provides career opportunities to associates who help make reservations, greet, assist, and serve guests
- The **restaurant business** fulfills guests' diverse needs and wants
 - Eating is a biological need that restaurants accommodate
 - Restaurants also fulfill other human desires (i.e., the need for socialization and to be entertained)

Characteristics of the Hospitality Industry

- Our services are mostly intangible—the guest cannot “test-drive” a night’s stay or “taste the steak” before dining
 - The products are for use, not possession
- There is inseparability of production and consumption of the service product, due to each guest’s unique demands
- There is also the perishability of our product
 - For example, we have 1,40 rooms in inventory, but we sell only 1,20 rooms. What do we do with the 20 unsold rooms? Nothing—we lose 200 room nights and the revenue.

Characteristics of the Hospitality Industry

- The hospitality industry is open 365 days 24 hours a day.
- The industry relies heavily on shift work and sometimes hours extend beyond the normal work day
- There are four basic shifts:
 - 7:00AM to 3:00PM
 - 10:00AM to 6:00PM
 - 3:00PM to 11:00PM
 - 11:00PM to 7:00AM

Success in Service

- For success in service we need to:
 - Focus on the guest.
 - Understand the role of the guest-contact employee.
 - Weave a service culture into education and training systems.
 - Emphasize high-touch instead of just high-tech.

Moments of Truth

- These are guest encounters
- Every hospitality organization has thousands of moments of truth every day
- Some of them include:
 - A guest calls the restaurant for a table reservation
 - A guest tries to attract the waiter's attention to order
 - A server takes an order
 - A server brings the check
 - A guest departs the restaurant

Careers

- A career path does not always go in a straight line
- Progression means that we advance from one position to another
- The path to General Manager in a hotel may go through a combination of positions because it is better to have experience in several areas (cross training)

Is the Hospitality Industry for You?

- The hospitality industry is a service industry; we take pride in caring about others
- Recruiters look for service oriented people who 'walk the talk'
 - Good work experience
 - Involvement in on-campus activities
 - Positive attitude
 - Good GPA

Introduction to Hospitality

The Hotel Business

Chapter 2

Franchising & Management Contracts

- Franchising and management contracts are the two main driving forces in the development and operation of the hotel business

Franchising

- Began in 1907 by The Ritz Carlton
- A concept that allows a company to use other peoples' money for growth rather than financing
- Franchising is used to rapidly expand businesses
- The franchisee is granted the rights to use trademarks, operating procedures, and other business procedures
- Fees for lodging are generally 3–4% of room revenue

Franchising

- **Benefits to the franchisee:**
 - Standard set of plans
 - National advertising
 - Centralized reservation system
 - Participation in volume discounts
 - Listing in franchisor's directory
 - Lower fee percentage charged by CC companies
- **Drawbacks to the franchisee:**
 - High fees
 - Central reservation system accounts for about 7–26% of reservations
 - Conformity
 - Must maintain standards

Franchising

- Pros and cons for franchise company/franchisor
 - Pros:**
 - Increased market share and recognition
 - Up-front fees
 - Cons:**
 - Careful in selection of franchisees
 - Difficulty in maintaining standards and controls

Is There a Franchise in Your Future?

- Many mistakes made by new entrepreneurs have already been overcome by the franchisor
- The Franchisor offers many support services often including cash flow, marketing and advertising, site selection, construction plans, and assistance with financing.
- This leads to a key reason to buying a franchise...reducing your risk of failure!

Referral Associations

- Similar benefits to properties as do franchises—albeit at a lower cost
- Shared centralized reservation system and a common image, logo, or advertising slogan
- May offer group buying discounts to members, as well as management training, and continuing education programs
- Each independent hotel refers guests to each of the other member hotels
 - Hotels and motels pay an initial fee to join a referral association

Management Contracts

- Responsible for the hotel industry's rapid boom since the 1970s
- Little or no up-front financing or equity involved
- Provides operational expertise, marketing, and sales clout, often in the form of a centralized reservation system (CRS)
- Allows the hotel company to manage the property for a period of 5, 10, or 20 years
- The company receives a management fee (a percent of gross and/or net operating profit—usually 2–4.5% of gross revenues)

Economic Impact of Hotels

- Hotels provide substantial direct and indirect economic impact to the communities in which they are located.
- The indirect impact comes from the ripple effect
 - this is where money is spent by the employees (wages and salaries) of the hotel in the community.
 - It is also money used by the hotel to purchase all the items to service the guests.
- Taxes

Classification of Hotels

- U.S. lodging industry consists of 50,800 hotels and motels
- Hotels may be classified as to location, price, and type of services offered
- Star Rating & AAA Diamond Award:
 - Inspecting and rating hotels since 1977
 - Less than 2% are 5 Diamond
 - AAA uses descriptive criteria to evaluate the hotels that it rates annually in the United States, Canada, Mexico, and the Caribbean

Types and Locations of Hotels

- **City center:** Meets the needs of the traveling public for business or leisure reasons
- **Resort:** Inclusive and diversified in accommodations
- **Airport:** Guest mix consists of business, group, and leisure travelers; generally in the 200- to 600-room size and are full-service
- **Freeway hotel and motel:** A convenient place to stay, reasonably priced, and with few frills
- **Casino:** Coming into the financial mainstream; casinos make more money from the gaming than from the rooms
- **Convention:** Provides facilities and meets the needs of groups attending and holding conventions

