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Food Standards & Production of Hospitality Restaurant Management

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HPI 139 001 FOOD STANDARDS & PRODUCTION II

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Culinary begins with a language through which all the following properties may be expressed: harmony, creativity, happiness, beauty, poetry, complexity, magic, humor, provocation and culture.—Ferran Adria'. The culinary horizons have expanded to the consumers since the twentieth century. The dependable food preservation, storage techniques, and improved transportation networks have freed chefs from seasonal and geographic limitations in their choice of foods. To function efficiently, a food service operation must be well organized and staffed with appropriate personnel. This staff is traditionally called a brigade. Brigade is defined as a system of staffing a kitchen so that each worker is assigned a set of specific tasks; these tasks are often related by cooking method, equipment, or the types of foods being produced. Although the chef will be most familiar with the back-of-the-house (BOH) or kitchen brigade, he or she should also understand how the dining room or front -of -the- house (FOH) is organized. This is a very big business indeed. According to the National Restaurant Association (2009), more than 13 million people were employed in the industry, making it the second-largest employer after the government. The food service industry claimed approximately 48 percent of the U.S. food dollar. On a typical day in America, more than 130 million individuals will be food service patrons. In theory the domain of the chef is the kitchen, but that is not enough for the restaurant to succeed. The chef cannot expect to succeed without a plan that involves all the areas of the restaurant and its functions, in addition to kitchen procedures.

The modern kitchen brigade in today's food service operations is generally led by an executive chef, who coordinates kitchen activities and directs the kitchen staff's training and work efforts. In some operations, chefs with some or all of the responsibilities may be referred to as a chef de cuisine. The responsibilities include several: sets and enforces nutrition, safety and sanitation standards and participates in (or at least observes) the preparation and presentation of menu items, and creates recipes. The chef is responsible for purchasing food items and often

equipment. The chef is to ensure that quality standards are rigorously and consistently maintained. He or she may train the dining room staff so that they can correctly answer questions about the menu. He or she may assist in designing the menu, dining room, and kitchen. The executive chef is assisted by several chefs: sous-chef or executive sous-chef, area chefs, line chefs, pastry chef, assistants and apprentices, short order cook, master chef, master pastry chef, and a master baker. The professional chef will mature with knowledge, skill, taste, judgment, dedication, and pride. With a plan placed in operation, a food service operation can function with revenue.

Uncontrollable factors that contribute to restaurants failures are many. Economic factors play a very big part in the survival and success of restaurants. Restaurants are partly dependent on the availability of disposable income of families or individuals. The federal and local legislation impact the course of the restaurant industry. For example, the federal government changed the deduction for business meals from 100% to 25%. This significantly and negatively affected the revenue for restaurants. The industry was dependent on business lunches and corporate accounts. The anti-smoking legislation, minimum wage legislation, and the American Disability Act, nutrition labeling legislation, trans-fat legislation, the Accelerated Depreciation Act had profound effects on this industry in terms of increased costs and/or decreased revenues. Local ordinances and legislation also contribute to restaurant failures. City councils adopted the use of parking meters in downtown areas as a source of new revenues, down town restaurants experienced a steady loss of customers for lack of free parking, or increased costs for paying for or providing for customers' parking. Climate changes have significant impacts on the restaurant industry. Climate affects the breeding grounds for seafood and the growing of produce and vegetables in many areas. Events such as the oil spill tied to the BP Oil Company in the Gulf Coast caused significant losses of revenues for the restaurant industry. When the traffic patterns

are changed because of road construction or repair, restaurants along the route are impacted. Changes in culture and Americans continuing to become increasingly health conscious can cause restaurants to change their menus accordingly. New competition has taken place over the last forty years from fast food and grocery stores that offer their ready-to-eat items from sandwiches to rotisserie chicken to prepared salads. Consumers are migrating away from restaurants in search of value and one-stop-shop convenience.

Controllable factors that play a vital part in a restaurant's success outside of kitchen procedures need to be planned for by the chef/owner. The most commonly cited factor to restaurant failure is the lack of capital. Restaurant entrepreneurs try to enter this industry with low capital because they see that the entry and exit barriers are low. As a result, the entrepreneur enters this industry with enough to open the business but not enough to sustain the first few lean months of a restaurant's life span. According to various studies and the Small Business Administration, lack of capital is the primary factor of restaurant failure. The location is also very important in the success or failure of a restaurant. This depends not only on the physical site, but also the people that live or work in the surrounding area. The visibility of the restaurant and the surroundings play a vital part. Vacant lots, vacant buildings, difficult access to the restaurant and roads in poor condition can discourage people from coming in to eat. Working conditions play a big role in this operation. Overworked employees without the proper break times and off times can lead to exhaustion, unhappiness, and burn out. A happy and rested employee leads to productivity and profits for the chef/owner. Entrepreneurial incompetence plays a part in being successful or not. A lack of knowledge of the details of marketing, accounting, finance, legal matters, and human resources can lead to the loss of profits. Many restaurant owners lack the necessary business experience to manage their restaurants. Experience is so very important, for it can help the owner to control employee theft, waste, and productivity.

