

# Quality Foodservice Practices

## Chapter

- 7 Foodservice Management
- 8 Standards, Regulations, and Laws

### EXPLORE THE PHOTO

Foodservice standards, regulations, and laws ensure that food is safe to eat. *What responsibilities do you think foodservice managers have in ensuring that a business follows standards, regulations, and laws?*



## Successful Foodservice Managers

After completing this unit, you will know how foodservice managers function, and the laws, rules, and regulations that affect foodservice. In your unit culinary project, you will research the responsibilities of a foodservice manager. Then, you will create a visual presentation on what skills are needed to be a successful manager.



### My Journal

Write a journal entry about how you use leadership skills in your daily life.

- What skills do leaders need to have?
- How do you use your skills to lead other people?
- How do you treat the people you lead?



JOHNSON & WALES  
UNIVERSITY

*"I am always working on new food concepts. I find it exhilarating to think that food I helped design could be bought and eaten all across the United States."*

David Horrocks  
Research Chef  
International Flavors &  
Fragrances

# Foodservice Management

## SECTIONS

- 7.1 Management Basics
- 7.2 Managing People and Facilities
- 7.3 Foodservice Marketing

### WRITING ACTIVITY

#### Advertisement

Imagine that you are in charge of marketing for a restaurant. Create either a script for a broadcast advertisement or a visual representation of a print advertisement to attract customers.

#### Writing Tips

- 1 Focus on adverbs, adjectives, and nouns.
- 2 Use active verbs.
- 3 Diagram key words to help organize your thoughts.

#### EXPLORE THE PHOTO

A manager must effectively communicate with all employees. *Why should managers be problem solvers?*



# Management Basics

## Reading Guide

### Before You Read

**Be Organized** A messy environment can be distracting. To lessen distractions, organize an area where you can read this section comfortably.

### Read to Learn

#### Key Concepts

- **List** the qualities and duties of an effective manager.
- **Explain** the foodservice manager's role in maintaining profitability.

#### Main Idea

An effective manager can manage both time and human resources within a foodservice operation. A manager is also responsible for applying cost control techniques.

### Content Vocabulary

- overstaffing
- human resources
- orientation
- delegate
- autocratic
- democratic
- standardized accounting practices
- double-entry bookkeeping
- food cost percentage
- direct labor cost
- indirect labor cost
- income
- expense
- profit and loss statement
- forecasting
- break even
- inventory

### Academic Vocabulary

- lapse
- adhere

### Graphic Organizer

As you read, use a puzzle organizer like the one below to list the four qualities of an effective manager.



#### Graphic Organizer

Go to this book's Online Learning Center at [glencoe.com](http://glencoe.com) for a printable graphic organizer.

*Do you know the duties of a foodservice manager?*

### ACADEMIC STANDARDS

#### English Language Arts

**NCTE 5** Use different writing process elements to communicate effectively.

#### Mathematics

**NCTM Problem Solving** Apply and adapt a variety of appropriate strategies to solve problems.

**NCTM Problem Solving** Build new mathematical knowledge through problem solving.

#### Social Studies

**NCSS VII B Production, Distribution, and Consumption** Analyze the role that supply and demand plays in determining what is produced and distributed in a competitive market system.

**NCTE** National Council of Teachers of English

**NCTM** National Council of Teachers of Mathematics

**NSES** National Science Education Standards

**NCSS** National Council for the Social Studies

# Management Structures

Each foodservice business has its own management structure. Some smaller businesses may have an owner who also acts as the restaurant manager and supervisor. Most foodservice operations have several managers who are responsible for different resources. Larger businesses may have many layers of management. Several managers or supervisors may oversee different segments of food production and service.

Foodservice business structures usually have these layers:

- **Employees** work at jobs such as cook, server, and cleaning staff. Employees make up the largest group of people in a foodservice structure.
- **First-line managers**, or supervisors, are directly responsible for managing kitchen and service employees. Some facilities might have different first-line managers who oversee food production, service, and cleaning.

- **Middle managers** usually manage the first-line managers rather than the employees. They coordinate the business and make sure all rules are followed. These managers help first-line managers and top managers communicate.
- **Top managers**, or administrators, control the business. Top managers create policies and procedures. They also make the major decisions about sales, personnel, and finance.

## Effective Management

It is a great challenge today to manage a foodservice operation. The success of a foodservice operation often depends on the manager's ability to do his or her job well. Good managers understand business and facility needs. They also understand the needs of their staff. To be an effective manager, you must understand how a business runs and how to lead people. Being a manager may seem a long way off if you are in your first foodservice job. However, you will be a better employee if you know how managers do their jobs.



- ◀ **Management Skills** Good managers spot problems in the workplace and then act swiftly to solve them. *How would you solve the problem of an employee showing up late for his or her shift?*

To be a foodservice manager, you will need to know how to effectively manage people and facilities. You will also need to successfully advertise and market a foodservice operation to the public. You might have an idea for a restaurant and want to start a new business of your own. To accomplish any of these goals, you will need to become an effective manager. Effective managers are skilled in communication, time management, resource management, and leadership.

## Communication

Managers need to encourage good on-the-job communication. This includes communication between employees and managers, and between customers and staff members. No matter where a communication **lapse**, or problem due to inattention, occurs, it can severely affect a foodservice operation's success.

Good managers also have an open-door policy for employees. This means that they always make time for employees to talk about ideas and problems. Good managers also listen carefully to what employees and customers have to say, and make changes based on those conversations.

**Customer Complaints** Foodservice operations often have their own rules for dealing with customer complaints. Often, the manager handles customer complaints. Managers must be good at politely speaking with people.

Keep these guidelines in mind if you must handle a customer complaint:

- Listen attentively to the customer's concerns.
- Show that you understand the customer's frustration.
- Address the customer's concern as quickly as possible and offer compensation if necessary. For example, you might not charge a customer for a poor-quality meal.
- Reassure the customer that the problem will not happen again.
- Find the cause of the problem and take the steps needed to prevent it from happening again.

## Small Bites

### Foodservice Management Professional Credentials

Many foodservice employers prefer to hire managers who hold the Foodservice Management Professional (FMP) credential. This credential shows that you have a certain level of professionalism, knowledge, experience, and leadership. To get the FMP credential, you must have three years of management experience in a restaurant or foodservice operation; or two years of management experience with at least an associate's degree in business or hospitality. Once you apply for the credential, you have five years to finish the work to get it.

## Time Management

Time management is important for managers. Managers must know how to balance employee work schedules so that each shift is covered by the right number of employees. For example, to schedule servers for a day, a service manager might:

- Find out which servers are available to work on that day.
- Choose the right seating chart for the tables, based on the number of servers who will work.
- Assign a server to each section.
- Stop seating customers in a section when a server will be going off shift soon.
- Coordinate with the host to balance the number of customers in each section.

However, if too many employees are scheduled, they will be bored and the restaurant will lose money. Scheduling too many people to work on a given shift is called **overstaffing**.

Managers also look for ways that employees can save time. In other words, good managers find out how time is wasted. They also discover how work can be done more efficiently. Managers who look for ways to improve time management often make changes that make a business more profitable. A manager might refine the way a task is done, reorganize storage space, change staff or schedules, and add employee training.

## Resource Management

The success of a foodservice business always depends on how its resources are managed. It is challenging and important to hire the right people for the job. Managing staff, or **human resources**, involves knowing the strengths and weaknesses of each employee.

It is vital to hold employee orientation. **Orientation** is a training session that is held for new employees to help them better understand the business. Orientation generally includes training on policies and procedures, quality standards, and business practices.

A good foodservice manager also manages the facility. This means making sure the building is safe, clean, and properly equipped.