Types and Locations of Hotels

- **Full-Service:** Offers a wide range of facilities, services, and amenities
- **Economy/Budget:** Reasonably sized and furnished rooms without the frills
- **Boutique:** Unique architecture, style, decor, and smaller in size
- **Extended-Stay Hotels and :** Majority of guests are long term. Additional space in the form of a lounge and possibly kitchenette
- **Bed & Breakfast Inns:** Accommodations with the owner, who lives on the premises or nearby, providing a clean, attractive accommodation and breakfast

Best, Biggest, and Most Unusual Hotels and Chains

- The Oriental Hotel in Bangkok, Thailand has been rated #1 in the world; so, too, has the Regent of Hong Kong, the Mandarin Oriental of Hong Kong, and the Connaught of London
- The Ritz-Carlton and the Four Seasons are generally rated the highest quality chain hotels

Best, Biggest, and Most Unusual Hotels and Chains

- The Treetops Hotel in one of Kenya's wild animal parks—literally in the treetops
- The Ice Hotel—built from scratch on an annual basis with a completely new design, new suites, and new departments
- The Underwater Hotel at the Great Barrier Reef

Vacation Ownership

- Began in the French Alps during the late 1960s
- For a one-time purchase price and payment of a yearly maintenance fee, purchasers own their vacation either in perpetuity (forever) or for a predetermined number of years
- Provide the flexible use of accommodations in multiple resort locations
- Average cost to consumer between \$14,800 and \$18,500

Sustainable or Green Lodging

- By using local materials, a new hotel or resort can save money on the cost of materials plus the cost of transporting them
- The cost of energy has increased so much that lodging construction now incorporates ways of using natural lighting and building energy-efficient buildings
- Energy-efficient buildings require far less air conditioning because they use materials such as darkened glass and lower-wattage lighting that produces lower temperatures

Introduction to Hospitality

Rooms Division Operations

Chapter 3

Functions and Departments of a Hotel

- The primary function of a hotel is to provide lodging accommodations
- Hotels are meant to provide all of the comforts of home to those away from home
- A hotel is comprised of several business or revenue centers.
- Hotels exist to provide service and to generate a profit for the owners

Management Structure

- Management structure differs among larger, midscale, and smaller properties.
- Someone must be responsible for each of the key result areas that make the operation successful. For example, a small property may not have a director of human resources, but each department head will have general day-to-day operating responsibilities for the human resources function.

Role of the Hotel General Manager

- The hotel General Manager has a multitude of responsibilities. He/she must ensure a reasonable return on investment, keep guests satisfied, and keep employees happy.
- Larger hotels can be more impersonal. Here, the general manager may only meet and greet a few VIPs. In the smaller property, it is easier for the GM to become acquainted with guests to ensure that their stay is memorable and to secure their return.

Role of the Hotel General Manager

- The GM is ultimately responsible for the performance of the hotel and the employees. The GM is the leader of the hotel. As such, she or he is held accountable for the hotel's level of profitability by the corporation or owners.
- Effective GMs hire the best people and set the tone, a structure of excellence. Progressive general managers empower associates to do anything legal to delight the guest.

The Executive Committee

- The Executive Committee is comprised of key managers of the hotel. Typical members would be directors of the following departments: human resources, food and beverage, rooms division, marketing and sales, engineering, and accounting.
- Executive Committee meetings usually last 1 to 2 hours, once a week. Typical topics of discussion will focus on occupancy %, Total Quality Management, forecasts, guest and employee satisfaction, training, etc.

The Executive Committee

Executive Committee Chart for a 300+ - room Hotel

General Manager

Director of Human Resources	Director of Food and Beverage	Director of Rooms Division	Director of Marketing and Sales	Director of Engineering	Director of Accounting
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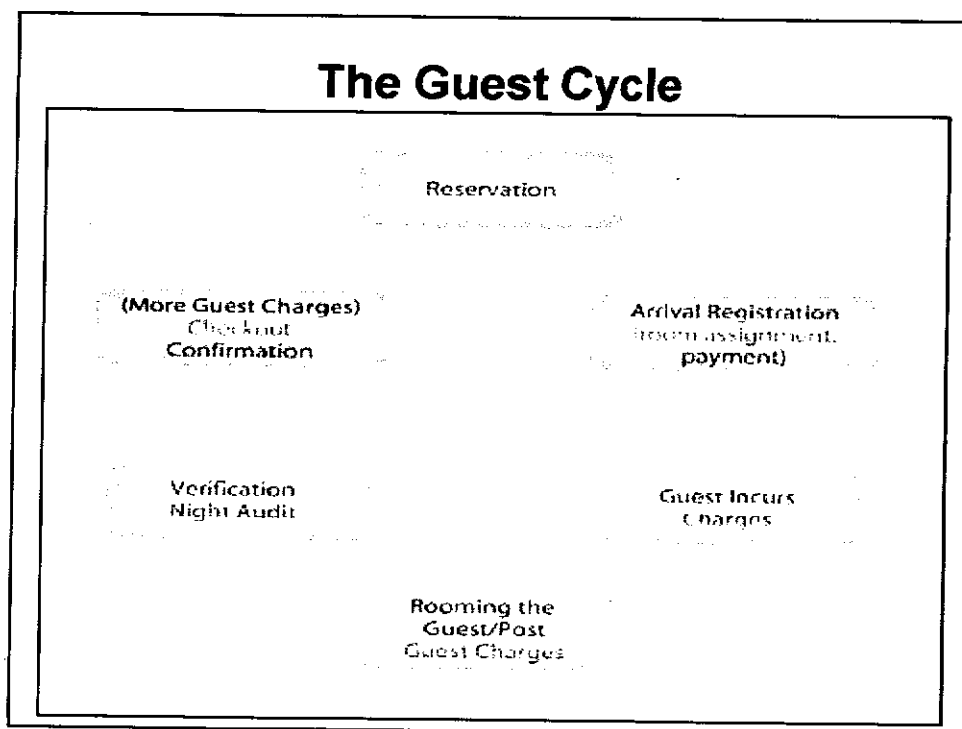
The Departments – Rooms Division

