

# 1

# Food and beverage operations and management

## Aim

To introduce the concept of food and beverage operations and management and to provide an underpinning to the rest of the book.

## Objectives

This chapter is intended to support you in:

- Identifying the food service cycle as a tool for the systematic examination of food service operations
- Establishing the relationship between the food service cycle and the content and structure of this book
- Identifying and applying service operations management principles to food service operations
- Categorising the industry sectors
- Exploring the nature of the food service product
- Identifying the nature of customer demand
- Exploring the key influences on food service organisations
- Identifying the legal framework in which the food service industry operates.

## 1.1 Food and beverage operations

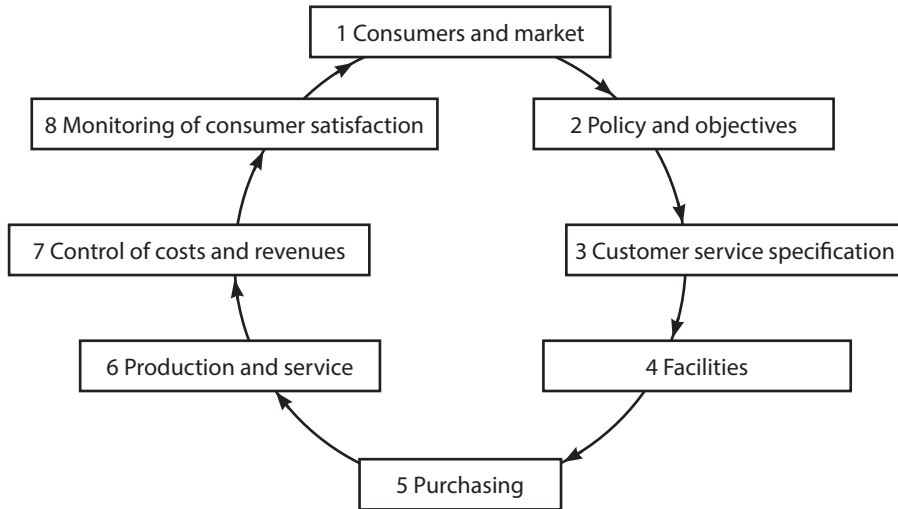
Food and beverage (or food service) operations are concerned with the provision of food and a variety of beverages within business. The international food service industry provides millions of meals a day in a wide variety of types of food service operation.

For managers in food and beverage operations, skills in marketing, merchandising, staff management, team development, training, customer relations, financial management and operational management are necessary for the management of both the service sequence (delivery) and the customer process (experience), and ultimately for the survival of the business.

The various elements that make up a food and beverage operation can be summarised into the eight stages of the Food Service Cycle. The eight stages follow a logical sequence from determining the market needs that the operation is intended to meet, through to checking whether this is actually being achieved, as illustrated in Figure 1.1. Food service operations are therefore concerned with:

- 1 Consumers and the market:** the existing and future consumer needs and the potential market being served by the operation.
- 2 Policy and objectives:** guiding the choice of the operational methods that are used.
- 3 Customer service specification:** decisions on the range and type of menu and beverage lists to be provided, as well as other services, and the service levels to be offered and the prices to be charged.
- 4 Facilities:** the planning and design, and operational capability of the facilities, plant and equipment to support the customer service specification.
- 5 Purchasing:** developing purchasing, storage and stock control methods to meet the needs of the food production, beverage provision and other services being provided.
- 6 Production and service:** using efficient food production and food and beverage service methods to support the requirements of the customer service specification.
- 7 Control of costs and revenue:** maintaining robust systems for the accounting of revenue and the monitoring of costs of materials, labour and overheads.
- 8 Monitoring of customer satisfaction:** regular checking on the extent to which the operation is meeting customer needs and achieving customer satisfaction.

The food service cycle is not just a statement of what food and beverage operations are concerned with. It also provides a comprehensive framework for the planning of a new food and beverage operation, as well as the appraisal of existing ones.



**Figure 1.1:** The Food Service Cycle

Source: developed from Cracknel and Kaufmann, 2002.