Foodservice managers need to **adhere** to, or follow, many laws and regulations. Chapter 8 covers these items in detail. There are rules for every part of the operation. This includes hiring and firing employees, and the safety of the food that is served to customers. Managers have legal responsibilities to customers, employees, and the business. It is the manager's responsibility to know and follow all of the rules and regulations. The manager also must make sure that employees understand and follow the rules.

Public policy also affects the food production and service industry. These policies are usually posted in a foodservice business. They most often relate to smoking, wearing shoes and shirts, and the ability to refuse service.

## Leadership

One of the most important qualities of a successful manager is his or her leadership style. Their staff must look to them for guidance and feel confident that their manager's decisions are best for the business. The best foodservice managers coach, delegate, direct, and support their staff. To **delegate** is to give responsibility to another person. Employees should feel that they are part of a team, and that they have responsibility for the success of the business.

Some managers use an **autocratic** leadership style, in which information and policies move from the top down. Other managers have a **democratic** style, in which everyone is involved in the decision-making process. There is no one correct style.

 **Reading Check** **Define** What does overstaffing mean?



 **Success Through Teamwork** Being part of a team helps employees feel that they are part of the success of the foodservice operation. *How does a good leader foster teamwork?*

# Maintain Profitability

If a commercial foodservice operation does not make money, it will not survive. Money is needed to purchase food, hire staff, and market the business. This takes careful planning. Although you can use credit, it is best to make more than enough profit.

Profitability, or the ability to make a profit, is not just a concern for managers. The actions of every foodservice employee affect an operation's profitability. For example, if a busser is careless and breaks dishes, he or she has caused the operation to lose money. In contrast, if a chef is so skilled that customers return just to sample more of his or her food, then that chef has helped the operation make money.

Managing time as profitably and efficiently as possible is essential to success. Here are some guidelines to manage time:

- Prepare daily and weekly plans. What needs to be done that day or that week?
- Make lists and mark off tasks as they are completed.
- Delegate responsibility. Let employees have the opportunity to prove themselves as good workers.
- Limit meetings. Invite only the employees that need to be there. Keep meetings to a specific time limit.
- Take time to plan for emergencies. Prepare a plan of action for problems such as employee illness and overdue food deliveries.

## Effective Record-Keeping Systems

Businesses use standardized accounting practices when they keep financial records. **Standardized accounting practices** involve reporting figures in a way that can be easily compared to the figures from other businesses. Part of accounting by hand involves double-entry bookkeeping. In **double-entry bookkeeping**, transactions are recorded in at least two places so that records are balanced.

Accounting software can help you keep track of financial information. You also may wish to hire a professional bookkeeper.

Although many foodservice businesses keep handwritten records, many businesses now keep records on a computerized point-of-sale system. These systems have advantages. They track every menu item ordered. This way, managers can see what foods are most and least popular. Computer software can also help managers track:

- Profits.
- Expenses, such as marketing, advertising, and facility costs.
- Purchases, price lists, and inventory.
- Reservations.
- Recipes and food costs.
- Work schedules, and employee hours and wages.

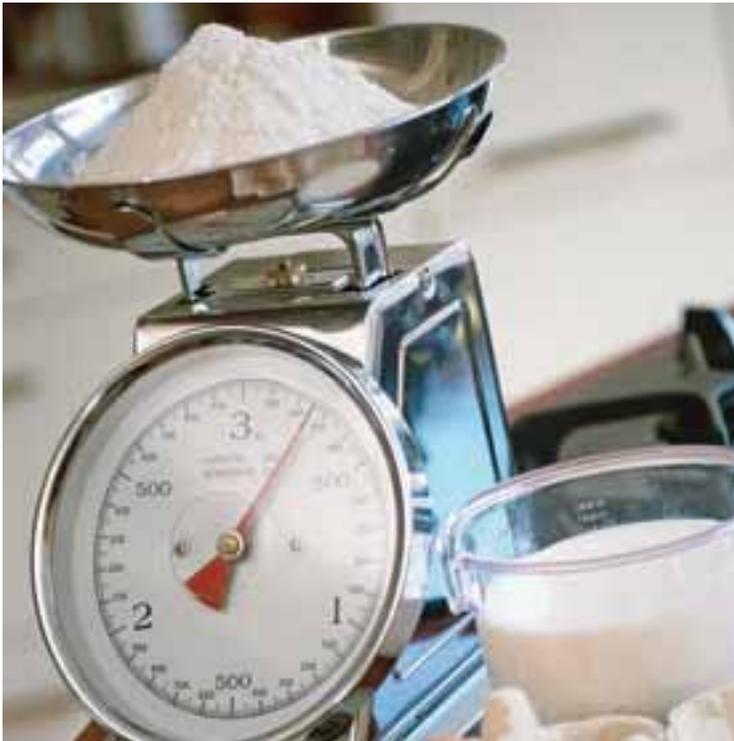
## Food, Beverage, and Labor Costs

Computerized systems also allow managers to look at the three elements that make up most of an operation's cost: food, beverages, and labor. A facility's **food cost percentage** is the ratio of the cost of food served to the sales of food served. For example, say the cost of food served during the month of June was \$14,800. The income received from sales of food in June was \$37,000. To find the food cost percentage, divide the food cost by the food sales cost. Then, multiply by 100 to convert the total into a percentage:

$$\begin{aligned} \$14,800 \div \$37,000 &= 0.40 \\ 0.40 \times 100 &= 40\% \text{ food cost percentage} \end{aligned}$$

For every dollar received in sales, 40 cents was spent toward payment for the food.

An operation's third major cost is labor. This involves the direct and indirect labor costs of running a facility. Wages paid to employees are a **direct labor cost**. An operation's costs for employee health insurance, taxes, and vacations are considered an **indirect labor cost**. The more that food is processed in-house, the higher the direct labor costs will be.



**Perfect Portions** Portion control techniques minimize waste by standardizing food quantities. *How do you think two customers would react if they received different-size portions of the same dish?*

The amount of money that goes out of a foodservice business cannot exceed the amount of money that comes into that foodservice business. If it does, the business will soon close because of a lack of money.

**Income** is the money that comes into a business. It generally includes food and beverage sales. An **expense** is money that goes out of a business. Expenses include:

- Food costs.
- Beverage costs.
- Nonedible supplies, such as paper napkins.
- Rent and insurance.
- Employee salaries and wages.
- Benefits.
- Marketing and advertising.
- Operating expenses, such as uniforms.
- Utility costs, such as water, gas, electricity, and waste removal.
- Sales tax and taxes on tips, which must be reported to the government.

## Portion Control

If two customers order the same menu item, such as a slice of pie, they expect both slices to be the same size. Foodservice operations

should follow strict portion control guidelines. This will control costs and keep customers happy. Recipes specify how many servings or portions will be created from each batch. By following portion control guidelines:

- No one has to guess about whether a serving size is too big or too small.
- The right amount of each menu item will be prepared.
- Food waste is minimized and cost is kept in line.
- Customers will be satisfied.

## Waste Control

Managers must check every day for wasted food and supplies. They also must develop policies like these to minimize waste:

- Follow strict inventory procedures to identify product needs.
- Order only the supplies and food you need.
- Minimize waste during production.
- Train employees how to properly prepare food.
- Train employees how to properly use nonedible supplies.

## Profit and Loss Statements

As a manager, you will want to know how money is being spent and how much profit is being made. A **profit and loss statement**, sometimes called an income statement, is a financial statement that shows exactly how money flows into and out of a business. Profit and loss statements usually show money flow over a specific period of time, such as one month, one quarter, or one year.

A profit and loss statement lists all the expenses and shows a total of those expenses for a specific period. It also lists the total sales for that same period. To find the net profit, left over after expenses are paid, you would subtract the total expenses from the total sales.