- The rooms division director is held responsible by the GM for the efficient and effective leadership and operation of all the rooms division departments.
- The Rooms Division is comprised of the front office, reservations, housekeeping, concierge, guest service, security, and communications.

Departments – Front Office

- The main duty of the Front Office manager is to enhance guest service by developing services to meet guest's needs. He/she supervises Guest Service Associates (GSAs), who interact directly with the guest during check-in, check out, etc.
- Often, the front office is described as the hub or nerve center of the hotel. The guest relies on the desk for information and service throughout his/her stay.

The Guest Cycle



Departments – Front Office

- The main functions of the front office are: (a) to sell rooms, (b) to maintain balanced accounts, (c) to offer services such as handling mail, faxes, messages, and local and hotel information.
- In selling rooms, the front office attempts to achieve 100% occupancy.
- Upselling and Yield Management can help increase room sales. The interaction of supply and demand also impacts the ability to sell rooms.

Departments – Night Auditor

- A hotel must balance its accounts on a daily basis. At approximately 1:00 am, when the hotel has “quieted” down, the night auditor begins the task of balancing the guest accounts receivable.
- The daily report contains a key operation ratio – Room Occupancy % (ROP). This is calculated by dividing the number of rooms occupied by the number of rooms available. $150 / 200 = 75\%$

Departments – Night Auditor

- The Average Daily Rate (ADR) is, together with the occupancy percentage, one of the key operating ratios that indicates the hotel's performance.
- ADR is calculated by dividing the total of rooms revenue by the total number of rooms sold. $BD\ 9000 / 150 = BD\ 60$

Revenue Management

- Revenue management is used to maximize room revenue at the hotel. It is based on the economics of supply and demand, which means that prices rise when demand is strong and drop when demand is weak.
- Although management would like to sell every room at the highest rack rate, this is not possible. Conventions, groups, and organizations are often granted a reduced room rate as an incentive to stay at a particular property.

Revenue Management

- What revenue management does is allocate the right type of room to the right guest at the right price so as to maximize revenue per available room.
- The purpose of revenue management is to maximize revenue and increase profitability

Revenue Management

- **Revenue per available room, or REV PAR**, was developed by Smith Travel Research. It is calculated by dividing room revenue by the number of rooms available. For example, if room sales are BD 9000 in one day for a hotel with 200 available rooms, then the
- REV PAR formula is $\text{BD } 9000 / 200$, or a REV PAR of BD 45.

Revenue Management

- Hotels use REV PAR to see how they are doing compared to their competitive set of hotels. Hotel operators use REV PAR as an indicator of a hotel's revenue management program.
- REV PAR also determines the feasibility of expansion.

Revenue Management

- **Energy management systems** can reduce energy consumption by switching off when the guest is out of the room.
- They also can keep tabs on room occupancy, lighting, minibar, smoke detectors, locks, and guest amenities.
- **Call accounting systems (CAS)** are systems that can track guest room phone charges working in conjunction with PBX and PMS and offer different rates for guest calls.

Revenue Management

- **Global distribution systems** are electronic markets for travel, hotel, car rental, and attraction bookings.
- **A central reservation system (CRS)** houses the electronic database in the central reservation office (CRO).
- With such a system, hotels can avoid overselling rooms by too large a margin. A CRS can also provide yield management information for a hotel.

Billing Guests

- Billing guests has become much easier with the aid of computers.
- PMSs aid large hotels to make faster transactions and provide a more efficient service to their guests.
- These systems help the hospitality associates bill their guests within seconds.

Revenue Management

- **Security** is one of the highest concerns of guests who visit hospitality businesses.
- Systems include surveillance systems, electronic door locking systems, and in-room safes.

Reservations

- The **Reservations Manager** is the head of the reservations department. He/ she reports directly to the **Rooms Division Manager**. This department is often the first one that a prospective guest has contact with and therefore impressions made are lasting. Quality service and attention to detail are critical.
- The reservations department is responsible for selling hotel rooms for the maximum dollar amount.

Reservations

- The corporate central reservations system interfaces with hotel inventory and allows reservations by individual hotel reservations personnel.
- Once a reservation has been made, the room is immediately deducted from the inventory of rooms for the duration of the guest's stay.

Communications CBX or PBX

- The CBX or PBX includes in-house communications, guest communications, voice mail, messages, and emergency centers.
- It is a profit center for the hotel because hotels generally add a fee of 50% to all long distance calls and charges fees for local calls.

