

Food & Beverage - Competitive Catering - By Joe Dunbar

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In the contract feeding segment, most of our business was awarded via the competitive bid process. We would respond to an RFP, attend a meeting for clarification, tailor our dog and pony to the specific issues and submit our best price. The other players were well known to us and we knew which companies were hungry for an account.

Our industry segment was very mature and highly price competitive. Since we did not own the facilities, our competitive advantage came from top quality service and tight bid prices. Most of you own or lease a catering premise.

Its always great when you hear from a loyal customer and simply establish the menu and the number of guests. If they come with their checkbook, you can take their deposit and mark the calendar. This activity is seldom enough and most companies spend a great deal of time and effort attracting new business.

Competitive bidding takes place everyday in the special events catering segment. Very few companies or families limit their search to a single caterer. When you know someone is shopping around, its easier to respond with your best possible deal. Assume every deal is competitive. This is not a time when leaving money on the table is a huge concern.

Since you want to put your company in the best position to win new business, you aggressively attack these deals. If you treat all opportunities like they were new business, you give yourself a big advantage. Don't take anyone for granted in this environment. With every prospect, try to find out if they are looking at other companies. Use this line of questioning to find out their top priorities.

Price is king this year but quality always sells.

In the pricing of events, this is a great environment to offer both a comprehensive package price and a budget alternative. Explain the difference in services and menu options between the two quotes. In this way, you'll be better prepared to negotiate a middle price. This ceiling/floor strategy may lead to a bigger sale with the some of the budget conscious prospects.

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