Managers are often asked to anticipate what things will cost, how many employees will be needed, and how much profit a business will make. Anticipating future trends is called **forecasting**. When costs for a business equal its income, the business is said to **break even**. To make a profit you will need to carefully manage your money and the food and other supplies that your business purchases.

## Inventory Control

Follow standard inventory procedures to help ensure that food is stored correctly and that you will never run out of important items. **Inventory** is the amount of supplies a business has on hand. Food that is ordered but has not yet arrived at the facility is not considered part of the inventory.

Food and supplies are usually purchased in large quantities. This strategy can bring down the per-item cost for most food items. For example, if a manager buys a dozen eggs, it might cost \$2. However, if the manager buys 30 dozen eggs, the cost per dozen might be lowered to \$1.

Most facilities have an inventory tracking system to keep track of how much of a product is in inventory. Managers must make sure their employees know how to properly use an inventory tracking system. Otherwise, money will be wasted in extra inventory, or the business will run out of supplies. (See Chapter 14 for more information on inventory systems.)



**Inventory Tracking** An important step in inventory is tracking product use. *Why is tracking product use important?*

You must properly store food and supplies to maintain enough inventory. For example, food products should be labeled with the date they were first stored. They should also be stored in the proper areas, and the first-in, first-out system should be used.

In addition to food products, you also must track the use of nonedible supplies, such as cleaning products, paper goods, and office supplies. These should be kept in their assigned storage area away from food.

## Purchasing Procedures

Making wise purchasing decisions is an important first step toward making a food-service business profitable. You will produce waste if you purchase more food than the restaurant uses. This will cost the food-service business money. If you do not purchase enough food, however, the restaurant will quickly run out of items. Customers will not be able to get the food they want, and they will leave the business unhappy. They may not return. Both of these problems can quickly lead to lost profits.

Good managers will always ask questions about the restaurant's menu selections before they make purchasing decisions. If the manager knows the answers to these questions before placing an order, it will lower the chances that money and food will be wasted on supplies that are not needed:

- How much food do we need to prepare the items on our menu?
- How long will the food last in storage?
- How much food do we already have in stock? How long have these food items been in our storage?
- How far ahead of time must the food be ordered so that it will be on hand when it is needed?
- How much room in each type of storage (dry, refrigerated, and frozen) do we have? Will we have room to store new items properly as they come in?

## Gourmet Math

### Sales vs. Profit

Businesses use many financial measurements to analyze how well or how poorly they are doing. A business will track its sales and calculate its average sales per customer to see how much the typical customer purchases. But sales alone do not show the health of a company. Subtracting expenses (such as the costs of materials, rent, and labor) from the sales amount shows the business's net profit (or, if negative, net loss).

In March, a coffee shop collected \$36,000 from 2,900 customers, with expenses of \$30,000. Determine the total sales, average sales per customer, and net profit for the month of March.

#### Math Concept Average Sales and Net Profit

**Profit** Calculate average sales per customer by dividing the total sales by the number of customers. Calculate net profit by subtracting expenses from total sales.

**Starting Hint** Determine the coffee shop's total sales for the month by identifying how much money the business received selling products to customers. Then, divide that amount by the number of customers to find the average sales per customer, rounding to the nearest cent. To calculate the total net profit for the month, subtract total expenses from total sales.

**NCTM Problem Solving** Apply and adapt a variety of appropriate strategies to solve problems.

## Food Inspections

Whenever food is received at a foodservice facility, it must be inspected closely to make sure that the food is what was ordered. It should also be inspected for damage during transport. This should be done before the food or supplies are accepted into a restaurant's inventory. Any food or supplies that do not meet proper standards for quality, quantity, and packaging should be returned to the supplier immediately, and a supervisor should be notified.

Look for signs of damage to food during the transport process. For example, check meat, poultry, and fish packaging for signs that the product was not kept at the proper temperature. This includes leaking or foul-

smelling packages. Produce should not be wilted, bruised, or over-ripe.

When a manager inspects food that has been received, he or she should check to make sure that:

- The product's quality matches the specification, or description, for the product. For example, Grade A poultry should have a Grade A quality stamp on the packaging.
- The product is what was ordered, in the correct quantity. Check the amount received against the ordering and shipping paperwork.
- The product's unit size is what was ordered. Large oranges should be large, not medium-size.
- The product price the restaurant paid matches the product price on the order form. Mistakes can happen. If you do not

check the price, you may end up paying more for a product than you had planned.

- The product was not damaged during shipment. Cans should not be dented, bulging, or leaking. Boxes should not be torn open. Any damaged product should be rejected.
- The product was shipped under the proper conditions. For example, frozen food should be thoroughly checked for evidence of thawing, such as standing water or ice crystals. Any frozen food that shows signs of thawing should be rejected.
- The product shows no signs of insect or pest damage, such as open packaging, bite marks or pest droppings. Any products that show signs of insect infestation should be rejected.

 **Reading Check** **Explain** What does a profit and loss statement show?

## SECTION 7.1 After You Read

### Review Key Concepts

1. **List** changes that can make a business more profitable.
2. **Explain** what a manager should look for when inspecting food.

### Practice Culinary Academics



#### Social Studies

3. Research supply and demand. Think about how a foodservice manager might consider supply and demand when making decisions. Discuss your thoughts with the class.

#### NCSS VII B Production, Distribution, and Consumption

Analyze the role that supply and demand plays in determining what is produced and distributed in a competitive market system.



#### English Language Arts

4. Imagine that you own a restaurant. You receive a complaint from a customer that her meal was below her expectations. Write a letter to respond.

**NCTE 5** Use different writing process elements to communicate effectively.



### Mathematics

5. On November 1, your restaurant has \$25,000 worth of food in inventory. Another \$10,000 worth of food is purchased every day of the month. On November 30, \$20,000 of food remains. What is your cost of sales for November?

#### Math Concept

**Cost of Sales** Before profit can be determined, a business must know its costs. One measure, cost of sales, equals the opening inventory amount plus any additional purchases minus the closing inventory amount.

**Starting Hint** Add the opening inventory amount (\$25,000) to the amount of purchases made during the month ( $\$10,000/\text{day} \times 30 \text{ days}$ ), and subtract the closing inventory amount (\$20,000).

**NCTM Problem Solving** Build new mathematical knowledge through problem solving.



Check your answers at this book's Online Learning Center at [glencoe.com](http://glencoe.com).

# Managing People and Facilities

## Reading Guide

### Before You Read

**What You Want to Know** Write a list of what you want to know about managing people and facilities. As you read, write down the heads in this section that provide that information.

### Read to Learn

#### Key Concepts

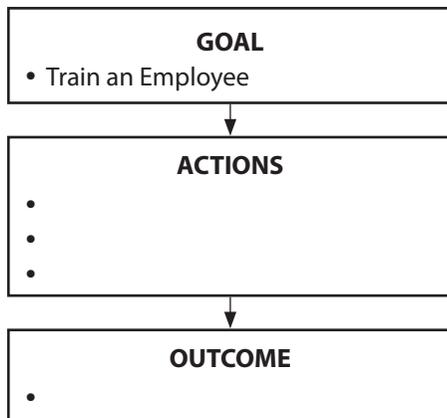
- **Analyze** the manager's role in employee selection, training, and supervision.
- **Examine** the design issues that contribute to a profitable facility.
- **Give examples** of what foodservice facilities can do to manage loss prevention.

#### Main Idea

Managers must select employees, evaluate their progress, train and mentor them, and supervise them on the job. Managers must also create an efficient facility design and use loss prevention techniques.

#### Graphic Organizer

As you read, use an outline like the one shown to show how a manager can train an employee. In the center rectangle, write down the actions a manager can take to reach the goal. In the bottom rectangle, write the outcome of the manager's actions.



#### Graphic Organizer

Go to this book's Online Learning Center at [glencoe.com](http://glencoe.com) for a printable graphic organizer.