Guest Services/Uniformed Services

- The guest service staff has the unique opportunity to make or break that first image of the hotel and the experience the guest will have.
- Door attendants greet guests, assist with the opening and closing of doors, handling luggage, and providing information.
- The bell person is responsible for escorting the guests and transporting luggage to their rooms. He must have knowledge about the area as well as the hotel and its services.

Concierge

- Some of the ways the concierge may assist guests are by arranging tickets to popular events/shows in town, making reservations at restaurants, providing advice on local activities, reserving airline tickets and reconfirmation of flights, and special requests such as shopping.
- The concierge must have excellent knowledge of the hotel, the city, and national details. It is a definite strength if the concierge is able to speak several foreign languages.

Housekeeping

- The housekeeping department employs the largest number of employees in the hotel. The executive housekeeper is the head of the department.
- The executive housekeeper is responsible for a substantial amount of record keeping. In addition to the scheduling and evaluation of employees, an inventory of all guest rooms and public area furnishings

Green Hotel Initiatives

- Environmentally conscious companies are helping to avoid environmental degradation and are saving money while being good corporate citizens.
- Ecoefficiency, also generally termed *green*, is based on the concept of creating more goods and services while using fewer resources and creating less waste and pollution.

Security/Loss Prevention

- Hotels are responsible for the safety of their guests. Protection of guests and their property is a key element of hotel operations.
- Security/loss division is responsible for maintaining security alarm systems and implementing procedures aimed at protecting property of guests, employees, and the hotel itself.

Introduction to Hospitality,

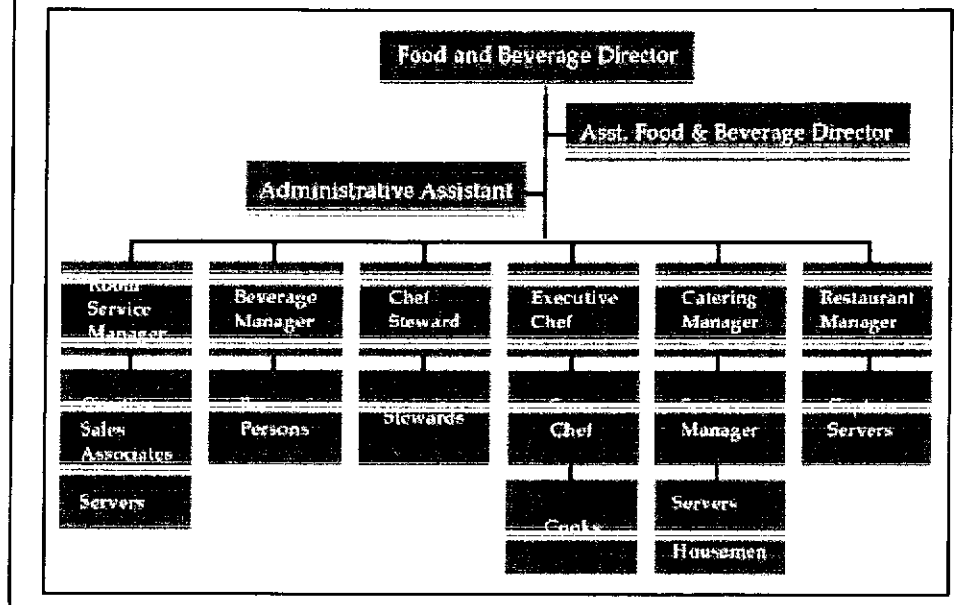
Food and Beverage Operations

Chapter 4

Food and Beverage Management

- **The director of food and beverage reports to the general manager and is responsible for the efficient and effective operation of the following departments:**
 - Kitchen/catering/banquet
 - Restaurants/room service/minibars
 - Lounges/bars/stewarding

Food & Beverage Organization Chart



Kitchen

- A hotel kitchen is under the charge of the **executive chef**, or chef in smaller and medium-sized properties
- Some executive chefs are called **kitchen managers**
- Controlling costs is an essential part of operations; as labor costs represent the most significant variable costs, staffing becomes an important factor
- Financial results are generally expressed in ratios, such as **food cost percentage** and **labor cost percentage**

Kitchen

- Labor cost benchmarks are measured by covers-per-person-hour or how many covers one person can produce/handle in one hour
- Food cost percentage is expressed by dividing the food cost by food sales
- Labor cost is measured by dividing the cost of labor by food sales.

Food Operations

- **Restaurant managers** are generally responsible for the following:
 - Exceeding guest service expectations
 - Hiring, training, and developing employees
 - Setting and maintaining quality standards
 - Marketing
 - Banquets
 - Coffee service
 - In-room dining, minibars, or the cocktail lounge
 - Presenting annual, monthly, and weekly forecasts and budgets to the F&B director

Food Operations

- The number (house count) and type of hotel guest (e.g., the number of conference attendees who may have separate dining arrangements) should also be considered in estimating the number of expected restaurant guests for any meal.
- This figure is known as the **capture rate**
 - When coupled with historic and banquet activity and hotel occupancy, will be the restaurant's basis for forecasting the number of expected guests.

