

How To Make F&B Stand For Financial Benefit - By Keith Williams

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In today's ever increasing competitive hotel market, General Managers are expected to lead their competition on all fronts. As a former General Manager, I genuinely appreciate the challenge this presents.

Day to day hotel operations leaves little time to check each and every detail. The majority of this check and balance system goes to our assistants who may be new in their positions or veterans not quite as focused as they should be. We review forecasts daily, weekly and monthly to try and stay ahead of the competition. Room rates are dictated by the market in most cases. Housekeeping and laundry are a fixed cost based on occupancy. Group business is always the focus of the sales department. So how does one lead their competitive set with maximized profitability? The Food and Beverage Department is often neglected as a major source of revenue and profitability.

As long as guest service is okay and costs seem to be in line we don't always concentrate on the revenue and cost savings potential this department offers. If GM's did not come up through food and beverage operations, they may just accept it and move on to more pressing matters. Nevertheless, food and beverage profit is a major contributor in many hotels and needs to be closely watched.

Depending on gross revenue, a 3-4% reduction in costs could add mega dollars to the bottom line. Pricing is always the foremost consideration because meeting planners shop banquet and outlet pricing. One possibility, if food cost is too high, is to raise prices. If the increase is above the market value, it's a short-term gain. Even casino hotels have gotten on the bandwagon recently making tremendous gains in food & beverage profit. There are still serious gains to be made in hotels and gaming properties. What if you could increase your profit margin by reducing costs without compromising product or service? It's easier than you think.

One possible hurdle a GM or F&B Director might face in this regard could come from your Chef. While most Chefs welcome innovative methods that maximize their food cost performance others are more skeptical and require more convincing. At some point, many of us have encountered the stereotypical chef persona: highly confident and certain of the superiority of his or her expertise. When I arrived in New England, this was exactly my experience with my Executive Chef. He was extremely proud of his food cost and very vocal about his food cost being the best in the region. We went through his current approach and I introduced the plans, techniques and systems that had repeatedly proven successful for me. While he accepted these suggestions, as experienced as he was, he had to see the system work before really buying in. The next quarter we were still best in the region only this time our food cost had dropped by 5%, an annual savings of \$150,000 at this moderate sized hotel. Even us old dogs can learn new tricks. Another example of how well these systems work is the more than a million dollar savings generated at a Las Vegas Casino Hotel. There was the initial convincing of the chef to try something different but he quickly became a believer in the benefits of the program. Of course the motivation of maximizing bonus never hurts. Egos and acceptance of the status quo should never cost a GM his profitability or his team's full bonus.

There are options, take advantage of them. What if you could call in a team of professionals in food and beverage management with proven results, each with over 25 years experience in the industry at no cost to you? We are not a food and beverage consulting firm. We are a team that works closely with your team to become one unit with the essential goal of increasing your food and beverage profit. The Food and Beverage Wizards, a Stark Service Solutions' program, gives you this option. By working one on one with your chef, banquet chef, purchasing agent, beverage manager, catering sales team and outlet managers, especially those young in the industry, can learn old school techniques that will never go out of style and that have proven successful for over 25 years.

No GM is looking for a quick fix, and neither are the Wizards. We are keenly interested in the big picture and long running success. The Wizards have been successful in increasing profit and raising guest satisfaction in every property they have been in and now are making their proven techniques available with their exclusive guarantee.

Food and Beverage costs vary from state to state, region to region and country to country. Depending on your location, if your food cost is 35% or above the Wizards can reduce your costs and increase your profit without compromising product or service. The Wizards have the skills, systems and techniques to give their exclusive guarantee to increase profits or they don't get paid. If you have a new F&B Director, a young chef or are new in your position, this program will assist you in becoming highly successful in a very short time. No one should leave money on the table. This is exactly what most do, but not those who use the F&B Wizard's. Why shouldn't you keep what's rightfully yours?

Leading your competition and enjoying the best food and beverage costs in your market is just a call away. Since the Wizards' fees are based on a percentage of the food and beverage costs saved after program implementation, there is no actual cost to you other than travel expenses for the Wizards to implement our program. Why not take advantage of the tricks learned by some old dogs when you've got nothing to lose?

If you would like more information on our Food & Beverage Wizard program or any other information please contact us toll free at: 1.866.281.5062 option #5 or by email: info@starkservicesolutions.com.

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