*You must have the right skills to manage both people and places.*

### ACADEMIC STANDARDS



#### English Language Arts

**NCTE 7** Conduct research and gather, evaluate, and synthesize data to communicate discoveries.



#### Mathematics

**NCTM Number and Operations** Compute fluently and make reasonable estimates.



#### Social Studies

**NCSS VII Power, Authority, and Governance** Evaluate the extent to which governments achieve their stated ideals and policies at home and abroad.

**NCTE** National Council of Teachers of English

**NCTM** National Council of Teachers of Mathematics

**NSES** National Science Education Standards

**NCSS** National Council for the Social Studies

# The Manager's Role

It can be exciting to be in charge! However, a management position also means a lot of responsibility. Managers make sure that all employees are properly trained and that they complete their tasks efficiently. To do this, managers must be good problem-solvers and decision-makers. Managers are often promoted to their positions after they work in lower level positions.

Successful managers are respected by the employees they supervise. They encourage and train employees. They also encourage employees to work as a team and to meet challenges with a positive attitude.

## Employee Selection

It is part of a manager's job to find and interview new employees. What should managers look for when interviewing prospective employees? All the qualities an interviewer looks for are not **obvious**, or easily spotted. Most managers look for qualities such as honesty and teamwork. They also look for an employee with past education and work experience that fits the job opening.

## Job Descriptions

Each job has its own set of duties and responsibilities. These specific duties are listed in a **job description**. Many job descriptions also list the skills needed for a position.

A job description has several different uses. First, it can be shared with prospective employees during an interview. A manager can use the job description to explain what the job will involve. Job descriptions also can be used to evaluate job performance. Employees who do not meet a job description requirement may need more training to improve their skills.

## Job Applications

It can be difficult to choose the right employee for a job. The first step a manager takes is to review job applications. They should be neat and completely filled out.

The following items signal a warning to managers when they review job applications:

- Reasons for leaving a job may show poor interpersonal skills, such as “problems with coworkers.”
- Reasons for time spent between jobs may show serious conflicts with a former employer. On the other hand, the person may have taken time off to have children or to go to college.

## Interviewing Skills

The next and perhaps most important step in the hiring process is the interview. During an interview, a manager looks for a person who is:

- Clean and well groomed.
- A good communicator.
- Self-confident.
- A team player.
- Honest.
- Organized.
- Willing to learn new things.

**Interview Questions** During an interview, the manager must get an idea of whether or not the potential employee is right for the job. The best way to do this is to ask questions that can reveal a person's work ethic and attitude. Some of these questions are:

- What were the customers like in the last place you worked?
- If you could have changed anything about your last job, what would it have been?
- What was a difficult challenge you had on the job? How did you overcome it?
- Why should we hire you?

**Illegal Interview Questions** There are some questions that a manager may not ask during an interview. These include questions about race, gender, religion, national origin, birthplace, age, disability, or marital status. If you are asked any of these questions, you may politely decline to answer.

**Open-Ended Questions** Effective managers ask open-ended interview questions. An **open-ended question** is a question that requires more than a one- or two-word answer.

For example, instead of asking, “When did you leave your last job?” they will ask, “Why did you leave your last job?” They also listen carefully to a person’s answers and note his or her body language.

## Employee Training

Most new employees need to be trained to do their jobs. Managers usually train new employees during orientation. Orientation is the process of making a new employee familiar with his or her job. Orientation can last several hours or several weeks, depending on the job.

Some things that employees must learn during orientation include:

- Front-of-the-house and back-of-the-house duties, depending on their job
- Safety, security, and sanitation procedures
- Clerical duties, government regulations, and service guidelines

## Positive Reinforcement

People learn better when they feel they are able to do a job correctly. People also act in ways that they feel will be rewarded. It is important for managers to build an employee’s confidence during training. Managers use a technique called positive reinforcement.

**Positive reinforcement** includes praising an employee when a job or task is done correctly.

## Mentorship

When a new employee is hired, the manager may assign him or her to work with another employee. A **mentor** is an experienced employee who has a solid understanding of his or her job. New employees can ask their mentors questions about job duties and receive immediate answers.

Mentoring is an excellent way to train new employees on the procedures of a particular foodservice business. It is also a quick way to train employees who have changed jobs or been given new duties. Mentorships can help foodservice employees form teams.



**Experienced Help** Mentors introduce new employees to the procedures they will follow and the equipment they will use on the job.  
*Who should be a mentor?*

## Employee Supervision

Managers have many duties when they supervise employees. Managers must:

- Set salary schedules.
- Explain benefits, policies, and procedures.
- Make sure employees follow all workplace laws and rules.
- Hold staff meetings.
- Resolve problems between employees.
- Negotiate contracts with labor unions.

## Standards of Conduct

Most employees want to do a good job. Having established standards of conduct can help guide employees in a variety of situations. Standards should be changed when needed, and posted for all employees to see. Different employees may have different standards of conduct. For example, servers will have their own set of customer service standards.

- Standards may include information such as:
- The customer is always right. Never argue with a customer. Assume that you made the error and continue to offer service with a smile.
  - Suggest alternatives. If a customer is dissatisfied with a food item, suggest an alternative menu choice.
  - Avoid public arguments. Never argue with other employees in front of customers.
  - Help out coworkers without being asked.
  - Take appropriate breaks. Never take a break during peak hours without permission.

## Drugs and Alcohol

Using drugs and alcohol can impair workers' reactions and decision-making skills. This can be very dangerous in a professional foodservice business. There are strict laws and rules that prohibit drug and alcohol use. It is the manager's job to ensure a safe facility for employees and customers. An employee who arrives at his or her workplace under the influence of drugs or alcohol could lose his or her job.

## Work Schedules

Most foodservice operations have rules about schedules and work assignments. The manager must juggle each employee's sched-

ule with a **master work schedule**. This shows the work shifts of all employees of a business. (See **Figure 7.1**.)

When developing schedules, managers rely on their past experience to predict how many employees they will need. They must also know who is available to work at different times. Managers should have a balance of new and experienced workers on each shift.

## Employee Evaluation

Foodservice employees are evaluated on how well they do their work. Usually, the manager will evaluate the employee's skill level, overall work attendance and attitude, and teamwork skills.

During an evaluation, the manager identifies an employee's strengths and weaknesses. The employee will be able to ask questions. The manager will then fill out evaluation forms. The results of the performance evaluation are often used to determine any promotions and raises. Sometimes, they are used to terminate employees who are not able to do their jobs.



**Define** What is a job description?

### **FIGURE 7.1** Production Schedule

**Work Schedules** Developing an employee work schedule is an important part of a manager's job. *What should managers consider when scheduling employees?*

Employee	Item/Activity	Portions	Station
LH and FZ	Country Fried Steak with Gravy	25	Fry Station
TG	New Potatoes	25	Hot Station
CS	Green Beans	25	Hot Station
AP	Cloverleaf Rolls	50	Bake Station
JH	Strawberry Shortcake	25	Bake Station
CI and LM	Mixed Greens with Ranch Dressing	25	Garde Manger Station
PS and CF	Coffee & Iced Tea	50	Beverage Station & Servers
BW and RN	Kitchen Clean-up		Dishwashing Station
MD	Floater		As Needed

# Facilities Management

You might be surprised at the amount of work that goes into managing a foodservice facility. The design of a facility can affect how productive and successful the business is. A facility's **design** includes how the dining room, kitchen, and storage areas are laid out. A good design should help employees be efficient in their work.

How a facility and its contents are maintained is also important. A dirty or neglected restaurant will drive off customers. A clean, attractive restaurant will bring customers back.

## General Layout

A foodservice operation's design is important to customers. As an employee, you will also be affected by the design of the workplace, or the space in which you will perform your job. A foodservice operation must be designed so that employees can do their tasks efficiently. The business facility also must be designed so that customers can enjoy their dining experience without distraction.