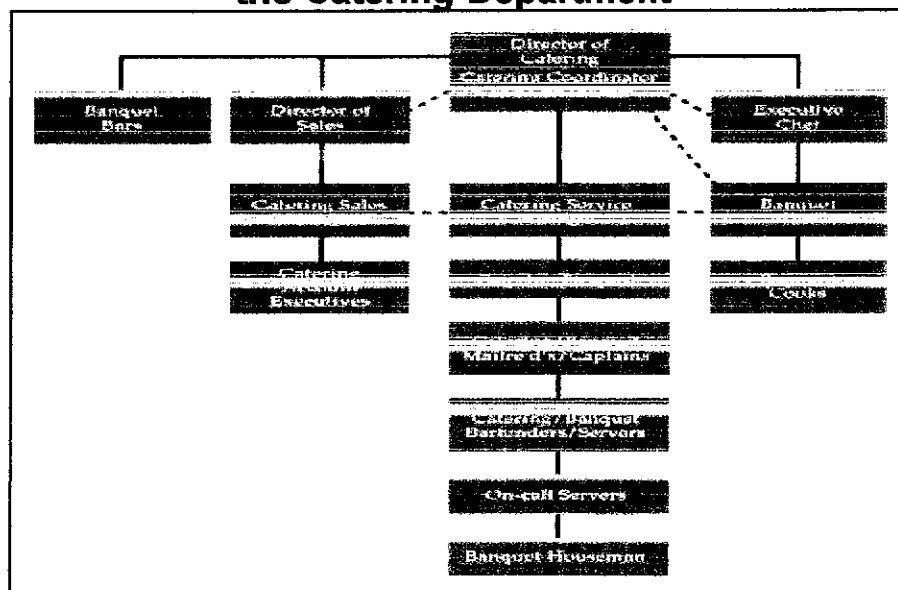
Stewarding Department

- Responsibilities of Chief Steward:
 - Cleanliness of back of house
 - Cleanliness of glassware, china, & cutlery
 - Maintaining strict inventory control and monthly stock check
 - Maintenance of dishwashing machines
 - Inventory of chemical stock
 - Sanitation
 - Pest control
 - Forecasting labor & cleaning supply needs

Catering Department

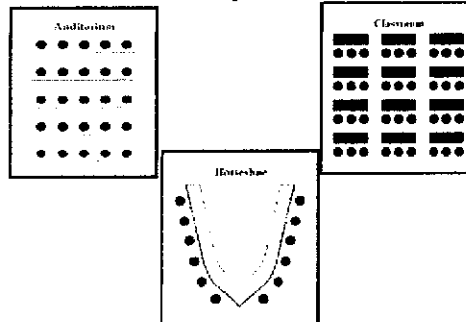
- **Catering:**
 - Includes a variety of occasions when people may eat at varying times
- **Banquets:**
 - Refers to groups of people who eat together at one time and in one place
- Terms are used interchangeably

Organization Chart for the Catering Department



Catering Department

- For meetings, a variety of room setups are available depending on a client's needs; the most frequently selected meeting room setups are:
 - Theater style
 - Classroom style
 - Horseshoe style



Catering Event Order

- Also known as the **banquet event order**
 - Prepared for each function to inform the client and hotel personnel about essential information to ensure a successful event
 - Prepared based on correspondence with the client and notes taken during the property visits

Catering Event Order

- The Catering Event Order also mentions the guaranteed-number policy. This is the number of guests the hotel will prepare to serve and will charge accordingly.
- The guaranteed number is given about seven days prior to the event.
- The hotel will usually prepare about 3 – 5% additional meals to cover extra attendees

Room Service/In-Room Dining

- Not all properties offer room service
- Generally, the larger the hotel and higher the room rate, the more likely they will offer room service
- Challenges include:
 - Delivering orders on time—especially breakfast
 - Making room service profitable/forecasting demand
 - Having well-trained and competent employees

Trends

- The use of branded restaurants instead of hotels operating their own restaurants
- Hotels opting not to offer food and beverage outlets
- Making outlets more casual
- Using themes for a restaurant
- Standardized menus
- Converting one beverage outlet into a sports-themed bar
- Technology being used to enhance guest services and control costs
- More low-fat, low-carb menu items

Introduction to Hospitality

The Restaurant Business

Chapter 6

The Restaurant Business

- A place to relax and enjoy the company of family and friends and to restore energy
- As a society we spend about 47.5% of our food dollars away from home
- Multi-billion dollar business employing 12.8 million people

Culinary Practices

- To be a good cook, one must understand the basic techniques and principles of cooking. There are six skill areas that are important to becoming a successful chef: cooking, menu development, sanitation/safety, accounting, computer training, food trends and practices for the new millennium.
- One of the most important things to learn about the industry is that you can't do it alone; it's a team effort.

Developing a Restaurant

- The restaurant:
 - *Operating philosophy* represents the way the company does business.
 - *Market* is composed of those guests who will patronize the restaurant.
 - *Concepts* are created with guests in mind and should fit a definite market.
 - *Location* should also appeal to the target market.
 - *Ambiance*, or the atmosphere, that a restaurant creates has both immediate conscious and unconscious effects on guests.

Operating Philosophy, Mission, Goals, and Objectives

- The philosophy of the owner is the heart of the enterprise.
- This represents the way the company does business.
- It is an expression of the ethics, morals, and values by which the company operates.

Restaurant Market

- The market is composed of those guests who will patronize the restaurant.
- A niche is a specific share or slot of a certain market.
- The catchment area is a given radius or area where potential customers are—could be a one or two block radius in a big city or a two or five mile radius in rural areas.

Restaurant Concept

- Successful concepts are created with guests in mind. The concept represents the type of restaurant and clientele—it is an impression or an image that appeals to certain markets (casual, children, formal, family, ethnic, etc.)
- The restaurant business with the right location, food, atmosphere, and service is going to get a good market share and make a good return on investment.