Using the same eight stage template means that information about a single or multiple operations can be organised in the same way. This helps when comparing the similarities and differences between the operations. Not all of the information may be able to be obtained but the template will help to identify what information is needed, what has been found out and, importantly, what information is not known about the operation.

Although the eight stages are presented as a sequence, they are also interdependent. The causes of difficulties in one stage are often one or two stages before that stage, rather than being within that stage itself. For example, difficulties with food and beverage service can often be traced back to equipment shortages, stock outs, incorrect pricing information etc. Similarly difficulties identified in one of the stages will have knock-on effects on all the stages that follow. For example, difficulties with purchasing will then have effects on production and service, and control.

Identifying and understand the various interrelationships between the eight stages of the Food Service Cycle is important. It helps to ensure that decisions about operations will only be considered after looking at the effect any decisions might have throughout all the stages of the Food Service Cycle.

## ■ Food and beverage definitions

For the purposes of this book these definitions are used:

- *Food* – includes a wide range of styles and cuisine types. These can be classified by country, e.g. traditional British or Italian; by type of cuisine, e.g. oriental; or a particular speciality such as fish, vegetarian or health food.

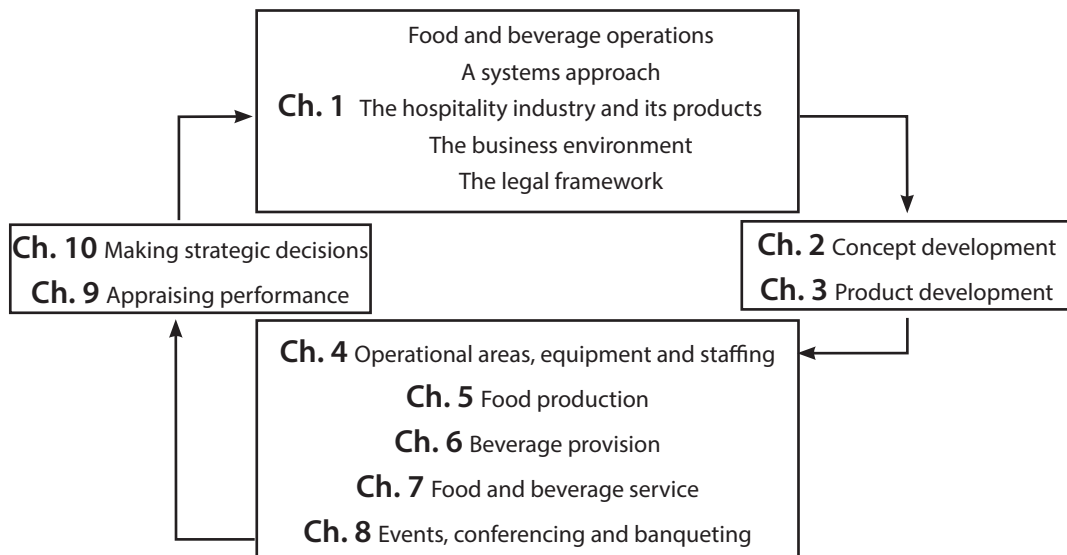
- **Beverages** – includes all alcoholic and non-alcoholic drinks. Alcoholic beverages include wines and all other types of alcoholic drink such as cocktails, beers and cider, spirits and liqueurs. Non-alcoholic beverages include mineral waters, juices, squashes and aerated waters, as well as tea, coffee, chocolate, milk and milk drinks and also proprietary drinks such as Bovril.

#### Activity:

- Using the eight stages of the food service cycle as a framework, visit and collect information about three different types of food and beverage operations.
- Once you have collected the information, identify the key differences between the operations under each of the eight headings of the food service cycle.

## ■ The structure of the book

The Food Service Cycle, and the systematic approach it supports, has also been used to form the basis for the structure of this book. This is indicated by the presentation of the structure of the book in Figure 1.2, which has been developed from an application of the food service cycle.



**Figure 1.2:** The structure of the book

Although presented in a form which is predominately linear, the actual management of food and beverage operations is organic. The structure of the book, given in Figure 1.2, therefore also attempts to indicate the nature of the interrelationship that exists between the various components. Thus all the issues raised in