## Balance

Dividing space to meet customer and preparation staff needs is called **balance**. For example, suppose a manager decides to squeeze the maximum number of customers into the dining area as allowed by law. The space that is left over is where the kitchen is built. It is important to consider how different areas will work together. Although more customers can fit into the restaurant, the kitchen may not be able to handle large numbers of orders efficiently.

## Menu

One of the most important factors in design is the menu. The equipment, storage space, and work surfaces that are needed to make the menu items will all affect how a facility is designed.

## A TASTE OF HISTORY

1970

President Nixon signs the Occupational Safety and Health Act

1973

A cease-fire is signed, ending the Vietnam War

### Protecting Workers

Before 1970, there were no comprehensive programs to protect American workers against workplace safety problems and health hazards. In 1970, President Richard Nixon signed the Occupational Safety and Health Act. This Act created the Occupational Safety and Health Administration (OSHA) and a set of laws designed to protect workers on the job.

Since then, OSHA has cut the number of work-related deaths in half and reduced overall injury and illness rates in certain industries. Foodservice workers are at risk for some types of injuries. OSHA strives to protect workers by making frequent workplace inspections. It also issues and enforces rules that encourage continual improvement in workplace safety and health.

### History Application

Research OSHA history, and create a time line that shows the development of OSHA rules. Write a paragraph that explains whether these rules have benefited the foodservice industry.

**NCSS VI I Power, Authority, and Governance** Evaluate the extent to which governments achieve their stated ideals and policies at home and abroad.

## Turnover Rate

Another factor in facility design is the turnover rate. A **turnover rate** is the average number of times a seat will be occupied during a block of time. For example, if customers stay an average of 20 minutes for breakfast, the potential turnover rate is 2½ times per hour. It may seem as if an average of 20 minutes for breakfast would equal a turnover rate of three customers per hour. But there must be enough time to set up between customers.

A facility's design can help create a certain turnover rate. If you want a high turnover rate, for example, tables can be placed closer together and more staff can be hired to provide quick and efficient service.

## Traffic Paths

How people and materials move within a foodservice operation creates a certain **traffic path**. Managers must find the best way to allow movement along traffic paths. However, the space for traffic paths must be kept to a minimum. For example, if carts will be pushed or carried down a traffic path that contains a hot table, the path must be wide enough for both.

## Bypassing

Work stations should be laid out in a logical sequence. This keeps bypassing to a minimum. **Bypassing** happens when people or materials must walk or be moved past unrelated stations during foodservice. For example, after vegetables have been cleaned and cut for grilling, they must be passed from the pantry station to the grill station. If the baking station is between the two areas, it will interrupt the workflow.

## Production Space

The total amount of space to allow for food production depends upon the type and size of the facility. Managers must divide production space between all of the work areas, such as storage, food preparation, and dishwashing. (See **Figure 7.2**.)

**FIGURE 7.2** Restaurant Workspace Allocation

**Enough Space** Make sure that each kitchen work area has enough space. *Why do you think creating space for traffic patterns is important?*

Work Area	Space
Receiving and storage	25%
Food preparation	42%
Dishwashing	8%
Traffic paths	15%
Employee facilities	10%
Total	100%

## Layout of Work Areas

When laying out work areas, managers will try to limit the necessary movement of people and goods. This will save time and energy. The first step of layout is to arrange the pieces of equipment into a work area. Then, the work area must fit into the entire facility. An effective work area layout will:

- Allow for easy maintenance and inventory access.
- Provide a safe and productive environment for employees.
- Make the work process flexible.
- Protect equipment from damage.

## Opening and Closing

Managers are usually responsible for opening and closing a restaurant on a daily basis. A good manager has standard procedures for both. Opening a restaurant at the beginning of the day might include:

- Unlocking the front door and any storage areas.
- Turning on the lights and equipment.
- Inspecting the facility for cleanliness.
- Making sure all work stations are manned.

Closing procedures are important for a restaurant. Closing a restaurant at the end of the day might include:

- Locking the door and storage areas.
- Locking the safe.
- Supervising the cleaning of the restaurant.
- Filling out and filing daily paperwork, including guest checks, balancing the cash drawer, writing the bank deposit, and writing equipment and service records.
- Setting any security measures in place after all employees have left.
- Turning off lights and equipment before leaving for the day.

**Reading Check** **Define** What are traffic paths in a foodservice operation?

# Loss Prevention Factors

A foodservice operation must focus on loss prevention to stay profitable. **Loss prevention** is the steps a business takes to eliminate waste and theft. If you make sure that each loss prevention **factor**, or issue, is covered, you will save a foodservice operation both time and money.

## Safety

All foodservice facilities must be safe places to work. Unfortunately, foodservice employees are at risk for on-the-job injuries. The most common kitchen injuries include slips and falls, burns, and cuts. Chapter 1 covers these safety issues.

Managers can improve safety by properly training employees. This is especially important when employees first learn about their job duties. Safety precautions must always be followed. See **Figure 7.3** below for some of the safety standards that inspectors look for in a facility.



**Kitchen Cleanliness** Maintaining a clean kitchen is vital for a successful restaurant. *What cleanliness standards do you see in this picture?*

### FIGURE 7.3 Inspection Points

**Safety Standards** Inspectors look for these common safety standards in foodservice facilities. *Whose job is it to uphold these safety standards?*

Area	Sample Inspection Points	Frequency
<b>Hot Station</b>	<ul style="list-style-type: none"> <li>• Clean the surfaces of all cooking and baking equipment according to the manufacturer's directions</li> </ul>	Daily
<b>Work Surfaces</b>	<ul style="list-style-type: none"> <li>• Clean and sanitize all work surfaces</li> </ul>	Every 4 hours or before use of each raw food or when changing from raw to ready-to-eat food
<b>Ice Machine</b>	<ul style="list-style-type: none"> <li>• Top clean and free of objects; rim of door free of mold; ice scoop properly stored</li> <li>• Floor is clean under machine; vent hood is clean; side and back walls next to the machine are clean</li> </ul>	Daily Daily
<b>Dishwashing</b>	<ul style="list-style-type: none"> <li>• Spray hose is leak-free; prevents backflow</li> <li>• Glass-rack shelf is neat and clean</li> <li>• Walls next to the dish machine are clean</li> <li>• Dish machine is lime- and crust-free</li> <li>• Water temperature and sanitizer at proper levels</li> </ul>	Daily Monthly Monthly Daily Daily

## Risk Management

Some large businesses might have a risk management supervisor on staff to create and manage safety procedures. **Risk management** means taking steps to prevent accidents from happening.

Smaller foodservice businesses may contact insurance companies about risk management. Some insurance companies give free or low-cost advice to businesses on how to keep employees and customers safe.

The American Red Cross and some local fire departments also offer free or low-cost risk management training programs. For example, all foodservice employees should be trained in basic first aid, cardiopulmonary resuscitation, and how to extinguish fires. Employees should also receive refresher training so that they remember how to stay calm and react appropriately during an emergency.



**▲ Prevent Injuries** Managers must enforce safety rules for using equipment to prevent injury. *What could happen if an employee incorrectly operates the equipment you see here?*

## Sanitation

Foodborne illness is a major health concern. There are many different kinds of food and many different people handling it. If a facility is not kept clean, the chances of contamination are high. Managers must properly train employees about sanitation. Employees must follow strict rules about personal hygiene. Chapters 1 and 2 talk about sanitation and how it should be applied on the job.

## Food Handling

Federal, state, and local governments make rules about the safe handling of food. Also, many trade associations, such as the National Turkey Federation, have their own standards and guidelines for safe food handling and storage. Improper food handling can result in contamination. Chapter 2 talks about safe food handling.