Restaurant Location

- The concept should fit the location and location fit the concept. The location should appeal to the target market.
- Some location criteria include; demographics, average income of catchment area, zoning, visibility, accessibility, parking, city, suburban, etc.

Restaurant Ambiance

- The atmosphere that a restaurant creates has both immediate conscious and unconscious effects on guests.
- The immediate conscious effect is how guests react to the ambiance.
- The subconscious is affected by mood, lighting, furnishings, and music.

Menu Planning

- The menu may be the most important ingredient in the restaurant's success
- There are six main types of menus:
 - *A la carte menus*—items are individually priced
 - *Table d'hôte menus*—a selection of one or more items for each course at a fixed price
 - *Du jour menus*—lists the items “of the day”
 - *Cyclical menus*—repeat themselves

Menu Planning

- The many considerations in menu planning include:
 - Needs and desires of guests
 - Capabilities of cooks
 - Equipment capacity and layout
 - Consistency and availability of menu ingredients
 - Price and pricing strategy (cost and profitability)
 - Nutritional value
 - Menu analysis (contribution margin)
 - Menu design

Classifications of Restaurants

- There is not a single definition of restaurant classification. Most experts agree there are two main categories – independent and chain restaurants. Other categories include fine dining, quick service, ethnic, family, dinner house, occasion, casual, etc.
- Some restaurants may fall into more than one category. For instance, a restaurant can be both ethnic and quick service, such as Taco Bell.

Classifications of Restaurants

- Individual restaurants are typically one or more owners who are usually involved in the day-to-day operation of the business.
- Chain restaurants comprise a group of restaurants, each identical in market, concept, design, service, food, and name. Part of the marketing strategy is to remove uncertainty from the dining experience.

Fine Dining

- A fine dining restaurant is one where a good selection of menu items is offered – at least fifteen or more different entrees cooked to order and nearly all the food being made on the premises from scratch or fresh ingredients.

Celebrity Restaurants

- Celebrities who may or may not have F&B backgrounds own these operations.
- The operations are designed to be entertaining, drawing heavily on the notoriety of their owners.
- Celebrity restaurants generally have an extra zing to them...a winning combination of design, atmosphere, food, and perhaps the thrill of an occasional visit by the owner(s).

Steak Houses

- The steak restaurant is still strong in spite of recent nutritional concerns. To remain more competitive, many operations are adding "value priced items" such as chicken or fish. These items serve to attract more customers.
- The upscale steak house, like The Butcher Shop, The Meat Company continue to attract the expense account and "occasion" diners.

Ethnic Restaurants

- The majority of ethnic restaurants are family owned and operated and sprang up to cater to tastes of various ethnic groups.
- The fastest growing segment of ethnic restaurants is Mexican, Indian and Chinese.

Theme Restaurants

- Many theme restaurants are a combination of a sophisticated specialty and several other types of restaurants.
- They generally serve a limited menu but aim to wow the guest by the total experience.
- People are attracted to theme restaurants because they offer a total experience and a social meeting place.

Quick Service/Fast Food

- This quick-service sector really drives the industry. Quick-service or fast-food restaurants offer limited menus.
- In an attempt to raise flat sales figures, more quick-service restaurant (QSR) chains are using co-branding at stores and nontraditional locations, including highway plazas and shopping centers.

Hamburger

- The world's greatest fast food success story is undoubtedly McDonald's. McDonald's story is amazing because it's larger than the next three mega-chains combined – Burger King, KFC, and Pizza Hut. McDonald's is now in 117 countries.
- Each of the hamburger restaurant chains has a unique positioning strategy to attract their target markets. Burger King hamburgers are flame broiled, and Wendy's uses fresh patties.

Pizza

- The pizza segment continues to grow due to delivery services.
- The segment continues to grow by marketing discounts and continuing its very successful delivery business.
- Pastas

Chicken

- Chicken has always been popular, in part because it is inexpensive to prepare, readily available, versatile, and perceived as a healthier alternative to burgers.
- KFC dominates the chicken segment with a worldwide total of more than 15,000 units.

Sandwich Restaurants

- Sandwich restaurants are a popular way for entrepreneurs to enter the restaurant business.
- Subway is a particularly successful chain in this segment. Part of its success may stem from the strategy of healthy eating.

Bakery Café

- Headed up by Panera Bread with the mission of “a loaf in every arm” and the goal of making specialty bread available to consumers across the country.
- Panera focuses on the art and craft of breadmaking.
- Bake Shop in Bahrain

