

## Food & Beverage - Impact of Special Event Package Prices - By Joe Dunbar

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Hotel chefs often need to accommodate the needs of the catering department with their banquet event orders. In this economy, competition for special event clients is fierce in many markets.

The winning hotel may offer event clients a complimentary breakfast buffet, extra courses at dinner, and favorable prices for breaks and snacks. Package prices have an impact on the chef's overall food cost results. Banquets and buffets are often 50% of the total food and beverage volume.

It's common to hear the share of revenue allocated to the kitchen is too low for many events. Should management use the previous year's results as their compass in today's economy? I believe focusing on unrealistic income statement percentages could create a morale problem. This is a time for cooperation between departments.

If we step back and take an objective look at the competitive environment and the opportunity cost of losing an event, the sales department needs the support of the culinary team. Empty rooms won't help anyone. So we need to accept upward pressure on the food cost percentage. Pressuring the kitchen when their food cost results are higher than budget may create a temptation to cut the quality.

Current trends include rising cost of raw ingredients, sky-high energy costs, and lower demand. The supply of conference center space exceeds the demand for the space.

It's a great time for all the departments in the hotel to work together to secure vital special event business. Show the guests your best and you'll win on three levels: your competition loses a special event (revenue from rooms, banquet space rental, and food and beverage service), you gain an opportunity to retain a previous client or attract a new client, and the hotel will focus on service rather than staff reductions.

There is now a new blog for all operators who offer guests special event banquets. We welcome caterers, hotels, clubs and restaurants to join in the discussions at [professionalcatering.blogspot.com](http://professionalcatering.blogspot.com) (please comment with your ideas and suggestions).

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