Foodservice operations are inspected regularly. Inspectors make sure that the operation follows government regulations for food handling. Health and safety inspectors will look for:

- A clean facility.
- Food preparation processes.
- Clean food storage areas.
- Proper worker sanitation practices.

## Equipment Handling

Foodservice operations spend thousands of dollars on purchasing foodservice equipment and tools. If you do not handle, operate, or clean a piece of equipment correctly, you can damage it. You may also hurt yourself or others.

Managers must train all foodservice employees on how to use and clean equipment safely and correctly. Some laws require that operators of some equipment be at least 18 years old. Do not hesitate to ask questions of your manager or your mentor if you are unsure of how to use equipment safely. It is better to ask questions than to be harmed through misuse.

## Maintenance and Repairs

All equipment must be regularly and properly maintained. This will ensure that the equipment stays in top operating condition. If equipment needs to be fixed, repairs must be made promptly. This will keep the foodservice operation running smoothly. The equipment must not be used until repairs are made to maintain kitchen safety.

It is important to follow proper maintenance procedures. This is true whether you are using a deep fat fryer or a manual can opener. Managers usually create an equipment maintenance and cleaning schedule. This schedule should be followed exactly for safety.

## Insurance

Owners of foodservice operations buy insurance to protect their business operations, facility, employees, and customers. There are many different types of insurance that are available. Insurance can be purchased

### Small Bites

**Facility Maintenance** Many foodservice operations sign maintenance contracts with repair companies. Under these contracts, repair companies regularly visit the facility and perform routine maintenance.

to cover damage from fire, injury to customers, damage to equipment, employee disability, employee health, loss of life, theft, and loss of the business.

Insurance can be costly, however. Properly training employees in safety techniques and maintaining proper equipment maintenance schedules can help reduce the cost of insurance. These precautions help make the foodservice workplace a safer environment for workers and customers.



### Reading Check

**Describe** How can managers improve the safety of their facilities?

## SECTION 7.2



### After You Read

### Review Key Concepts

1. **Analyze** why positive reinforcement and mentoring are good methods of employee training.
2. **Describe** the qualities of an effective work area.
3. **Explain** a manager's responsibility for equipment handling.

### Practice Culinary Academics



#### English Language Arts

4. Read articles in trade publications about management issues such as scheduling conflicts, handling delayed orders, and equipment breakdowns. Briefly summarize each article and your thoughts in response to the article. Discuss the articles you read and your thoughts about them as a class. Attach copies of the article to your summary page and turn them in.

**NCTE 7** Conduct research and gather, evaluate, and synthesize data to communicate discoveries.



### Mathematics

5. A small deli requires four employees: two sandwich makers (who earn \$10.25/hour), a cashier (who earns \$9.75/hour), and a manager (who earns \$850/week). If the deli is open 40 hours in a week, what are its total weekly labor costs? What is its average hourly cost?

#### Math Concept

**Calculating Labor Costs** Calculate a company's total direct labor cost for a time period by adding all salaries and wages paid to employees over that period. Labor costs may also be averaged per hour.

**Starting Hint** Calculate the weekly wages paid to the three hourly employees by multiplying each pay rate (\$10.25/hour, \$9.75/hour) by the number of hours worked per week (40). Add these amounts to the manager's weekly salary to find the total labor costs. Divide this sum by 40 to find the average hourly cost.

**NCTM Number and Operations** Compute fluently and make reasonable estimates.



Check your answers at this book's Online Learning Center at [glencoe.com](http://glencoe.com).

# Foodservice Marketing

*Learn how to successfully market a foodservice business.*

## Reading Guide

### Before You Read

**Get a Note Pad** It is normal to have questions when you read. Write down questions while reading. Many of them will be answered as you continue. If they are not, you will have a list ready for your teacher when you finish.

### Read to Learn

#### Key Concepts

- **Demonstrate** how to analyze a marketplace for a foodservice business.
- **Identify** promotion and public relations techniques.

#### Main Idea

To successfully market a restaurant, you must study the location, customer base, competition, and trends to develop a marketing strategy.

### Content Vocabulary

- marketplace
- clientele
- market segment
- mass marketing
- target market
- competitor
- positioning
- marketing plan
- promotion
- public relations
- publicity
- advertising
- direct marketing

### Academic Vocabulary

- strategy
- adequate

### Graphic Organizer

Use a network tree like this one to show how to analyze the marketplace. Fill in the second level with the four factors that you must analyze for a good marketing strategy.



 **Graphic Organizer** Go to this book's Online Learning Center at [glencoe.com](http://glencoe.com) for a printable graphic organizer.

## ACADEMIC STANDARDS

### English Language Arts

**NCTE 4** Use written language to communicate effectively.

### Mathematics

**NCTM Number and Operations** Understand the meanings of operations and how they relate to one another.

### Science

**NSES F** Develop an understanding of population growth.

**NCTE** National Council of Teachers of English

**NCTM** National Council of Teachers of Mathematics

**NSES** National Science Education Standards

**NCSS** National Council for the Social Studies

# Analyze the Marketplace

A foodservice business must do more than offer good food and service to survive. A successful business must make marketing a top priority. The right marketing can help a foodservice business keep current customers and attract new customers. A business must plan and research locations, menus, customers, competitors, and trends. Managers spend hours planning the marketing for a business, even before the doors are opened to its first customers. This section will tell you how this is done.

Marketing begins when you create a new business. You must analyze the marketplace as you plan the business. The **marketplace** includes the location, the people, and the atmosphere of a particular geographic area. New business owners must research each of these factors to predict whether a new business will succeed.

For example, suppose that you wanted to open a pastry shop. To analyze the marketplace, you would look at several different areas where you think the shop could be located.

When you consider possible locations, you might ask yourself:

- How busy is this location at mealtimes?
- Is this location convenient and accessible to a large number of people?
- What products and services will I offer?
- Does this area have a need for this type of foodservice facility? Is this service already being provided in the area?
- How much does it cost to rent or purchase space at this location versus other locations?
- Is this area showing signs of growth?
- Does this area draw from a multicultural population?

## Marketing Strategies

Marketing affects the location of the foodservice operation, what food products are offered, how items are promoted, and who presents the product. Many foodservice operations go out of business within one to five years because they fail to take all of these factors into consideration. A marketing **strategy** or plan of action, lets you know how your area will respond to your business.



**Market Research** Investigating the marketplace is an important step for new business owners. *What marketing information does this picture show?*

However, marketing strategies must be well planned, or you may get incorrect information.

Several basic marketing strategies can give you key information that you will need to operate your business. This can give you the best possible start toward profitability. To be successful, you must analyze the location, the customer base and its diversity, the competition, and trends.

## Location

The location you choose for a new business is one of the most important choices you will make. It does not matter whether you choose an existing building that you will update or simply an empty lot. You should carefully look at the location before any construction or renovation begins.

Many businesses fail because they do not think about traffic patterns. Customers want easy, convenient access to their food choices. What if a new highway is built, or an existing highway is closed or rerouted? If it is difficult to get to a location, chances are customers will find another restaurant.

**Questions to Ask** Business owners can start by asking questions about the location, such as:

- What physical locations or structures can I afford?
- How much money do I need to spend on the physical structure?
- Should a new structure be built, or should an existing structure be renovated?
- Why did the last owner leave?

## Customer Base

Next, business owners must analyze their clientele and their target market. The **clientele** are the people who will be the business's main customers. This strategy involves examining what type of people you want to attract as customers. Are they, for example, businesspeople, young and health-conscious, or families? Perhaps they are looking for familiar foods and flavors from their cultural heritage. A specific type of clientele is called a **market segment**.

## Small Bites

**Market Pricing** Target market information is also important when you price menu items. For example, if you know your average customer rarely spends more than \$10 for a meal, you would price your menu accordingly. You may price many of your items at less than \$10. Too many menu items over \$10 could turn away your customers.