Introduction to Hospitality

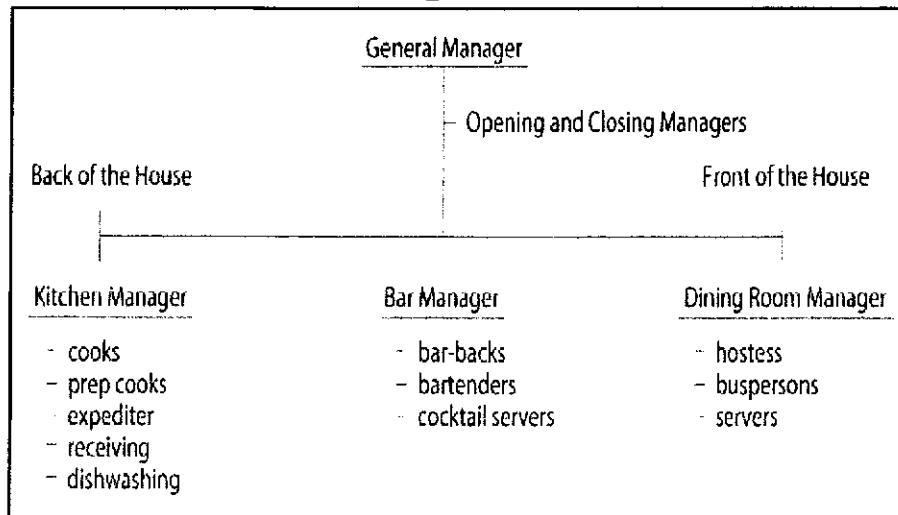
Restaurant Operations

Chapter 7

Front of the House

- Includes anyone with guest contact from the hostess to the bus person
- Curbside appeal: Keeping the restaurant looking attractive and welcoming
- Restaurant is run by a General Manager, or restaurant manager
- Depending on size and sales volume, there may be more managers with other responsibilities
- Cross training

Restaurant Organizational Chart



Front of the House

- The hostess, host, or greeter is responsible for greeting the guests and the rotation of arriving guests among sections or stations
- Servers introduce themselves and offer a variety of beverages and/or specials, and invite guests to select from the menu
 - This is known as suggestive selling

Front of the House

- **Seven steps of table service:**
 - Greet guests
 - Introduce and suggestively sell beverages
 - Suggest appetizers
 - Take orders
 - Check back after two bites
 - Sell another drink
 - Sell dessert and suggest after dinner drinks
- Servers are also expected to be (neat, clean, and organized)

Restaurant Forecasting

- Formulating a budget that projects sales and costs for a year on a weekly and monthly basis
- Forecasting restaurant sales has 2 components: Guest counts or covers and the average guest check
- **Guest counts or covers:** The number of guests patronizing the restaurant over a given time period
- **Average guest check:** Calculated by dividing total sales by the number of guests

Types of Restaurant Service

- **American Service:** Food is placed onto plates in the kitchen, carried into the dining room, and served to guests
- French
- Russian

Suggestive Selling

- Suggestive selling is an important tool to increase food and beverage sales
- Guests are not usually offended with suggestive selling techniques
- Through training, servers become sellers
- Guests will be more likely to be receptive to suggestions from competent servers

Front of the House Restaurant Systems

- **Point-of-sale (POS) systems:**
 - Used to track food and beverage charges and other retail charges that may occur at a hotel or restaurant
- **Kitchen Display Systems:**
 - Printers in the kitchen are replaced with video monitors and presents orders to kitchen associates along with information on how long orders are taking to be prepared

Front of the House Restaurant Systems

- **Guest Services Solutions:**
 - Applications that are designed to help a restaurateur develop a dining relationship with guests
 - Applications include a frequent-diner management program, delivery management with caller ID interface, and guest accounts receivable to manage home accounts and gift certificate management

Back of the House Restaurant Systems

- **Wireless POS Systems:**
 - Allows the servers to use a handheld personal digital assistant to send orders to the kitchen
- **Labor Management:**
 - Includes a human resources module to track hiring, employee personal information, vacation, security privileges, tax status, and any other information pertinent to employees working at a restaurant

Back of the House Restaurant Systems

- **Financial Reporting:**
 - Inventory control, food costing and financial reporting
 - Posts data into a relational database located on the central server
 - The restaurant manager uses these data for reporting and decision making, profit and loss reports, budget variances, end-of-day reports, and other financial reports are generated

Food Production

- Based on expected volume of business
- The sales from the previous year gives a good indication of the expected volume and a breakdown of the number of sales for each menu item
- The **kitchen manager** checks the head line cook's order, which will bring the prep area up to the par stock for prepared items
- Prep work is done prior to service times

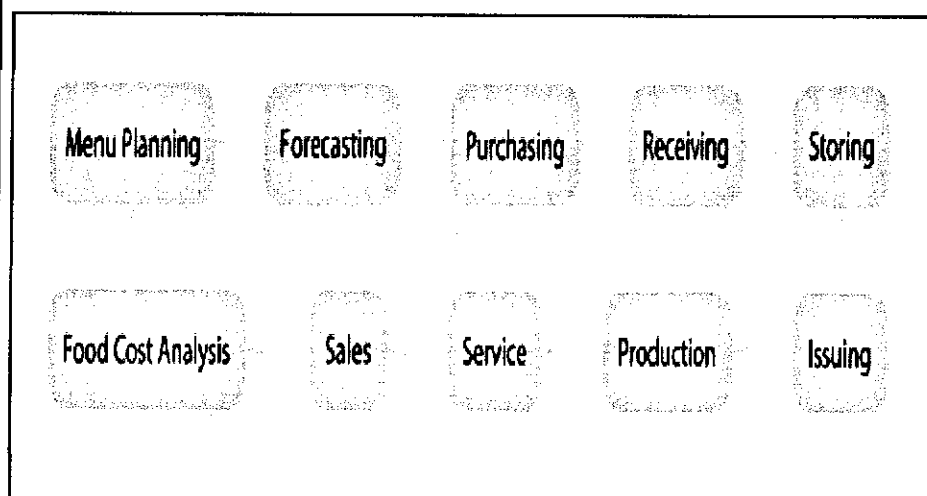
Kitchen/Food Production

- **Production Procedures:** Relates directly to the recipes on the menu and amount of product on hand to produce the menu
- **Production sheets:**
 - Count the product on hand (par levels).
 - Determine production level.