Leadership should consist of obsession with product and service quality. This infectious attitude will make the difference between success and failure. The feedback of the patrons will allow for likes and dislikes to be addressed by the chef/owner, and at the same time employees should be encouraged to address those likes and dislikes. The manager and chef must have the ability to create and build the brand. The competition is too fierce to not focus on the basic 12 Ps of restaurant branding. They are Place, Principles, Props, Production, Performance, Positioning, Product, Price, People, Promotion, Promise, and Press. Only by consistently obsessing over the 12 Ps in order to brand will the restaurant have repeat guests and guests that were referred by others. A restaurant with a name that is brief, descriptive enough, and attractive is more likely to succeed. A consumer should be able to remember the restaurant's name. Kentucky Fried Chicken has changed to KFC and Wendy's Hamburgers simply became Wendy's since they offered more than hamburgers. The physical layout and architectural design of the restaurant are important factors in order to be attractive to customers and to run efficiently. Enough storage, proper equipment and work area, well lighted areas, and open space for employees and guests contribute to enjoyment and safety. Like all businesses, restaurants are also expected to result in positive financial outcomes with reasonable returns on investments (ROI). Entrepreneurs tend to invest all the money in building a huge dream instead of constructing a realistic, practical, and financially feasible place of business. The gorgeous building could become vacant if not planned properly. The concept needs to be original and unique. "Creativity means not copying," said Jaques Maximin, then chef of Le Chanticleer in Nice, France. Restaurant entrepreneurs that focus on imitation and 'me too' concepts do not have the skill sets to face the challenges of continual adaptations that are essential to survive in the restaurant business.

The two major costs that chef/owner have are food cost and labor cost. These two costs together are referred to as prime costs. For a restaurant to succeed, the prime costs are expected

to be less than 60% of revenues. This 'rule of thumb' is good rule to follow and can be viewed and followed through the P&L Statements, so a chef/owner will know at all times what is being spent and what is being received. The rule of thumb for rent/lease/mortgage fixed cost should be 7-9% of revenues. The P&L Statements are usually done on a monthly base so that the previous month is shown and the percentages of loss or gain can be tracked. If given this information the chef/owner will be able to identify any problems and know what solutions may need to be carried out.

The National Restaurant Association of US has reported and recognizes that a 30% failure rate is the norm for the restaurant industry the first year of operation. The reported figure of restaurants in America is nearly 1,000,000 with the average growth rate of 2% to 4% per year. Taking an average of 3% growth rate per year, 30,000 new restaurants are added every year in this industry. If the restaurant failure is recorded as 30% during the first year, then 9,000 restaurants fail every year in America. The average revenues per year per restaurant are about \$580,000. Then this would entail a potential loss of \$5.20 billion in the form of lost restaurant revenues to the national economy. This would be a loss of nearly 40,000 jobs per year. These facts clearly indicate that restaurant failures are a vital factor to consider for the impact is on the economy and the lives of American entrepreneurs.

In summary, a variety of factors have been identified as contributing to a restaurant's failure or success. The chef/owner must have a plan that focuses on all the areas of the restaurant and its functions, in addition to kitchen procedures. Through creativity and specialties a restaurant can develop popularity with the guests. The customers' likes can become profitable, and later the chef can use those likes as featured dishes. These featured dishes can then be introduced by the servers as chef recommendations. Samples could be offered to the guests. By serving them a free sample to try, the chef has acknowledged that the chef is aware that the

guests have chosen to dine in the restaurant, and that he or she wants to meet their needs.. The warm feeling of being welcomed is the over powering feeling that one remembers. The feeling of being special is what the average diner expects or needs. A meal should be a pleasant event, one that will be remembered and will encourage repeat business. Through the thorough training, coaching, and directing of staff and following up of all procedures, the chef/owner will build a team that will succeed. Through the following of the 12 Ps to brand the market of the restaurant so that it is known for its quality of product and service to the guests will cause it to succeed. The tracking of all the finances of the business with the (ROI) and the P&L Statements, the chef/owner knows exactly where they stand. These are solutions to resolve the major problems that can occur. One way to help know how to deal with the unexpected would be to observe local news and reviews from online sites of the guests' feedback. Follow up with online surveys or personal surveys. Keep up with special events that are in the area or surrounding areas. Never forget to offer promotional items to the guests for as a reward for repeat business.

Communication is something that needs to be in place at all times. An address or email is always useful for reaching your guests, and present a business card to the guest as they leave. Develop a website for the restaurant that includes its location, hours of operation, and the menu with prices as well as weekly promotions. If the chef/owner has adequate finances and plans for all of these discussed areas of his/her restaurant, his/her restaurant has a much better chance to succeed. Bon appetite!

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