Market segments have different characteristics, or demographics. When you market to all possible segments at once, it is called **mass marketing**. The market segment that you most want to attract is called your **target market**. It is important to know your potential clientele and your target market when you market and advertise for a foodservice operation.

## Competition

It is not enough to find the perfect location and create an inviting foodservice business. You may have a hard time getting new customers if you have many competitors. A **competitor** is a business that offers customers similar products or services to the ones that you offer. There may be several other businesses in your area that offer similar foods to yours at similar prices.

Business owners should always know who their competitors are. As a business owner, you must first decide how to market a business and where it will be located. Then, you must check out the competition.

**Questions to Ask** Foodservice business owners who want to understand their competition need to answer these questions:

- Will my business have competition, or is it one of a kind? How many competitors will it have?
- If there are competitors, how close are they to my chosen location?
- How will my operation be different and more attractive than what is offered by the competition?

## Trends

Just because a business idea seems perfect now does not necessarily mean it will be a great idea next year or 10 years from now. Business owners always need to keep the future in mind.

For example, you might have a great idea for a hot dog stand. You have found a location, and it seems just right. There are many potential customers and no current competition. However, did you know that plans are being drawn up for a new baseball field one block away from your chosen location? How will the new ballpark affect your business a year from now? Will your business increase, or will the baseball field have its own hot dog stand?

**Questions to Ask** To investigate trends in the marketplace, foodservice business owners should ask:

- Is the location in an established area with other thriving businesses?
- Will customers have easy access to my business?

- Is there **adequate**, or enough, parking?
- Are other businesses nearby that might offer a steady supply of hungry customers?
- What is planned for the future of my chosen location?



**Explain** Why is menu pricing an important factor in marketing?

## Positioning and Public Relations

Strong positioning for a foodservice establishment can help attract new customers. It also can keep current customers coming back again and again. Positioning affects what potential customers will think about your establishment, and whether they will decide to visit. It helps them to know what your restaurant will offer in service and in food. Without strong positioning, your restaurant may not succeed.



### Customer Preferences

These customers are celebrating a special event. *What type of menu items would appeal to them?*

## Positioning

**Positioning** is the way a foodservice business presents itself to the community. Many foodservice operations develop a position statement. This statement helps guide a business owner's decision-making and marketing efforts. A position statement explains what the business stands for and what its main goals are. A brief position statement for a restaurant might read: "The Healthy Alternative Café serves healthful food choices at affordable prices."

## Marketing Plan

A **marketing plan** is a specific plan to market a business. A marketing plan includes items such as advertising, public relations, and promotions. Marketing plans usually include a calendar of when promotions and advertisements will happen, how much the business plans to spend, and what marketing and advertising it will choose. Most businesses want a diverse marketing mix.

A **promotion** is a specific effort to market a particular item or special. Promotions should focus on what the business does best. Always make sure that you have the food and supplies on hand to run a promotion. Consider your customers' needs before you create a promotion.

To develop a marketing plan, you must find out your objectives, or what you want to get from marketing. Be specific with your goals. You will want to check to see how well past marketing efforts have worked. Employees should know what the marketing plan is, so that they can support it.

At the end of a marketing plan, examine your records to see if it increased your business's profits. A good marketing plan should increase profits, not cost the restaurant money.

## Atmosphere

Have you ever noticed how every foodservice facility has its own unique atmosphere?

A facility's atmosphere is the feeling that customers get from the interior and exterior. The way a facility is designed helps shape its atmosphere. This includes details like the type of carpet, the wall coverings, the music, and even the staff uniforms. Make sure that your business's atmosphere fits the style and theme of your foodservice operation.

Business owners must thoroughly study their customer's needs and wants before they create an atmosphere. Studying customer needs and preferences is not something that happens only before a business opens. It is an ongoing process. Foodservice operations often use customer comment cards or surveys to gather information. This feedback is used to find out whether the business is on track. Management may need to alter the food choices, hours, or atmosphere to better meet customer needs.

## Public Relations

Having good public relations is critical to the success of a foodservice facility. **Public relations** includes publicity and advertising that a foodservice operation uses to enhance its image. **Publicity** is the free or low-cost efforts of a facility to improve its image.

Publicity can be both negative and positive. Negative publicity, such as news of an outbreak of foodborne illness, may take months or even years to overcome. Positive publicity can include the use of special events and promotions. Charity events, fundraisers, and school food seminars all can create positive publicity.

## Advertising

Foodservice businesses must advertise to become and stay successful. **Advertising** is a paid form of promotion that persuades and informs the public about what a business has to offer. Newspapers, television, radio, and the Internet are some advertising options. Business owners can write their own advertising, or can hire a professional writer. Ads should have correct spelling and grammar.

Compare costs among different forms of advertising to see which is the most affordable and reaches the right customers for your business. Once they have decided on certain types of advertising, business owners can create advertising schedules. An advertising schedule is a calendar that shows when each form of advertising will run. Chain restaurants usually coordinate their advertising for all locations.

Businesses can also improve their image in the community. This can be done by sponsoring events their customers care about. Imagine that you work at a pizza parlor. Your managers might donate pizzas to a charity bike-a-thon. Sponsorships and donations like this enhance a business's image in the community.

## Direct Marketing

**Direct marketing** is a form of advertising in which promotional materials, such as letters, flyers, and advertisements, are mailed directly to customers within a certain distance from the foodservice business. Direct marketing can be carefully targeted to reach potential customers who are nearby. It can also be targeted to reach customers who have a certain income, or who have certain interests.

However, direct marketing has its disadvantages. People often do not read every piece of mail they receive. It can also be expensive to write, design, print, and mail direct marketing materials.

 **Reading Check** **Identify** What is a position statement?

## SECTION 7.3

### After You Read

#### Review Key Concepts

1. **Demonstrate** how to analyze a location for a foodservice business.
2. **Describe** direct marketing.

#### Practice Culinary Academics

##### English Language Arts

3. Imagine that you opened a new restaurant one month ago in the neighborhood where you live. You are not yet getting very many customers. Create a position statement and a direct-marketing piece for a promotion to introduce your restaurant. You may choose any type of promotion.

**NCTE 4** Use written language to communicate effectively.

##### Science

4. **Procedure** Examine the types of restaurants in your area. Write down information on the foods they serve and how close they are to each other. Using this information, predict what types of restaurants might become popular in your area.  
**Analysis** Write a short report that details your predictions. Consider product, distribution, price, unmet needs, and competitors.

**NSES F** Develop an understanding of population growth.



#### Mathematics

5. You are considering opening a coffee house in an office complex that has limited hours. You estimate that a second location, in a residential neighborhood, would offer 30% more customers, but that each customer would spend 20% less. Which location is better?

**Math Concept** **Thinking About Percentages** In this case, potential revenue for each location equals the number of customers times the amount each customer spends. Think about how increasing or decreasing the two factors would affect the result.

**Starting Hint** When there are two factors in an equation, and you wish to increase one factor and decrease the other, if the percentage increase is greater than the percentage decrease, the product will increase. Form a hypothesis about what would happen if one factor is increased by a larger amount than the other factor is decreased. Test this hypothesis by using sample numbers in the equation, and then increase one number by 30% and decrease the other by 20%. Does total revenue go up or down?

**NCTM Number and Operations** Understand the meanings of operations and how they relate to one another.



Check your answers at this book's Online Learning Center at [glencoe.com](http://glencoe.com).

**Chapter Summary**

An effective manager is skilled in the areas of communication, time management, resource management, and leadership. Managers must train employees and make sure that they understand all of the operation's policies. To protect the operation

and the employees, managers must also consider loss prevention factors. Marketing and public relations can help a foodservice operation maintain its customer base and attract new customers.