Purchasing

- Restaurant operators set up purchasing systems that determine the following:
 - Use of standards (product specs)
 - System of control for theft and loss
 - Par stock and reorder points
 - Who will do the purchasing?
 - Who will handle receiving, storage, and issuing?

Food Cost Control Process



Purchasing

- **Product specification:** Established standards for each product
- **Par Stock:** The stock level of a product that must be on hand at all times
- The person ordering should never be the same person receiving
- **Purchase order:** An order to purchase a certain quantity of an item at a specific price—comes as a result of the *product specification*

Receiving, Storing, Issuing

- The purpose of receiving is to ensure the quantity, quality, and price are exactly as ordered
- Items should only be issued from the stores on an authorized requisition, signed by the appropriate person
- First In – First Out (FIFO) ensures stock rotation by placing the most recent purchases behind the previous purchases

Introduction to Hospitality

Managed Services

Chapter 8

Overview

- **Several features distinguish managed services operations from commercial foodservices:**
 - **In managed services, it is necessary to meet both the needs of the guest and the institution**
 - **In some operations, the guests may or may not have alternative dining options available and are a captive clientele**
 - **Many managed operations are housed in host organizations that do not have foodservice as their primary business**

Overview

- Features distinguishing managed services operations from commercial foodservices (continued):
 - Managed services operations produce food in large-quantity batches for service and consumption within fixed time periods
 - The volume of business is more consistent and therefore easier to cater

Airlines and Airports

- Airlines may either provide meals from their own *in-flight* business or have the service provided by a contractor
- In-flight foodservice management operators plan menus, develop product specifications, and arrange purchasing contracts

Airlines and Airports

- Airlines regard in-flight foodservice as an expense that needs to be controlled
- To trim costs, most domestic airlines now sell snacks instead of meals on a number of short flights and even on flights that span main meal times
- As airlines have decreased in-flight foodservice, airport restaurants have picked up the business, and the number of chain restaurants in terminals have increased

Military

- Soldiers, sailors, and aviators on active duty
- Feeding military personnel includes feeding troops and officers in clubs, dining halls, and military hospitals, as well as in the field
- \$6 billion dollars each year (USA)

Elementary and Secondary Schools

- Much work has gone into establishing the nutritional requirements for children
- Much debate has arisen as to whether fast-food chains should enter the schools
- Nutrition education programs are now a required part of the nation's school lunch program

Colleges and Universities

- Residence halls
- Sports concessions
- Conferences
- Cafeterias/student unions
- Faculty clubs
- Convenience stores
- Administrative catering
- Outside catering

Colleges and Universities

- Challenging because the clients live on campus and eat most of their meals at one of the campus dining facilities
- **Daily rate** is the amount of money required per day from each person to pay for the foodservice
- College foodservice operations now offer a variety of meal plans for students

Health Care Facilities

- Health care managed services are provided to:
 - Hospital patients
 - Long-term care and assisted-living residents
 - Visitors and employees
- The challenge in providing health care meals is that every patient has different nutritional needs
- Ensuring that each meal reach the proper patient is critical
- Every meal must be triple checked for accuracy

Business & Industry

- **Contractors:** Companies that operate foodservice for the client on a contractual basis
- **Self-operators:** Companies that operate their own foodservice operations
- **Liaison Personnel:** A liaison is responsible for translating corporate philosophy to the contractor and for overseeing the contractor to make certain that he or she abides by the terms of the contract

Leisure and Recreation

- Stadiums
- Theme parks
- State parks
- National parks
- Zoos
- Aquariums
- Venues where food and beverage are provided for large numbers of people

Introduction to Hospitality

Hotel Security

Chapter 9

Hotel Security

External Components of Physical Security

- Perimeter protection
- Exterior lighting

Internal Components of Physical Security

- Internal Components
 - Layout and design
 - Burglar and fire alarms
 - Emergency plans
 - Well-trained staff
 - Communications systems
 - Closed-circuit TV
 - Well-protected storage

**Human Resources Divisional
Security Responsibilities**

- Screen and orient potential employees
- Interview employees
- Conduct employee security training
- Make sure employees return keys, uniforms, and other property
- Develop written policies on substance abuse

Engineering Divisional Security Responsibilities

- Maintain and repair security devices and systems
- Respond to emergencies
- Control keys and key-making machines
- Keep track of tools and equipment

Rooms Divisional Security Responsibilities

- Practice property guestroom key control
- Report suspicious people or circumstances
- Act as command and/or communication center during emergencies
- Maintain regular procedures for handling checks and credit cards
- Advise guests to lock valuables

Rooms Divisional Security Responsibilities

- Identify and remove luggage to secure areas
- Instruct guests about security devices, fire escapes, emergency phone numbers, etc.
- Refuse to admit people to rooms without proper identification
- Protect equipment

F&B Divisional Security Responsibilities

- Use purchasing, receiving, and storage controls
- Control consumption
- Monitor food sales and preparation
- Check garbage for lost and misplaced items

**Marketing and Sales Divisional
Security Responsibilities**

- Pass along the security concerns of guests
- Help maintain the property's positive image in the event of an emergency or accident