**Content and Academic Vocabulary Review**

1. Write a memo explaining good management. Use at least 12 of the following terms in your memo.

**Content Vocabulary**

- overstaffing (p. 171)
- human resources (p. 172)
- orientation (p. 172)
- delegate (p. 172)
- autocratic (p. 172)
- democratic (p. 172)
- standardized accounting practices (p. 173)
- double-entry bookkeeping (p. 173)
- food cost percentage (p. 173)
- direct labor cost (p. 173)
- indirect labor cost (p. 173)
- income (p. 174)
- expense (p. 174)
- profit and loss statement (p. 175)
- forecasting (p. 175)
- break even (p. 175)
- inventory (p. 175)
- job description (p. 179)
- open-ended question (p. 179)
- positive reinforcement (p. 180)
- mentor (p. 180)
- master work schedule (p. 181)
- design (p. 182)
- balance (p. 182)
- turnover rate (p. 182)
- traffic path (p. 183)
- bypassing (p. 183)
- loss prevention (p. 184)
- risk management (p. 185)
- marketplace (p. 188)
- clientele (p. 189)
- market segment (p. 189)
- mass marketing (p. 189)
- target market (p. 189)
- competitor (p. 189)
- positioning (p. 191)
- marketing plan (p. 191)
- promotion (p. 191)
- public relations (p. 191)
- publicity (p. 191)
- advertising (p. 191)
- direct marketing (p. 192)

**Academic Vocabulary**

- lapse (p. 171)
- adhere (p. 172)
- obvious (p. 179)
- factor (p. 184)
- strategy (p. 188)
- adequate (p. 190)

**Review Key Concepts**

2. **List** the qualities and duties of an effective manager.
3. **Explain** the foodservice manager's role in maintaining profitability.
4. **Analyze** the manager's role in employee selection, training, and supervision.
5. **Examine** the design issues that contribute to a profitable facility.
6. **Give examples** of what foodservice facilities can do to manage loss prevention.
7. **Demonstrate** how to analyze a marketplace for a foodservice business.
8. **Identify** promotion and public relations techniques.

**Critical Thinking**

9. **Apply** leadership skills. You have been hired as a quick-serve restaurant manager. The employees are college students. What style of leadership would you use? Why?
10. **Develop** a schedule. You have just been hired at a restaurant. Your manager is determining your work schedule and asks for input. Which factors would you consider?

## Academic Skills

**English Language Arts**

- 11. Satisfied Customers** Research a company known for its satisfied customers. This company does not need to be a foodservice business. Find examples of its advertising and marketing that point to customer satisfaction. Write a summary of how the advertising and marketing suggests to customers that the business has excellent customer service. Do you think it works? Why or why not? How could the advertising and marketing be more effective?

**NCTE 1** Read texts to acquire new information.

**Social Studies**

- 12. Safety Checklist** Maintaining a safe environment is an important part of a manager's job. Each state has different safety guidelines. It is important that a restaurant be in compliance with these guidelines. Investigate the safety guidelines for foodservice kitchens in your state. Then, write a report on why these guidelines were chosen for inspection. List as many of the actual guidelines as possible in your report. Explain any management duties for inspections that are outlined in the state guidelines.

**NCSS VI A Power, Authority, and Governance** Examine persistent issues involving the rights, roles, and status of the individual in relation to the general welfare.

**Mathematics**

- 13. Understand Balance Sheets** A balance sheet provides a snapshot of a company's financial position at a particular time. Your restaurant's balance sheet for December 31 indicates that on that date you had \$10,000 in cash, \$20,000 in food and supplies, and that the building and land owned by the restaurant was valued at \$150,000. The restaurant owed its food supplier \$30,000 and had a \$70,000 bank loan outstanding. What is the value for owner's equity displayed on the balance sheet?

**Math Concept Basic Balance Sheet Equations**

A balance sheet is split into three sections: assets (things of value the company owns), liabilities (amounts the company owes), and owner's equity. The total assets must always equal the sum of liabilities and owner's equity:  $A = L + O$ .

**Starting Hint** Since the question asks for the amount of owner's equity, start by rearranging the balance sheet equation to solve for owner's equity:  $O = A - L$ . Add the dollar amounts of all items on the balance sheet owned by the company. These are the restaurant's assets (A). Any amounts owed to others are the restaurant's liabilities (L).

**NCTM Problem Solving** Solve problems that arise in mathematics and in other contexts.


**Certification Prep**

**Directions** Read the questions. Then, read the answer choices and choose the best possible answer for each.

- 14.** What does FMP stand for?
- Food Managing Partner
  - First Management Person
  - Foodservice Managing Program
  - Foodservice Management Professional
- 15.** Who regulates the safe handling of food?
- the restaurant owner
  - federal, state, and local governments
  - the President of the United States
  - the customers

*Sharpen your test-taking skills to improve your kitchen certification program score.*

**Test-Taking Tip**

Look for key words in the answer choices that also appeared in the chapter you just studied. You may be able to eliminate those that did not.

## Real-World Skills and Applications

## Communication Skills

- 16. Customer Service** After finishing his meal, a customer complains to you that the food he ate was unsatisfactory. Describe two possible ways that you could handle this customer's complaint. Write a summary of each. Then, follow your teacher's instructions to form small groups, and hold a debate in class over how these ways might resolve or worsen the situation, and which way is best. Discuss group findings as a class.

## Management Skills

- 17. Conduct an Interview** Imagine that you are a restaurant manager interviewing potential employees for these service positions: server, cashier, busser, and host. Choose one of these positions and make a list of five to 10 questions that you would ask potential employees during the interview. Exchange lists with other students and discuss the questions with each other. Do the questions ask for the right information? Are there any that you would change?

## Financial Literacy

- 18. Calculate Beverage Costs** Imagine that you manage a restaurant and must calculate your beverage cost percentage for the last six months. The beverage cost for the months was as follows: Month 1: \$15,000; Month 2: \$13,500; Month 3: \$14,000; Month 4: \$15,000; Month 5: \$13,700; Month 6: 14,500. The income received was: Month 1: \$50,000; Month 2: \$45,000; Month 3: \$47,000; Month 4: \$52,000; Month 5: \$49,000; Month 6: \$50,000.

## Technology Applications

- 19. Create a Flyer** Imagine that you are promoting a new restaurant in the area of your school. Use a desktop publishing program to create a flyer that promotes the restaurant. Decide on what type of food the restaurant will serve and what kind of atmosphere it will have. Also, decide on your target market. Include illustrations and whatever information you believe would be important to prospective customers when they decide on a restaurant.

## Culinary Lab



*Use the culinary skills you have learned in this chapter.*

## Market a Foodservice Operation

- 20. Develop a Marketing Plan** Suppose you have an idea for a new restaurant. Now, you must develop a marketing plan for your new restaurant.

- A. Write a position statement.** Follow your teacher's instructions to form teams. Develop a position statement for a restaurant that explains what the business stands for and its main goals. Your team must also determine how you will set the facility apart from the competition.
- B. Determine the atmosphere.** Describe the atmosphere of the facility, and its customers. Think of the design of the interior and the exterior, and the people who would eat there.
- C. Choose advertising.** Name three ways that you could advertise the restaurant. Consider the cost of each method and what types of customers it might reach.
- D. Create an ad.** Design an ad for the restaurant using one of the methods you have chosen. Incorporate the look and feel of the restaurant's atmosphere into the design of the ad.
- E. Present the results.** Share your restaurant ad, as well as your other advertising choices, with the class.

## Create Your Evaluation

For each advertisement, give a review of how well it conveyed information. Create a mini-review as if you were a critic for each presentation. Answer these questions:

- What parts of the ad made you want to go to the restaurant? What parts did not?
- Would you want to eat at this restaurant?
- Is there any information that was left out?